Danica Corporation Holding A/S

Steensbjerg Industri Park, Påstrupvej 1, 3550 Slangerup

Company reg. no. 31 76 43 86

Annual report

1 January - 31 December 2016

The annual report have been submitted and approved by the general meeting on the 31 May 2017.

Per Bærke Nevermann
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Danica Corporation Holding A/S for the financial year 1 January to 31 December 2016.

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

We consider the accounting policies used appropriate, and in our opinion, the consolidated annual accounts and the annual accounts provide a true and fair view of the assets, the liabilities and the financial position, consolidated and for the company respectively as on 31 December 2016, and of the results of the activities, consolidated and of the company respectively and of consolidated cash flows in the financial year 1 January to 31 December 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Slangerup, 31 May 2017

Managing Director

Steffen Barke Nevermann
managing director

Board of directors

Per Barke Nevermann chairman	Steffen Barke Nevermann	Else Margrethe Nevermann
Tine Nevermann Tesdorpf	Nikolas Barke Nevermann	

Independent auditor's report

To the shareholders of Danica Corporation Holding A/S

Opinion

We have audited the consolidated annual accounts and the annual accounts of Danica Corporation Holding A/S for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes, consolidated and for the company respectively and consolidated cash flow statement. The consolidated annual accounts and the annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated annual accounts and the annual accounts give a true and fair view of the assets, liabilities and financial position, consolidated and for the company respectively at 31 December 2016 and of the results of the company's operations, consolidated and for the company respectively and of consolidated cash flows for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the consolidated annual accounts and the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the consolidated annual accounts and the annual accounts

The management is responsible for the preparation of consolidated annual accounts and annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of consolidated annual accounts and annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts and the annual accounts, the management is responsible for evaluating the group’s and the company’s ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the consolidated annual accounts and the annual accounts, unless the management either intends to liquidate the group or the company or to cease operations, or if it has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated annual accounts and the annual accounts

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

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts and the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 company's internal control.

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

- Conclude on the appropriateness of the management's preparation of the consolidated annual accounts and the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts and the annual accounts 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 company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the consolidated annual accounts and the annual accounts, including the disclosures in the notes, and whether the consolidated annual accounts and the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated annual accounts. 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the consolidated annual accounts and the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the consolidated annual accounts and the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the consolidated annual accounts and the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the consolidated annual accounts or the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Hillerød, 31 May 2017

Grant Thornton

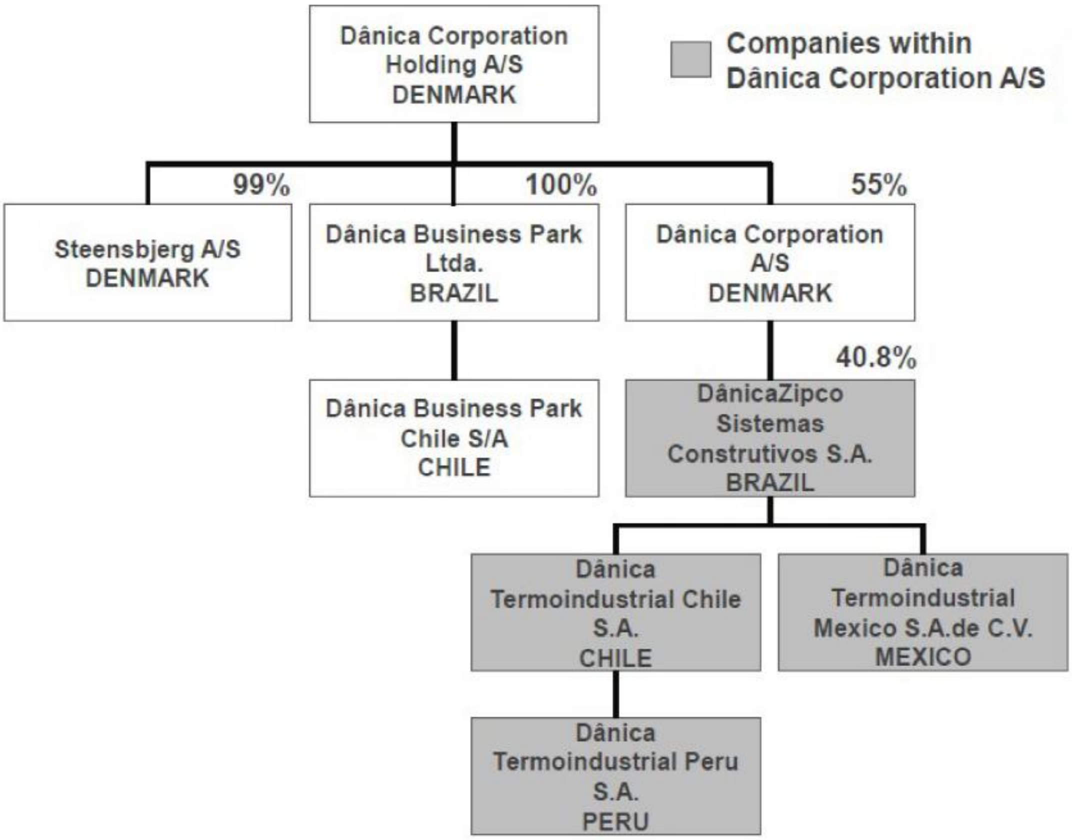
State Authorized Public Accountants
Company reg. no. 34 20 99 36

