HC TopCo A/S

Plutovej 3, DK-8700 Horsens

CVR no. 33 59 29 81

Financial statements for the year ended 31 December 2015

Approved at the Company's annual general meeting on 31 May 2016

Chairman:

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of HC TopCo A/S for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

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

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

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

Horsens, 31 May 2016
Executive Board:

Steffen Martin Baungaard CEO	Jesper Svendsen

Board of Directors:

Mads Munkholt Ditlevsen Chairman	Andreas Karl Aschenbrenner	Allan Lindhardt Jørgensen

Independent auditors' report

To the shareholders of HC TopCo A/S

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

We have audited the financial statements of HC TopCo A/S for the financial year 1 January - 31 December 2015, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the company. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Management's responsibility for the financial statements and the parent company financial statements

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

Auditors' responsibility

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

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

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2015 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Independent auditors' report

Statement on the Management's review

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

Aarhus, 31 May 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Steen Skorstengaard State Authorised Public Accountant	Lone Nørgaard Eskildsen State Authorised Public Accountant

Management's review

The Group's key activities

The Group's primary activities include the construction and sale of houses, primarily single-family houses at the customers own account in Denmark, Sweden and Germany.

Group structure and new owner

In the financial year, EQT acquired HC TopCo A/S, via the company Diego HC A/S - closing date was 18 August 2015. Diego HC TopCo A/S, which is the ultimate parent company of the Group and owned by EQT's foundation VI, is the owner of Diego HC A/S.

The new ownership is positive seen in relation to the Company's strategy for which growth and continued focus on the customers will still be decisive to the Company's development.

As the closing date was 18 August 2015, Diego HC TopCo A/S, presented financial statements for the four-month period 1 September 2015 - 31 December 2015. A purchase price allocation has been made into the relevant assets, just as the depreciation policy has been determined for the various assets. Goodwill is allocated into the relevant CGUs, which are determined to be country level.

In this review we have primarily commented on the operational elements in HusCompagniet Group.

Development in activities and business conditions

Development of the market in 2015

In recent years, the building industry in the countries in which the Group is represented has been affected by the global crisis. This worsened the housing market conditions as banks and mortgage credit institutions tightened the lending requirements while house buyers became more cautious. HusCompagniet has in this period maintained its position in Denmark as the largest constructor of single-family houses.

HusCompagniet notes that the Danish market for single-family houses showed a moderate growth in 2015 compared to 2014 but the market remains low after the financial crisis. The markets in Germany and Sweden for 2015 are estimated to be in line with 2014.

Development of the business in 2015

As in recent years, 2015 showed continued progress. The Group handed over 1,151 houses compared to 1,010 houses in 2014, and revenue totalled DKK 2,228 million compared to DKK 1,775 million in 2014, an increase of DKK 453 million, corresponding to 26% for the full year 2015.

The volume of orders of HusCompagniet at 31 December 2015 was higher than at 31 December 2014, and is deemed to form a sound basis for further growth in 2016.

The Group generated an operating profit before depreciation and amortisation, interest and special items in 2015 (EBITDA) of DKK 229 million (2014: DKK 189 million) in accordance with IFRS accounting policies, which is considered satisfactory.

The Company incurred non-recurring special costs of DKK 30 million (2014: DKK 0 million), which are deemed to be extraordinary costs. The costs are directly or indirectly related to the acquisition of HC TopCo A/S by Diego HC A/S (EQT VI), primarily organisational costs and advisory services costs.

The profit for 2015 showed a positive cash flow from operations of DKK 118 million (2014: DKK 235 million).

Management's review

In 2012, HusCompagniet established a branch in Handewitt, Germany. The expansion in Germany continued in 2014 and another branch was established in Neumünster, which is the Group's largest branch. In 2015, yet another branch was opened in Hamburg, and the Group now has three branches in Germany.

There is considerable interest for HusCompagniet's houses in Germany and long-term prospects are promising. In 2015, sales in Germany showed an upward trend and the level is satisfactory.

In Sweden, the Group is still working from the branches in Malmö and Gothenburg. Focus on the market surrounding Gothenburg has been intensified, and the Group expects this branch to make a higher contribution to growth in Sweden.

