

Drees & Sommer Nordic A/S

Wildersgade 10 B, 2., København K 1408

**Central Business Registration no.
33 07 11 91**

**Annual Report for the period
1 January - 31 December**

The Annual Report was presented
and adopted at the Annual General
Meeting of the Company on 29/03
2017



Chairman of the Meeting

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Statement by Management on the annual report

The Executive and Supervisory Boards have today discussed and approved the annual report of Drees & Sommer Nordic A/S for the financial year 1 January - 31 December 2016.

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

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


In our opinion, Management's review includes a fair review of the matters dealt with in the Management's review

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 29 March 2017

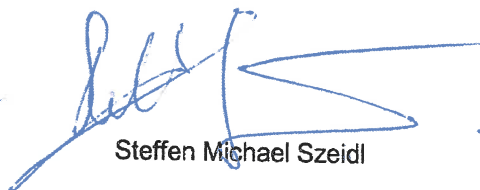
Executive Board


Sebastian Lundholm Petersen


Carsten Hydebrandt

Supervisory Board


Phillip Goltermann


Steffen Michael Szeidl


Peter Tzeschlock

Independent Auditor's Report

To the shareholder of Drees & Sommer Nordic A/S

Statement of extended review on the Financial Statements

We have performed an extended review of the accompanying financial statements of Drees & Sommer Nordic A/S for the financial year 1 January - 31 December 2016. The accompanying financial statements, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies, are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our extended review in accordance with the Danish Business Authority's assurance standard for small entities and FSR - danske revisorer's standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act.

This requires us to comply with the Danish Act on Approved Auditors and Audit Firms and FSR - danske revisorer's Code of Ethics and perform procedures in order to obtain limited assurance for our conclusion on these Financial Statements, and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

An extended review of financial statements includes procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit and accordingly we do not express an audit opinion on these financial statements.

Independent Auditor's Report

Opinion

Based on the work performed it is our opinion that these financial statements give a true and fair view of the company's assets, liabilities and financial position as at December 31, 2016 and of its financial performance for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

Emphasis of matters in regard to the extended review

As of 31 December 2016 the company has a receivable of DKK 80 thousand against one of the members of the board of directors. The company's loan is in violation of section 210 of the companies Act and the management of the company might be held responsible.

Statement on Management's review

Management is responsible for Management's Review.

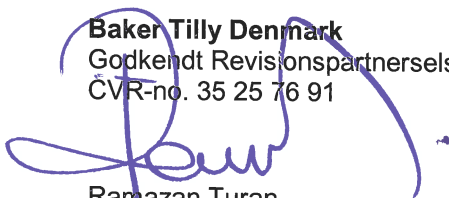
Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our review 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 review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act. Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 29. March 2017

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
CVR-no. 35 25 76 91



Ramazan Turan
State Authorised Public Accountant

Company details

The Company	Drees & Sommer Nordic A/S Wildersgade 10 B, 2. København K 1408
	CVR no.: 33 07 11 91 Reporting period: 1 January - 31 December Incorporated: 22. July 2010 Domicile: Copenhagen
Supervisory Board	Phillip Goltermann, General partner, General partner Steffen Michael Szeidl, General partner, General partner Peter Tzeschlock, General partner
Executive Board	Sebastian Lundholm Petersen Carsten Hyldebrandt
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby
Lawyer	Bech-Bruun International A/S Langelinie Alle 35 2100 Copenhagen
Bank	Nordea Bank Danmark A/S

Management's review

Main activities

The main activity is to provide services such as project management, building technology and business advice as well as other company activity that are associated with that, especially in Scandinavia.

Business review

The Company's income statement for the year ended 31 December shows a loss of DKK 3.023.564, and the balance sheet at 31 December 2016 shows negative equity of DKK 14.134.667.

The year 2016 was marked by the replacement of key employees furthermore some employees were on maternity leave. The Company hired external consultants, to solve the ongoing projects, which resulted in double cost.

Material assumptions and uncertainties

Capital position

The company's income statement for the year ended 31. December 2016 show a loss of DKK 3.023.564. The Parent Company, Drees & Sommer AG, has informed Management in writing that they will provide financial support to Drees & Sommer Nordic A/S Until 29.3.2018 with the funds necessary for the company to pay its liabilities as they fall due. It is the management's expectation to re-establish the lost shareholders' funds by future positive cash flows. On that basis, it is the management's opinion that the company is going concern.

On this basis, Management finds it reasonable to present the annual report on a going concern basis.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the group's and the parent company's financial position.