Claus Koskelin
State Authorised Public Accountant

Company data

The company	Danica Corporation Holding A/S Steensbjerg Industri Park Påstrupvej 1 3550 Slangerup	
	Company reg. no.	31 76 43 86
	Established:	1 July 2008
	Domicile:	Slangerup
	Financial year:	1 January - 31 December
Board of directors	Per Barke Nevermann, chairman Steffen Barke Nevermann Else Margrethe Nevermann Tine Nevermann Tesdorpf Nikolas Barke Nevermann	
Managing Director	Steffen Barke Nevermann, managing director	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Nordstensvej 11 3400 Hillerød	
Bankers	Handelsbanken A/S Banco do Brasil S/A Bradesco S/A Santander S/A	
Lawyer	Adlex Advokater Partnerselskab, Frederiksborggade 5A, 1360 Copenhagen	
Subsidiaries	Danica Corporation A/S, Slangerup, Denmark Steensbjerg A/S, Slangerup, Denmark Danica Business Park Administracao de Bens Ltda., Brasil	
Associated enterprise	DanicaZipco Sistemas Constructivos S.A., Brasil	

Koncernoversigt



Notes:

- 45% of Dânica Corporation A/S, Denmark, is owned equally by S.B.Nevermann Invest Aps, N.B.Nevermann Invest Aps and T.B.Nevermann Invest Aps, Denmark.
- In addition to Danica Corporation’s 40,8% share participation in DanicaZipco, the Nevermann family is holding 2,7%, totalling 43,5%.
- The subsidiaries of DânicaZipco, Dânica Nordeste and Dânica Centro-Oeste, were transformed into branch factories.

Consolidated financial highlights

DKK in thousands.	2016	2015	2014	2013	2012
Profit and loss account:					
Net turnover	7.997	349.894	906.435	778.269	938.379
Gross profit	7.467	63.473	216.219	115.486	152.238
Results from operating activities	4.035	25.990	83.469	14.352	43.721
Net financials	-27.889	-21.655	-53.618	-50.193	-52.012
Results for the year	-24.814	18.337	36.165	-17.550	5.554
Balance sheet:					
Balance sheet sum	151.489	158.056	687.907	647.532	778.361
Investments in tangible fixed assets represent	-8.693	-1.323	-4.965	-7.729	-17.950
Equity	89.045	106.243	133.505	115.742	113.733
Cash flow:					
Operating activities	10.691	28.576	22.419	35.800	-27.627
Investment activities	-41.785	17.358	3.534	-7.729	-17.950
Financing activities	14.333	-48.256	-24.352	-43.982	63.822
Employees:					
Average number of full time employees	0	735	757	805	1.052
Key figures in %:					
Profit margin	50,5	7,4	9,2	1,8	4,7
Solvency ratio	53,9	53,4	19,4	17,9	14,6

*) The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal 2015" ("Recommendations & Key Figures 2015") published by the CFA Society Denmark.

Management's review

The principal activities of the group

The main activity of the company is to hold 55% shareparticipation in Danica Corporation A/S, Denmark. The balance 45% is owned equaly by S.B. Nevermann Invest Aps, N. B. Nevermann Invest Aps and T. B. Nevermann Aps, Denmark. Furthermore, the company is investing in Real Estate in Denmark, Brazil and Chile.

Development in activities and financial matters

The results from ordinary activities after tax are t.DKK -11.645 against t.DKK 12.689 last year, negatively influenced by t.DKK -27.254 from Danica Corporation A/S's 40,8% ownership in DanicaZipco S.A., Brazil together with the investment company Pátria/Blackstone. Hereof the post-merger integration costs amounted to t.DKK 30.938, totally booked as expenses. Simultaneously the Brazilian economy entered in its worst recession due to impeachment of president Dilma, combined with government corruption scandals. The GDP for 2015 and 2016 reached -7,6%, reducing invoicing by t.DKK 150.000 = 21% to be recuperated only during 2nd half of 2017 and 2018.