Overall, Management considers the profit realised in 2015 satisfactory.

The Group's market share in Denmark is deemed to be 20% - 30% at present.

Financing

The Group's solvency ratio is 51% and the cash balance is DKK 262 million. Furthermore, the Group has drawing rights through revolving credit facilities in the Group's bank of DKK 200 million. See "Financial risks" for more details.

As part of the financing of Diego HC's purchase of HusCompagniet group, two long-term loans with a total principal amount of DKK 900 million have been taken.

Uncertainty of recognition and measurement

The Group's holding of land plots is valued at the lower of cost and net realisable value. In general, the land is developed by HusCompagniet before start-up of the building projects, and the individual plots are assessed individually.

Employee relations

In 2015 new employees were hired, which has strengthened the Group's knowledge base and qualifications. During the year, capacity adjustments were made to reflect the level of activities.

Average number of employees 2014	231
Average number of employees 2015	260

In order to deliver competitive products at a fair price and of good quality, it is decisive that the Group is able to recruit and retain its employees.

Events after the balance sheet date

No events have occurred after the balance sheet date which may materially affect the Company's financial position and thereby the assessment of the annual report.

Expected development

In 2016, Management expects revenue to grow in line with the market. Expected earnings are still affected by the investments made and costs incurred in connection with HusCompagniet's expansion in the Swedish and German markets.

Management's review

Corporate governance

Diego HC TopCo's Board of Directors and Executive Board always aim at ensuring that the Group's management structure and control systems are appropriate and function satisfactorily. Management assesses on an ongoing basis whether this is the case.

Management's tasks are among other things based on the Danish Companies Act, the Danish Financial Statements Act, IFRS, the Company's Articles of association and ethical guidelines as well as good practice for enterprises of the same size and with the same reach as HusCompagniet. Furthermore being owned by a private equity fund, the Company complies with DVCA's guidelines on responsible ownership and corporate governance. Based on this, a number of internal procedures have been developed and they are regularly updated in order to ensure an active, safe and profitable management of the Group.

Risks

General risks

The most significant operating risk of the Company relates to general development in macroeconomics, market conditions, primarily the number of new single-family houses built.

Financial risks

Due to its operations, investments and financing, the Group is exposed to changes in interest rates. The parent company manages the Group's financial risks centrally and coordinates the Group's cash management, including new funding and placement of excess liquidity. The Group follows a finance policy approved by the Board of Directors which operates with a low risk profile; accordingly interest and credit risks only arise from commercial activities.

Management assesses on a regular basis whether the Group's capital structure is adequate.

Subsequent to EQT VI's acquisition of the Group, Diego HC A/S became the owner of HC TopCo A/S. As a part of the new ownership new interest-bearing loans have been taken in Diego HC A/S.

No changes to the Group's guidelines and procedures for management of the capital structure and the administration hereof have been made in 2015.

Statutory report on corporate social responsibility

Statutory report on corporate social responsibility in accordance with section 99a of the Danish Financial Statements Act.

Customer confidence, security and satisfaction are key issues for HusCompagniet. Operating in the building industry, HusCompagniet has to comply with various legislation and a number of rules that put high demands on the Company in all phases of the building process, ranging from the contract with the customer to working environment at the building site and from indoor climate of the house to energy consumption.

HusCompagniet supports such regulations that provide more security and satisfaction to the customers and a better working place for its employees and sub-suppliers. HusCompagniet operates within the rules and regulations in force at all times.

HusCompagniet continuously focuses on providing the best conditions for its customers' satisfaction living in the houses by using sound materials that are processed in a socially acceptable manner and ensures a healthy indoor climate.

The Company has no written policies that relate to section 99a.

Management's review

Stakeholders

HusCompagniet seeks to develop and maintain good relations with its stakeholders on an on-going basis, as such relations are assessed to have a significant and positive effect on the Group's development.

Based on this a communication policy has been made together with specific policies for various key areas such as employees and responsibility towards customers and the society in general.

The communication policy and related procedures are made to ensure that information relevant to investors, employees and authorities are available to them and made public in accordance with rules and agreements.

It is the Board of Directors' responsibility to ensure compliance and to regularly adjust the policies in accordance with the development in and around the Company.