Income statement 1 January - 31 December

	Note	2016	2015
		DKK	DKK
Gross profit		2.424.219	2.801.536
Staff costs	2	-5.183.875	-3.308.024
Earnings Before Interest Taxes Depreciation and Amortization		-2.759.656	-506.488
Depreciation of property, plant and equipment		-42.236	-82.074
Profit/loss before financial income and expenses		-2.801.892	-588.562
Financial income		0	2.629
Financial costs		-221.672	-169.304
Profit/loss before tax		-3.023.564	-755.237
Tax on profit/loss for the year	3	0	0
Net profit/loss for the year		-3.023.564	-755.237
Proposed distribution of profit			
Retained earnings		-3.023.564	-755.237
		-3.023.564	-755.237

Balance sheet 31 December

	Note	2016 DKK	2015 DKK
Assets			
Other fixtures and fittings, tools and equipment		14.339	28.545
Leasehold improvements		56.886	68.907
Tangible assets	4	<u>71.225</u>	<u>97.452</u>
Other receivables		0	45.916
Deposits		1.268	2.600
Fixed asset investments		<u>1.268</u>	<u>48.516</u>
Total fixed assets		<u>72.493</u>	<u>145.968</u>
Trade receivables		5.184.652	1.146.794
Contract work in progress	5	0	94.045
Receivable from related parties		77.541	29.800
Receivable from shareholders and Management		80.092	0
Prepayments		64.962	60.556
Receivables		<u>5.407.247</u>	<u>1.331.195</u>
Cash at bank and in hand		<u>854.215</u>	<u>810.244</u>
Current assets total		<u>6.261.462</u>	<u>2.141.439</u>
Assets total		<u><u>6.333.955</u></u>	<u><u>2.287.407</u></u>

Balance sheet 31 December

	Note	2016	2015
		DKK	DKK
Liabilities and equity			
Share capital		500.000	500.000
Retained earnings		-14.634.667	-11.611.103
Total equity		<u>-14.134.667</u>	<u>-11.111.103</u>
Other credit institutions		76.823	21.669
Trade payables		1.298.285	620.531
Payables to related parties		17.086.229	11.883.369
Other payables		2.007.285	792.941
Deferred income		0	80.000
Short-term debt		<u>20.468.622</u>	<u>13.398.510</u>
Debt total		<u>20.468.622</u>	<u>13.398.510</u>
Liabilities and equity total		<u><u>6.333.955</u></u>	<u><u>2.287.407</u></u>
Uncertainty about the continued operation (going concern)	1		
Contingent assets, liabilities and other financial obligations	6		

Equity

	<u>Share capital</u>	<u>Retained</u>	<u>I alt</u>
	DKK	earnings	DKK
		DKK	DKK
Equity at 1 January	500.000	-11.611.103	-11.111.103
Net profit/loss for the year	0	-3.023.564	-3.023.564
Equity at 31 December	500.000	-14.634.667	-14.134.667

Notes to the Annual Report

1 Uncertainty about the continued operation (going concern)

The Parent Company, Drees & Sommer AG, has informed Management in writing that they will provide financial support to Drees & Sommer Nordic A/S until 29.03.2018 with the funds necessary for the company to pay its liabilities as they fall due.

	<u>2016</u>	<u>2015</u>
	DKK	DKK
2 Staff costs		
Wages and salaries	5.151.559	3.277.862
Other social security costs	<u>32.316</u>	<u>30.162</u>
	<u>5.183.875</u>	<u>3.308.024</u>
Average number of employees	<u>14</u>	<u>11</u>

3 Tax on profit/loss for the year

The company has a not booked deferred tax asset at DKK 667k, which incumbent to a tax loss carried forward.

4 Tangible assets

	<u>Other fixtures and fittings, tools and equipment</u>	<u>Leasehold improvements</u>
	DKK	DKK
Cost at 1 January	357.585	132.210
Additions for the year	<u>16.010</u>	<u>0</u>
Cost at 31 December	<u>373.595</u>	<u>132.210</u>
Impairment losses and depreciation at 1 January	329.041	63.303
Depreciation for the year	<u>30.215</u>	<u>12.021</u>
Impairment losses and depreciation at 31 December	<u>359.256</u>	<u>75.324</u>
Carrying amount at 31 December	<u>14.339</u>	<u>56.886</u>

Notes to the Annual Report

	<u>2016</u> DKK	<u>2015</u> DKK
5 Contract work in progress		
Work in progress, selling price	<u>0</u>	<u>94.045</u>
	<u><u>0</u></u>	<u><u>94.045</u></u>

6 Contingent assets, liabilities and other financial obligations

Unrecognised rental and lease commitments

The company has a non-recognized rent commitments amounting DKK 103k at 31.12.2016

Accounting policies

The annual report of Drees & Sommer Nordic A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities, with additions from a higher class.

The accounting policies applied are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report are presented and which confirm or invalidate matters existing at the balance sheet date.

Resultatopgørelsen

Revenue

Revenue from the sale of services is recognised in the income statement, when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Accounting policies

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of other fixtures and fittings, tools and equipment and leasehold improvements.

Financial income and expenses

Financial income and expenses include interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, as well as extra payments and repayment under the on account taxation scheme.

Balance sheet

Tangible assets

Items of tangible assets are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5	years
Leasehold improvements	10	years

Assets costing less than DKK 12.900 are expensed in the year of acquisition.

Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Accounting policies

Investments in subsidiaries and associates

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

Contract work in progress

Contract work in progress is measured at the selling price of the work and the work performed less amounts invoiced on account for the individual contract work.

Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, reconstructions, etc. Provisions are recognised when as a result of a past event the company's has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at fair value.

Income tax and deferred tax

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

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

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

Accounting policies

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual finance lease commitment.

Other financial liabilities are measured at amortised cost, which is usually equivalent to nominal value.