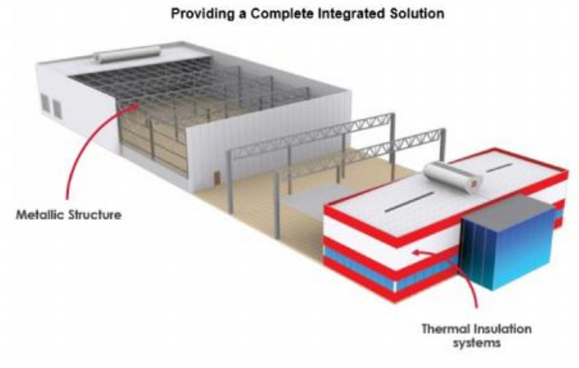
Post-merger integration

In July 2015, Dânica Termoindustrial Brasil S.A. completed the merger with Zipco S.A. creating DânicaZipco Sistemas Construtivos S.A., uniting businesses with complementary competences:

- Dânica: a Brazilian leader in production of thermal insulation panels and tiles, working mainly in the refrigerated chambers, supermarkets, industrial, residential and retail civil construction, clean rooms and marine & offshore segments.
- Zipco: focused on the production and assembly of metal structures and roofing for the construction industry.

DânicaZipco has as its market positioning to provide pre-engineered and pre-fabricated constructive solutions with standardized parts, which reduces: (1) the use of labor, (2) the execution time of the work and (3) waste (clean and dry construction).

The resulting company is the only one in the domestic market to offer an integrated solution for metallic structures and thermal insulation systems, which decreases the number of suppliers and reduces costs to the end customer.



Management's review

In 2016, the company was engaged in the Post-Merger Integration process, and managed to:

- Streamline processes and the Organizational Structure: one of the great benefits already captured by the Post-Merger Integration process was the Organizational Structure review based on the analysis of the company's key business processes, having the customer as a focal point and operation in the areas in a lean concept. This process managed to identify opportunities (already captured) of 9% in the total number of employees.
- Optimize the Administrative and Engineering Offices structure: in May 2016, the Administrative and Engineering offices structure optimization was finalized, consolidating the team in Joinville (DânicaZipco's new headquarters in Joinville/SC), closing the Nova Bassano (RS) office and transferring the purchasing and planning operational departments from São Paulo (SP) and Aparecida do Taboado (MS) to Joinville (SC) and keeping the São Paulo office to meet business demands. The goal was to centralize the " order-to-cash " process in Joinville (SC), except for production in their manufacturing plants.
- Optimize footprint: Since January 2016, the company could rely on the benefits of the transfer of the metallic structures manufacturing unit from Paulista/PE to Aparecida do Taboado/MS, where the main manufacturing plant of DânicaZipco is located, counting with a more strategic logistics position in relation to major markets in Brazil and ensuring a high scale and higher quality production. The investment in the expansion from 10,000 m2 to 16,000 m2 amounted to R$ 10 million, funded 80% by FCO (Center West Constitutional Financing Fund).

Management's review

- Expand the cross-sell strategy: one of the main pillars for the expansion of the cross-sell strategy was the structured redesign of the company's Go-to-Market. In addition to the gain derived from the unification of commercial offices, professionals were trained to work with cross-sell, so that the specialized assistance in both thermo-insulated panels as in metallic structures is offered to the customer by the same professional. Aligned with this effort, a Contract Management area was structured to serve customers with greater agility.
- Reduce expenses: throughout the year the company gradually followed the implementation of expense controls to capture the benefits and not impact the customer service level. In annualized terms, there was a decrease of R$ 9.5 MM in the 2016 expenses compared with 2015. In this first year, these reductions were impacted by the respective implementation cost. For 2017 the capture will be full.

The Subsidiaries

Dânica Business Park Ltda, Brazil, owned 100% by Danica Corporation Holding, has 15.000m2 office and Industrial buildings on a 45.000m2 land located at the center of the city Joinville, in Santa Catarina State, and its subsidiary Danica Business Park Chile S/A has 2.950m2 office and Industrial buildings on a 10.240m2 land located at the Industrial Park Los Libertadores Colina, Santiago.

Hereof 16.000m2 was rented out as per 31/12 2016 to 15 different companies, out of which Vompar/Coca-Cola and DanicaZipco was the main tennents.

Steensbjerg A/S invested in a new Manor House of 412m2 to its farm, maken it one of the most beautifull estates located at Nort Zeland, 30km from Copenhagen, which is the head office of the Danica group. In this connection, the share capital was increased from t.DKK 500 to t.DKK 5.500. The income is coming from renting out the land, hunting, moto cross and building facilities.

Danica Corporation Holding A/S owns directly 2 appartments of 172m2 and 135m2 respectively at “Det Blå Pakhus” at Toldbodgade 36, Copenhagen, located at the water front. The building was originally built as a warehouse in 1780 and is today a preserved apartment building.