Recommendations for active ownership and corporate governance for private equity funds

In June 2011, the Danish Venture And Private Equity Association ("DVCA") issued guidelines for responsible ownership and corporate governance for private equity funds and companies controlled by them.

The recommendations contain guidelines for the description of a number of matters in the Management commentary, including corporate governance, financial risks, employee matters and strategy.

Being a company owned by a private equity fund, HusCompagniet must either follow those recommendations or explain why the recommendations are not followed in whole or in part. HusCompagniet's corporate governance, which is described above, complies in general with DVCA's recommendations except for the recommendation made according to which the annual report must include a description of the Company's revenue and earnings expectations, which only has been made to a limited extent as the Company works in a market characterised by considerable uncertainty and for competitive reasons.

Report on the gender composition of the management

The target figure for the Board of Directors only includes the members elected by the annual general meeting, and consequently, employee representatives are not included.

As to the Board of Directors, the target figure previously laid down for the share of female members on the Board of Directors was 20% (corresponding to 1 person). In connection with EQT's acquisition of the HC TopCo Group, changes have been made to the ultimate Group Board of Directors, as at present there are no female members of the Board of Directors.

Other executive levels of the Group are represented by approx. 5% female managers. The aim is to have diversity in the recruitment process and to make recruitments at a high qualification level and at the same time to reflect the society which we are a part of.

The target remains 10% female employees at key positions. The Group considers this as an ambitious target in an industry dominated by male employees.

Shareholder relations

The Board of Directors assesses on an on-going basis whether the Company's capital structure is in accordance with the Company's and its partners' interests. The overall aim is to ensure a capital structure which supports a long-term profitable growth.

Diego HC TopCo A/S' share capital is divided into three share classes. A shares that carry no voting rights, B shares that carry 10 votes per share and C shares that carry one vote per share.

Management's review

A shares have preferential rights of distribution, corresponding to a maximum of 9% p.a. (incl. compound interest). B shares and C shares receive the amount remaining after the A shares' preferential right.

EQT exercises control over the Company. EQT VI is represented on the Board of Directors through the board member, Andreas Aschenbrenner and Mads Ditlevsen. Moreover, EQT has appointed Tore Thorstensen (Chairman), Allan Jørgensen, Matthew Russell and Jan Buck-Emden for the Board of Directors.

The Board of Directors' role and responsibilities

The Boards of Directors of Diego HC TopCo A/S and its subsidiaries ensure that the Executive Boards comply with the Boards of Directors' aims, strategies and business procedures. Information from the Executive Boards of the individual companies is given systematically at meetings and through written and oral reporting. This reporting e.g. comprises the development in the Company's surroundings, the Company's development and profitability and the financial position.

The Board of Directors of Diego HC TopCo A/S holds meetings according to a fixed schedule at least six times a year. Usually one strategy seminar is held once a year during which the Company's vision, goals and strategy are settled. In the period between the ordinary meetings of the Board of Directors, the Board of Directors receive, on a regular basis, written information on the Company's and the Group's financial position, and extraordinary meetings are held if required.

The Board of Directors may set up a committee for special assignments. An audit committee has been set up to attend to accounting and audit assignments on a regular basis.

Management remuneration

In order to attract and maintain the Group's managerial qualifications, the members of the Executive Board and executive employees' remuneration is set according to tasks, value created and terms in comparable companies. Remuneration includes incentive programmes which should ensure shared interest of the Company's Management and the shareholders as the schemes consider both short-term as well as long-term goals.

In addition to the usual performance-related bonus scheme, certain employees of the Group take part in the Group's share investment programme. Remuneration of the Board of Directors and the Executive Board is disclosed in a note to the annual report. Some of the members of the Board of Directors of Diego HC TopCo A/S take part in the Company's share investment programme.

The Board of Directors' direct shareholdings (as a Group)

At the end of 2015, members of the Board of Directors held 77,460 shares in Diego HC TopCo A/S, corresponding to 0.54% of the total share capital.