Management's review

Danica Business Park Brasil

Lay-out Danica Business Park Brasil 15.000m² buildings on 45.000m² Land

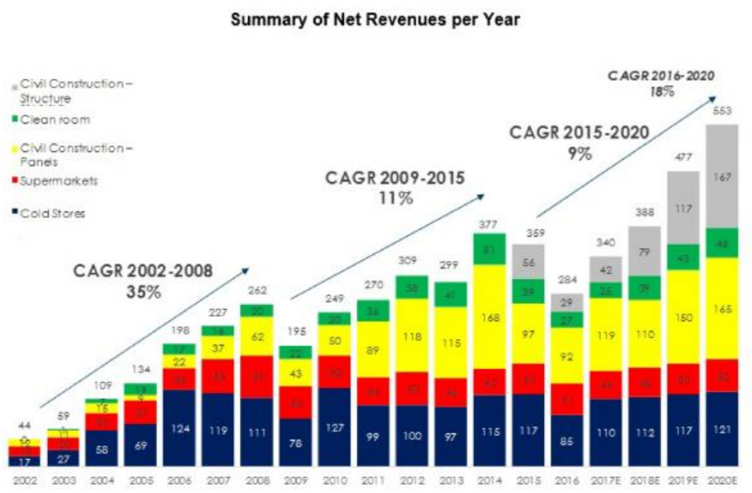
Steesbjerg A/S, Denmark – The Head quarter of the Group
2.224m² buildings on 850.000m² land (85ha)
The new Manor House was built in 2016

Danica Business Park Chile S/A
2.950m² buildings on 10.240m² land

Management's review

Main projects in 2017 and 2020 plan for DanicaZipco

2020 Strategy: The industrialized construction market had strong growth between 2002 and 2014 and has great growth prospects for the long term, respecting the cyclical market characteristics. The strategy is to focus on increasing operational efficiency and business performance, allowing the company to be better positioned and ready for the growth resumption, with an eye on the company's 2020 Strategic Plan, which includes possible M&A.



Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Statement of corporate social responsibility

Report on corporate social responsibility for the group covers the financial year 1 January – 31 December 2016.

Danica do not have any centrally determined policies covering corporate social responsibility, including human rights and climate impact, but may disclose the following:

Corporate Social Responsibility includes amongst others:

- Profit participation scheme to all employees
- Health insurance to all employees and their families at private doctors and on private hospitals
- 80% lunch subsidy
- 100% transport subsidy
- Career planning and scholarships
- Development of the society in developing States in corporation with the State Council

Target figures and policies for the under-represented sex

It is the board of director’s ambition that the under-represented gender should account for at least 25% of the management. The ambition is, that the target is reached within four years.

It is the groups policy to strive for an increased representation of the under-represented gender in connection with recruitment and promotion to managerial positions; however, always so that any position must be filled with the candidate best qualified, regardless of gender. The board of director’s oversees the observance of the policy.

The board of director’s has the responsibility for observing these policies when appointing members for the management.

The gender ratio in the board of director’s are 40% / 60% and therefore considered to be balanced, cf. the law. The group have therefore not made target figures and policies for the under-represented gender for the board of directors.

Accounting policies used

The annual report for Danica Corporation Holding A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

Changes in the accounting policies used

With effect as of 1 January 2016, the company has made an implementation of the Danish law no. 738 of 1 June 2015. This implies the following changes to the recognition and measurement of:

1 The amortisation period and the residual value of material assets were previously determined at the acquisition date. From now on it will be reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

None of the above changes has any monetary effect on the profit and loss account, on the balancesheet for 2016 or the comparative figures. The change has taken place in accordance with section 4 of the Danish Statutory Order no. 1849 of 15 December 2015.

None of the above changes has any monetary effect on the profit and loss account, on the balance sheet for 2016, or on the comparative figures.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the group is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the group is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

Accounting policies used

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

Accounting policies used

	31.12.2013	31.12.2014	31.12.2015	31.12.2016
DKK / BRL (Brasil)	2,3241	2,2978	1,7559	2,1671
DKK / PMX (Mexico)	0,4187	0,4167	0,3949	0,3415
DKK / USD (USA)	5,4127	6,1214	6,8561	7,0528
DKK / EUR (Europa)	7,4603	7,4436	7,4625	7,4344

The consolidated annual accounts

The consolidated annual accounts comprise the parent company Danica Corporation Holding A/S and those group enterprises of which Danica Corporation Holding A/S directly or indirectly owns more than 50 % of the voting rights or in other ways has controlling interest. As it appears from the group chart, enterprises of which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not controlling interest are considered associated enterprises.

By the consolidation, elimination of intercompany income and costs, shareholding, intercompany balances and dividends and realised and unrealised gains and losses from transactions among the consolidated enterprises takes place.

Equity interests in group enterprises are settled by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

Newly acquired or newly established enterprises are recognised in the consolidated annual accounts as of the date of acquisition. Disposed or terminated enterprises are recognised in the consolidated annual accounts until the date of disposal. In relation to newly acquired, disposed or terminated enterprises, comparative figures are not adjusted.

In connection with the acquisition of new enterprises, the acquisition method is applied, by which the acquirees' identifiable assets and liabilities are measured at fair value at the time of acquisition. Costs for restructuring which are recognised in the acquiree before the acquisition date and which have not been agreed upon as part of the acquisition, are recognised in the pre-acquisition balance sheet and thereby forms part of the measurement of goodwill. Restructuring decided by the acquiree is recognised in the profit and loss account. The tax effect of the revaluations carried out is taken into consideration.

Positive balances (goodwill) between cost and fair value of the acquired, identifiable assets and liabilities, including provisions for restructuring, are recognised under intangible fixed assets and in accordance with an individual evaluation allocated on a systematic basis over their useful lives in the profit and loss account. Negative balances (negative goodwill) is recognised as income in the profit and loss account at the date of acquisition when the general requirements for recognition of income are met.

Goodwill and negative goodwill from acquirees may be adjusted until 12 months after the acquisition.

Gains or losses from the disposal or termination of group enterprises or associated enterprises are recognised as the difference between the sales price or the termination sum and the book value of the net assets at the sales date and expected costs of sale or termination.

In case of business combinations such as acquisition and sale of equity investments, mergers, demergers, addition of assets and exchange of shares etc. with participation of enterprises under the control of the parent company, the book-value method is applied, in which case the merger is considered implemented at the date of acquisition without any restatement of the comparative figures. Differences between the agreed consideration and the book value of the acquiree are recognised in the equity.

Minority interests

The items of the group enterprises are recognised by 100 % in the consolidated annual accounts. The minority interests' proportionate share of the profit or loss and the equity of the group enterprises are adjusted annually, and they are recognised as a separate item below the profit and loss account and as a separate item in the balance sheet respectively.

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Contract work in progress concerning construction contracts is recognised concurrently in the net turnover with the progress of the production. Thus the net turnover corresponds to the sales value of the completed productions of the year (the production method). The net turnover is recognised when the total income and costs of the contract and the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the financial benefits will be received by the company.

When the results of a contract can not be determined reliably, the net turnover is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Rental income from investment property'

Rental income comprises income from the lease of property and from charged joint costs, and it is recognised in the profit and loss account for the period relating to the lease payment. Income from the heating account is recognised in the balance sheet as a balance among the lessees.

Accounting policies used

Production costs

The production costs comprise costs, including salaries, wages and depreciation, which are incurred in order to achieve the net turnover of the year. Trade enterprises recognise cost of sales, and manufacturing enterprises recognise production costs corresponding to the turnover of the year. These costs include direct and indirect costs for raw materials and consumables, salaries and wages, rent and leasing, and depreciation on the production plant.

Additionally, writedown in connection with expected losses on contracts are recognised.

Costs concerning investment property

Costs concerning investment property comprise operation costs, repair and maintenance costs, taxes, charges and other costs. Costs concerning the heating account are recognised in the balance sheet as a balance among the lessees.

Distribution costs

The distribution costs comprise costs which have been incurred for distribution of goods sold during the year and for sales campaigns carried out during the year. Additionally, costs for sales staff, costs for advertising and exhibitions, and depreciation are recognised in the profit and loss account.

Administration costs

Administration costs comprise costs which have been incurred during the year for management and administration, including costs for the administrative staff, the executive board, offices, stationery and office supplies, and depreciation.

Other operating income/costs

Other operating income and costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investments in group enterprises and associated enterprise

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

Accounting policies used

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the associated enterprise is recognised in the profit and loss account at a proportional share of the associated enterprise's results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The parent enterprise and the Danish group enterprises are subject to the Danish rules on compulsory joint taxation of the consolidated Danish enterprises. The parent enterprise acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Accounting policies used

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Property	30 years
Other plants, operating assets, fixtures and furniture	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the group holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The group's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

Accounting policies used

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Financial fixed assets

Equity investments in group enterprises and associated enterprise

Equity investments in group enterprises and associated enterprise are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises and associated enterprise are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises and associated enterprise.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises and associated enterprise are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

Accounting policies used

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and associated enterprise, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Other securities and equity investments

Securities and equity investments recognised under fixed assets comprise listed bonds and shares which are measured at fair value on the balance sheet date. Listed securities are measured at market price.

Other unlisted securities are measured at cost. Writedown takes place to the recoverable amount, if this value is lower than the book value.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates. It is not possible to recognise the reserves with a negative amount.

Accounting policies used

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Danica Corporation Holding A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Danica Corporation Holding A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or “Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

The cash flow statement

The cash flow statement shows the cash flow of the group for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

Segment information

Information on activity and geographical markets is provided. The segment information follows the consolidated accounting policies, risks and internal financial control systems.

Profit and loss account 1 January - 31 December

DKK in thousands.