Management review

Corporate information

Registered office	HC TopCo A/S Plutovej 3 DK-8700 Horsens
CVR no.	33 59 29 81
Financial year	1 January - 31 December 2015
Webpage	www.huscompagniet.dk
Board of directors	Mads Munkholt Ditlevsen, Chairman Andreas Karl Aschenbrenner Allan Lindhardt Jørgensen
Executive board	Steffen Martin Baungaard, CEO Jesper Svendsen
Bank	Nordea Bank Danmark A/S
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, DK-8000 Aarhus C

Management review

Key figures

DKK'm	2015	2014	2013*	2012*	2011*
Operating profit before depreciation and special items (EBITDA)	0	-2	-1	-6	-3
Operating profit	-1	-2	-1	-6	-3
Financial items	0	0	0	0	0
Net profit	148	129	96	67	45
Total assets	1,075	935	764	660	590
Equity	1,020	932	760	658	588

*The key figures for 2011, 2012 and 2013 are prepared in accordance with Danish GAAP and have not been restated in accordance with IFRS as adopted by the EU.

Financial statements 1 January - 31 December

Income Statement for the year ended 31 December

Notes	DKK'000	2015	2014
16	Revenue	9,200	7,550
	Production costs	0	0
	Gross profit	9,200	7,550
	Other operating income	0	0
7	Staff costs	8,792	8,308
	Other operating expenses	671	762
	Operating profit before depreciation and amortisation and special items (EBITDA before special items)	-263	-1,520
	Depreciation and amortization	0	0
8	Special items, net	734	0
	Operating profit	-997	-1,520
12	Shares of result in subsidiary companies after tax	148,897	129,495
9	Finance costs	185	9
10	Finance income	17	221
	Profit before tax	147,732	128,187
11	Income tax	-276	-372
	Profit for the year	148,008	128,559
	Profit for the year		
	Attributable to		
	Equity holders of the parent	148,008	128,559

Statement of other comprehensive income for the year ended 31 December

Notes	DKK'000	2015	2014
	Profit for the year	148,008	128,559
	Other comprehensive income		
	Items that may be reclassified to the income statement		
	Equity adjustments on foreign currency translation (net of tax, nil)	0	-226
	Interest hedging	0	2,876
	Tax	0	-719
		0	1,931
	Other comprehensive income, net of tax	0	1,931
	Total comprehensive income for the year, net of tax	148,008	130,490
	Total comprehensive income attributable to:		
	Dividend	125,000	60,000
	Equity holders of the parent	23,008	70,490
		148,008	130,490

Financial statements 1 January - 31 December

Statement of financial position as at 31 December

Notes	DKK'000	2015	2014	1/1 2014
	Assets			
	Non-current assets			
12	Investments in subsidiary companies	1,074,206	925,309	793,883
	Total non-current assets	1,074,206	925,309	793,883
	Current assets			
	Trade and other receivables	317	0	0
	Receivables from affiliated companies	958	969	1,906
14	Income tax receivables	86	372	5,510
	Cash and short-term deposits	0	8,337	1,867
	Total current assets	1,361	9,678	9,283
	Total assets	1,075,567	934,987	803,166
	Equity and liabilities			
13	**Equity**			
	Share capital	5,538	5,538	5,533
	Other capital reserves	535,863	386,966	253,383
	Retained earnings	478,428	539,317	541,115
	Total equity	1,019,829	931,821	800,031
	Current liabilities			
	Bank overdraft	51,903	0	0
	Other liabilities	3,835	3,166	3,135
	Total current liabilities	55,738	3,166	3,135
	Total liabilities	55,738	3,166	3,135
	Total equity and liabilities	1,075,567	934,987	803,166

Financial statements 1 January - 31 December

Statement of cash flows for the year ended 31 December

Notes	DKK'000	2015	2014
	Operating activities		
	Profit before tax	147.732	128,187
17	Other adjustments	-148,729	-129,707
	Working capital adjustments:		
	Increase in trade and other receivables	-317	0
	Decrease in trade and other payables	669	31
	Net cash flows from operating activities before interest and tax	-645	-1,489
	Interest received	17	221
	Interest paid	-185	-9
	Income tax paid	562	5510
	Net cash flows from operating activities	-251	4,233
	Investing activities		
	Net cash flows used in investing activities	0	0
	Financing activities		
	Payment/ Proceeds from payables to affiliated companies	11	937
	Dividends paid to equity holders of the parent	-60,000	0
	Capital injection	0	1,300
	Net cash flows from/(used in) financing activities	-59,989	2,237
	Net increase in cash	-60,240	6,470
	Cash at 1 January	8,337	1,867
	Cash at 31 December	-51,903	8,337