Note		Group 2016	Group 2015	Parent enterprise 2016	Parent enterprise 2015
1	Net turnover	7.997	349.894	444	355
	Production costs	-530	-286.421	-244	-309
	Gross results	**7.467**	**63.473**	**200**	**46**
	Distribution costs	0	-20.006	0	0
	Administration costs	-2.940	-14.045	-21	-80
	Other operating income	0	182	0	0
	Other operating costs	-492	-3.614	0	0
	Operating profit	**4.035**	**25.990**	**179**	**-34**
	Income from equity investments in group enterprises	0	39.565	-11.722	12.575
	Income from equity investment in associated enterprise	-27.254	-14.073	0	0
	Other financial income from group enterprises	0	0	0	114
	Other financial income	359	3.127	135	932
2	Other financial costs	-994	-50.274	-237	-898
	Results before tax	**-23.854**	**4.335**	**-11.645**	**12.689**
	Tax on ordinary results	-960	14.002	0	0
	Results for the year	**-24.814**	**18.337**	**-11.645**	**12.689**
	Koncernens resultat fordeler sig således:				
	Shareholders in Danica Corporation Holding A/S	-12.291	12.687		
	Minority interests	-12.523	5.650		
		-24.814	**18.337**		

Proposed distribution of the results:

	Parent enterprise 2016	Parent enterprise 2015
Allocated to results brought forward	0	12.689
Allocated from results brought forward	-11.645	0
Distribution in total	**-11.645**	**12.689**

Balance sheet 31 December

DKK in thousands.

Note	Assets	Group 2016	Group 2015	Parent enterprise 2016	Parent enterprise 2015
	Fixed assets				
3	Land and property	102.828	91.580	9.701	9.737
4	Other plants, operating assets, and fixtures and furniture	673	362	0	0
5	Tangible assets under construction	7.937	387	0	0
	Tangible fixed assets in total	111.438	92.329	9.701	9.737
6	Equity investments in group enterprises	0	0	79.843	82.673
	Amounts owed by group enterprises	0	0	4.880	9.728
7	Equity investment in associated enterprise	26.672	22.419	0	0
	Other securities and equity investments	0	97	0	0
	Financial fixed assets in total	26.672	22.516	84.723	92.401
	Fixed assets in total	**138.110**	**114.845**	**94.424**	**102.138**
	Current assets				
	Trade debtors	24	138	0	65
	Amounts owed by group enterprises	0	0	8.945	4.202
	Amounts owed by associated enterprises	4.655	17.551	0	0
8	Deferred tax assets	904	1.129	0	0
	Receivable corporate tax	72	465	0	0
	Other debtors	5.987	5.844	5.264	5.234
9	Accrued income and deferred expenses	416	2	0	0
	Debtors in total	12.058	25.129	14.209	9.501
	Available funds	1.321	18.082	74	27
	Current assets in total	**13.379**	**43.211**	**14.283**	**9.528**
	Assets in total	**151.489**	**158.056**	**108.707**	**111.666**

Balance sheet 31 December

DKK in thousands.

Note	Equity and liabilities	Group 2016	Group 2015	Parent enterprise 2016	Parent enterprise 2015
	Equity				
	Contributed capital	650	650	650	650
	Results brought forward	80.951	83.775	80.485	83.775
	Equity before non-controlling interest.	81.601	84.425	81.135	84.425
	Minority interests	7.444	21.818	0	0
	Equity in total	**89.045**	**106.243**	**81.135**	**84.425**
	Provisions				
10	Provisions for deferred tax	17.755	14.972	0	0
	Provisions in total	**17.755**	**14.972**	**0**	**0**
	Liabilities				
	Subordinate loan capital	19.927	19.927	17.633	17.633
	Mortgage debt	12.741	12.787	6.744	6.770
	Debt to associated enterprises	0	1.111	0	0
	Other debts	52	118	0	0
	Long-term liabilities in total	32.720	33.943	24.377	24.403
11	Short-term part of long-term liabilities	0	244	0	0
	Bank debts	611	0	0	0
	Trade creditors	154	94	0	0
	Debt to group enterprises	0	0	886	860
	Corporate tax	670	353	0	0
	Other debts	10.534	2.207	2.309	1.978
	Short-term liabilities in total	11.969	2.898	3.195	2.838
	Liabilities in total	**44.689**	**36.841**	**27.572**	**27.241**
	Equity and liabilities in total	**151.489**	**158.056**	**108.707**	**111.666**

Balance sheet 31 December

DKK in thousands.

Note	**Equity and liabilities**	Group 2016	Group 2015	Parent enterprise 2016	Parent enterprise 2015
12	**Staff matters**				
13	**Fee, auditor**				
14	**Mortgage and securities**				
15	**Contingencies**				

Consolidated statement of changes in equity

DKK in thousands.

	Contributed capital	Results brought forward	Minority interests	In total
Equity opening balance	650	93.015	39.840	133.505
Profit or loss for the year brought forward	0	12.689	5.650	18.339
Equity adjustment	0	-4.960	-9.027	-13.987
Currency adjustment	0	-16.969	0	-16.969
Disposals concerning company transfer	0	0	-14.645	-14.645
Equity opening balance	650	83.775	21.818	106.243
Profit or loss for the year brought forward	0	-12.293	-12.523	-24.816
Equity adjustment	0	-943	-1.851	-2.794
Currency adjustment	0	10.412	0	10.412
	650	**80.951**	**7.444**	**89.045**

Statement of changes in equity of the parent enterprise

DKK in thousands.