Financial statements 1 January - 31 December 2015

Statement of changes in equity

for the year ended 31 December 2015

DKK'000	Issued capital	Retained earnings	Interest hedge	Reserve for net revaluation according to the equity method	Total equity
As at 1 January 2015	5,538	539,317	2,157	384,809	931,821
Comprehensive income for the year					
Profit for the year	-	148,008	-	-	148,008
Reserve for net revaluation according to equity method	-	-148,897	-	148,897	0
Total comprehensive income	0	-889	0	148,897	148,008
Transactions with owners of the company					
Dividends	-	-60,000	-	-	-60,000
Total transactions with owners of the company	0	-60,000	0	0	-60,000
At 31 December 2015	5,538	478,428	2,157	533,706	1,019,829

for the year ended 31 December 2014

DKK'000	Issued capital	Retained earnings	Interest hedge	Reserve for net revaluation according to the equity method	Total equity
As at 1 January 2014	5,533	541,115	-	253,383	800,031
Comprehensive income for the year					
Profit for the year	-	128,559	-	-	128,559
Other comprehensive income	-	-226	2,157	-	1,931
Reserve for net revaluation according to equity method	-	-131,426	-	131,426	0
Total comprehensive income	0	-3,093	2,157	131,426	130,490
Transactions with owners of the company					
Capital injection	5	1,295	-	-	1,300
Total transactions with owners of the company	5	1,295	0	0	1,300
At 31 December 2014	5,538	539,319	2,157	384,809	931,821

Financial statements 1 December 2014 - 31 December 2015

Notes

Notes to the financial statements

Note	
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2	Basis of preparation
3	Summary of significant accounting policies
4	Significant accounting judgements, estimates and assumptions
5	Standards issued but not yet effective
6	First-time adoption of IFRS
7	Staff costs
8	Special items
9	Finance costs
10	Finance income
11	Income taxes
12	Investments in subsidiary companies
13	Equity
14	Tax payable
15	Contingent assets, contingent liabilities, collateral and leases
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17	Other adjustments
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Financial statements 1 December 2014 – 31 December 2015

Notes to the financial statements

1 Corporate information

The financial statements of HC TopCo A/S for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 31 May 2016. HC TopCo A/S is a limited company incorporated and domiciled in Denmark. The registered office is located at Plutovej 3, 8700 Horsens.

The Company is principally engaged in construction and sale of single-family-houses in Denmark, Sweden and Germany.

2 Basis of preparation

These separate financial statements are the first financial statements prepared by the Company in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The IFRS 1 (transition disclosures) is stated in note number 6 below.

The separate financial statements are expressed in DKK, as this the Company's functional and presentation currency. All values are rounded to the nearest thousand DKK'000 where indicated.

The separate financial statements have been prepared on a historical cost basis, except as noted in the various accounting policies.

Applied materiality

The financial statements are a result of processing large numbers of transactions and aggregating those into classes according to their nature or function. The aggregated transactions are presented in classes of similar items in the financial statements. Line items not individually material are aggregated with other items of a similar nature in the financial statements or in the notes.

IFRS disclosure requirements are substantial. Management provides specific disclosures required by IFRS unless the information is considered immaterial to the financial decision-making of the users of these financial statements and otherwise not warranted or not applicable.

3 Summary of significant accounting policies

Investments in subsidiaries

The Company's investments in its subsidiaries are accounted for using the equity method.

Under the equity method, the investments in subsidiaries are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the subsidiary since the acquisition date. Goodwill relating to the subsidiary is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Company's share of the results of operations of the subsidiary. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the subsidiary, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the subsidiaries are eliminated to the extent of the interest in the subsidiary.