	Contributed capital	Results brought forward	In total
Equity opening balance	650	93.014	93.664
Profit or loss for the year brought forward	0	12.689	12.689
Equity adjustment	0	-4.960	-4.960
Currency adjustment	0	-16.968	-16.968
Equity opening balance	650	83.775	84.425
Profit or loss for the year brought forward	0	-11.645	-11.645
Equity adjustment	0	-943	-943
Currency adjustment	0	9.298	9.298
	650	**80.485**	**81.135**

Cash flow statement 1 January - 31 December

DKK in thousands.

Note		Group 2016	2015
	Results for the year	-24.814	18.337
16	Adjustments	29.276	8.637
17	Change in working capital	6.866	48.747
	Cash flow from operating activities before net financials	11.328	75.721
	Interest received and similar amounts	357	3.129
	Interest paid and similar amounts	-994	-50.274
	Cash flow from ordinary activities	10.691	28.576
	Cash flow from operating activities	**10.691**	**28.576**
	Purchase of tangible fixed assets	-8.693	-1.323
	Sale of tangible fixed assets	0	18.778
	Purchase of financial fixed assets	-33.092	-97
	Dividends received	0	0
	Cash flow from investment activities	**-41.785**	**17.358**
	Payments to/from other credit institutions	321	-8.559
	Payments to/from group debt/recivables	11.785	0
	Currency adjustments	2.227	-39.697
	Cash flow from financing activities	**14.333**	**-48.256**
	Changes in available funds	**-16.761**	**-2.322**
	Available funds opening balance	18.082	20.404
	Available funds closing balance	**1.321**	**18.082**

		2016	2015
	Available funds		
	Available funds	1.321	18.082
	Available funds closing balance	**1.321**	**18.082**

Notes

DKK in thousands.

1. Net turnover

Activities (Group)

	Property leasing		In total
Geography (Group)	7.995	2	7.997

	Denmark	Brasil		In total
	809	7.186	2	7.997

	Group 2016	Group 2015	Parent enterprise 2016	Parent enterprise 2015
2. Other financial costs				
Other financial costs and exchange loss	994	50.274	237	898
	994	**50.274**	**237**	**898**

Notes

DKK in thousands.

		Group		Parent enterprise	
		31/12 2016	31/12 2015	31/12 2016	31/12 2015
3.	**Land and property**				
	Cost opening balance	87.589	143.268	10.142	10.096
	Translation by use of the exchange rate valid on balance sheet date closing balance	12.272	-17.736	0	0
	Additions concerning company transfer	0	-38.763	0	0
	Additions during the year	839	820	68	46
	Disposals during the year	-645	0	0	0
	Cost closing balance	**100.055**	**87.589**	**10.210**	**10.142**
	Revaluation opening balance	10.180	10.180	0	0
	Revaluation closing balance	**10.180**	**10.180**	**0**	**0**
	Depreciation and writedown opening balance	-6.189	-10.388	-405	-303
	Translation by use of the exchange rate valid on balance sheet date closing balance	-880	1.311	0	0
	Depreciation for the year	-338	-984	-104	-102
	Depreciation, amortisation and writedown for the year, assets disposed of	0	0	0	0
	Reversal of depreciation, amortisation and writedown, assets disposed of	0	3.872	0	0
	Depreciation and writedown closing balance	**-7.407**	**-6.189**	**-509**	**-405**
	Book value closing balance	**102.828**	**91.580**	**9.701**	**9.737**

The value according to public land assesment for Danish property totals DKK 13,80 million against book value of DKK 26,00 million including DKK 10,18 million reserve for Steensbjerg's 85 HA land and buildings.

Notes

DKK in thousands.

		Group	
		31/12 2016	31/12 2015
4.	**Other plants, operating assets, and fixtures and furniture**		
	Cost opening balance	1.722	17.112
	Translation by use of the exchange rate valid on balance sheet date closing balance	386	-1.390
	Additions concerning company transfer	0	-14.674
	Additions during the year	304	426
	Transfers	0	248
	Cost closing balance	**2.412**	**1.722**
	Amortisation and writedown opening balance	-1.360	-13.014
	Translation by use of the exchange rate valid on balance sheet date closing balance	-290	1.069
	Depreciation, amortisation and writedown for the year, assets disposed of	-89	10.833
	Transfer	0	-248
	Amortisation and writedown closing balance	**-1.739**	**-1.360**
	Book value closing balance	**673**	**362**
5.	**Tangible assets under construction**		
	Cost opening balance	387	2.992
	Translation by use of the exchange rate valid on balance sheet date closing balance	0	-165
	Additions concerning company transfer	0	-2.517
	Additions during the year	7.550	77
	Cost closing balance	**7.937**	**387**
	Book value closing balance	**7.937**	**387**

Notes

DKK in thousands.

		Parent enterprise 31/12 2016	31/12 2015
6.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance opening balance	152.890	152.890
	Additions during the year	5.000	0
	Cost closing balance	**157.890**	**152.890**
	Revaluations, opening balance opening balance	-70.217	-60.863
	Translation by use of the exchange rate valid on b	9.298	-16.968
	Results for the year before goodwill amortisation	-12.370	12.574
	Dividend	-4.463	0
	Other movements in capital	-295	-4.960
	Revaluation closing balance	**-78.047**	**-70.217**
	Book value closing balance	**79.843**	**82.673**

The financial highlights for the enterprises according to the latest approved annual reports

DKK in thousands	**Share of ownership**	**Equity**	**Results for the year**	**Book value at Danica Corporation Holding A/S**
Danica Corporation A/S, Slangerup, Denmark	55 %	17.365	-27.792	9.551
Steensbjerg A/S, Slangerup, Denmark	99,09 %	21.723	-169	19.314
Danica Business Park Administracao de Bens Ltda., Brasil	99,99 %	50.983	3.296	50.978
		90.071	**-24.665**	**79.843**

Notes

DKK in thousands.

	Group 31/12 2016	Group 31/12 2015
7. Equity investment in associated enterprise		
Acquisition sum, opening balance opening balance	22.273	0
Transfer from group enterprises	0	22.273
Additions during the year	33.092	0
Cost closing balance	**55.365**	**22.273**
Revaluation, opening balance opening balance	146	0
Transfer from group enterprises	0	18.796
Translation by use of the exchange rate valid on balance sheet date	129	-5.922
Results for the year before goodwill amortisation	-27.254	-14.073
Other movements in capital	-1.714	1.345
Revaluation closing balance	**-28.693**	**146**
Book value closing balance	**26.672**	**22.419**

The financial highlights for the enterprise according to the latest approved annual report

DKK in thousands	**Share of ownership**	**Equity**	**Results for the year**	**Book value at Danica Corporation Holding A/S**
DanicaZipco Sistemas Constructivos S.A., Brasil	40,81 %	65.355	-76.410	26.672

8. Deferred tax assets

The group has a deferred tax asset in 2016 on t.DKK 904 (2015: t.DKK 1.129). The deferred tax asset regards the subsidiary Danica Business Park Administracao de Bens Ltda.

The management believes that the deferred tax asset arising from temporary differences will be realized in the final resolution of congencies and events. Still, based on projections of taxable income, the company and its subsidiaries expect to recover the deferred tax asset on a tax loss carry forward in future years.

Notes

DKK in thousands.

		Group 31/12 2016	Group 31/12 2015
9.	**Accrued income and deferred expenses**		
	Advanced payments suppliers	416	2
		416	**2**

		31/12 2016	31/12 2015
10.	**Provisions for deferred tax**		
	Provisions for deferred tax opening balance	14.972	2.085
	Deferred tax of the results for the year	2.783	12.887
		17.755	**14.972**

11. Liabilities

	Instalments first year	**Outstanding debt after 5 years**	**Debt in total 31 Dec 2016**	**Debt in total 31 Dec 2015**
Subordinate loan capital	0	0	17.633	17.633
Mortgage debt	0	5.880	6.744	6.770
	0	**5.880**	**24.377**	**24.403**

Group

	Instalments first year t.kr.	**Outstanding debt after 5 years t.kr.**	**Debt in total 31 Dec 2016 t.kr.**	**Debt in total 31 Dec 2015 t.kr.**
Subordinate loan capital	0	0	19.927	19.927
Mortgage and financing loans	0	5.880	12.741	13.031
Debt to associated enterprises	0	0	0	1.111
Other debts	0	0	52	118
	0	**5.880**	**32.720**	**34.187**

Notes

DKK in thousands.

	Group 2016	2015
12. Staff matters		
Salaries and wages	0	27.681
Pension costs	0	8.897
Other costs for social security	0	3.106
	0	**39.684**
Average number of employees	0	735
13. Fee, auditor		
Total fee for Grant Thornton, Adviser and Mazars	80	173
Fee concerning compulsory audit	80	173
	80	**173**

14. Mortgage and securities

As security for mortgage debts, t.DKK 12.741, mortgage has been granted on land and property representing a book value of t.DKK 102.828 at 31 December 2016

15. Contingencies

Contingent liabilities

The Danish companies deferred tax asset is DKK 0,6 million and is not included in the balance sheet.

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

Notes

DKK in thousands.

. **Contingencies (continued)**

Joint taxation (continued)

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of t.DKK 0.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

	Group 2016	2015
16. Adjustments		
Depreciation and amortisation	427	984
Income from equity investments in group enterprises	0	-39.565
Income from equity investment in associated enterprise	27.254	14.073
Other financial income	-359	-3.127
Other financial costs	994	50.274
Tax on ordinary results	960	-14.002
	29.276	**8.637**

	Group 2016	2015
17. Change in working capital		
Change in inventories	0	-99
Change in debtors	-346	41.294
Change in trade creditors and other liabilities	7.212	7.552
	6.866	**48.747**