The aggregate of the Company's share of profit or loss of a subsidiary is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests of the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

Financial statements 1 December 2014 - 31 December 2015

Notes to the financial statements

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its subsidiaries. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiary is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value, and then recognises the loss as 'Share of profit of a subsidiary' in the statement of profit or loss.

Special items

Special items include significant income and costs of a special nature in terms of the Group's revenue-generating operating activities which cannot be attributed directly to the Group's ordinary operating activities. Such income and costs include the cost related to significant restructuring of processes and fundamental structural adjustment, as well as gains or losses arising in this connection, and which are significant over time.

Special items also include items, that by nature are non-recurring, specifically impairment of goodwill, gains and losses on the disposal of activities and transaction cost in a business combination.

These items are classified separately in the income statement, in order to provide a more accurate and transparent view of the Group's recurring operating profit.

Financial items

Financial income and expenses comprise interest income and expenses, cost of permanent loan facilities, gains and losses on securities, receivables, payables, and transactions denominated in foreign currencies, amortisation of financial assets and liabilities, etc.

Income taxes

Current income tax

The company is jointly taxed with all Danish subsidiaries. The current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. The jointly taxed companies are taxed under the on-account tax scheme.

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit (loss) for the year is recognized in the income statement, and the tax expense relating to amounts recognized in other comprehensive income is recognized in other comprehensive income.

Current tax payable is recognized in current liabilities and deferred tax is recognized in non-current liabilities. Tax receivable is recognized in current assets and deferred tax assets are recognized in non-current assets.

Deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable values.

Financial statements 1 December 2014 - 31 December 2015

Notes to the financial statements

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified as loans and receivables. The Group determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The Group's financial liabilities comprise other payables, which primary consist of staff-related costs not due for payment.

Cash and short-term deposits

Cash and short-term deposits comprise cash at banks and on hand and demand deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reporting in these financial statements and the accompanying notes. These estimates are based on historical experiences, other relevant information available at the reporting date and expectation of future events that are believed to be reasonable under the circumstances and as such, actual results could differ from those estimates.

In the process of applying the Company's accounting policies, management has made estimates and assumption related to the following, all reflected in the Company's investments in subsidiary companies:

Percentage-of-completion profit recognition

A fundamental condition for being able to estimate percentage-of-completion profit recognition is that project revenues and project costs can be established reliably. This reliability is based on such factors as compliance with the Group's systems for project control and that project management has the necessary skills.

The assessment of project revenues and project costs is based on a number of estimates and assessments that depend on the experience and knowledge of project management in respect of project control, training and the prior management of projects. There is a risk that the final result will differ from the profit accrued based on percentage-of-completion. At year-end, recognized revenues amounted to DKK 391 million.

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Notes to the financial statements

Valuation of goodwill

Goodwill is measured at the lower of cost and recoverable amount. Goodwill in the Group is valued at DKK 585 million. Several assumptions and estimations are made concerning future conditions, which are taken into account when calculating the discounted cash flow upon which the estimated recoverable amount has been based. Important assumptions include expected growth, margins and the weighted average cost of capital. If these assumptions change, the value of the remaining goodwill could be affected, refer to Note 10 Investments in subsidiary companies, for information on the assumptions and estimations made.

Guarantee commitments

At year-end, the guarantee provision amounted to DKK 23 million. Provisions for future costs due to guarantee commitments are recognized at the amount expected to be required to settle the commitment on the balance-sheet date. This estimate is based on calculations, assessments by company management and experiences gained from past transactions.

Guarantee obligations, legal disputes, etc.

Within the framework of its regular business operations, The Group occasionally becomes a party to legal disputes. In such cases, an assessment is made of the Group's obligations and the probability of a negative outcome for the Group. The Group's assessment is made on the basis of the information and knowledge currently possessed by the company. In some cases, these are difficult assessments and the final outcome could differ from the estimation made.

5 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are as follows: IFRS 9, IFRS 14, IFRS 15, IFRS 16, amendments to IFRS 11, amendments to IAS 16 and IAS 38, amendments to IFRS 10 and IAS 28, annual improvements to 2012-2014 cycle, amendments to IAS 1 and amendments to IFRS 10, IFRS 12 and IAS 28.

In the opinion of the management, all new standards and interpretations will not materially impact recognition and measurement of assets and liabilities in annual reports in the coming financial years.

6 First-time adoption of IFRS

These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with local generally accepted accounting principle (Danish GAAP).

Accordingly, the Company has prepared financial statements that comply with IFRS applicable as at 31 December 2015, together with the comparative period data for the year ended 31 December 2014, as described in the summary of significant accounting policies. In preparing the financial statements, the Company's opening statement of financial position was prepared as at 1 January 2014, the Company's date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its Danish GAAP financial statements, including the statement of financial position as at 1 January 2014 and the financial statements for the year ended 31 December 2014.

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Notes to the financial statements

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

The Company has applied the following exemptions:

- Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2014.
- IFRS 3 Business Combinations has not been applied to acquisitions of subsidiaries that are considered businesses under IFRS that occurred before 1 January 2014.

The estimates at 1 January 2014 and at 31 December, 2014 are consistent with those made for the same dates in accordance with Local GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with IFRS reflect conditions at 1 January 2014, the date of transition to IFRS and as at 31 December 2014.

Reconciliation of equity as at 1 January 2014 (date of transition to IFRS)

Note	DKK'000	Danish GAAP	Recognition and measurement	IFRS as at 1 January 2014
	Assets			
	Non-current assets			
	Investments in subsidiary companies	754,233	39,650	793,883
	Total non-current assets	754,233	39,650	793,883
	Current assets			
	Receivables from affiliated companies	1,906	-	1,906
	Income tax receivables	5,510	-	5,510
	Cash and short-term deposits	1,867	-	1,867
	Total current assets	9,283	0	9,283
	Total assets	763,516	39,650	803,166
	Equity and liabilities			
	Equity			
	Share capital	5,533	-	5,533
	Other capital reserves	214,183	39,650	253,383
	Retained earnings	541,115	-	541,115
	Total equity	760,381	39,650	800,031
	Current liabilities			
	Bank overdraft	0	-	0
	Other liabilities	3,135	-	3,135
	Total current liabilities	82,629	0	82,629
	Total liabilities	82,629	0	82,629
	Total equity and liabilities	763,516	39,650	803,166

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Notes to the financial statements

6 First-time adoption of IFRS (continued)

Reconciliation of equity as at 31 December 2014

Note	DKK'000	Danish GAAP	Recognition and measurement	IFRS as at 31 December 2014
	Assets			
	Non-current assets			
	Investments in subsidiary companies	848,967	76,342	925,309
	Total non-current assets	848,967	76,342	925,309
	Current assets			
	Receivables from affiliated companies	969	-	969
	Income tax receivables	372	-	372
	Cash and short-term deposits	8,337	-	8,337
	Total current assets	9,678	0	9,678
	Total assets	858,645	76,342	934,987
	Equity and liabilities			
	Equity			
	Share capital	5,538	-	5,538
	Other capital reserves	310,624	76,342	386,966
	Retained earnings	539,317	-	539,317
	Total equity	855,479	76,342	931,821
	Current liabilities			
	Bank overdraft	0	-	0
	Other liabilities	3,166	-	3,166
	Total current liabilities	3,166	0	3,166
	Total liabilities	3,166	0	3,166
	Total equity and liabilities	858,645	76,342	934,987

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Notes to the financial statements

6 First-time adoption of IFRS (continued)

Reconciliation of total comprehensive income for the year ended 31 December 2014

DKK'000	Danish GAAP	Recognition and measurement	IFRS for the year ended 31 December 2014
Revenue	7,550		7,550
Production costs	0		0
Gross profit	7,550		7,550
Other operating income	0		0
Employee and personnel costs	8,308		8,308
Other operating expenses	762		762
Operating profit before special items (EBITDA before special items)	-1,520		-1,520
Depreciation and amortization	0		0
Special items, net	0		0
Operating profit	-1,520		-1,520
Shares of result in subsidiary companies after tax	92,803	36,692	129,495
Finance costs	9		9
Finance income	221		221
Profit before tax	91,495	36,692	128,187
Income tax	-372		-372
Profit for the year	91,867	36,692	128,559
Profit for the year			
Attributable to			
Equity holders of the parent	91,867	36,692	128,559
Statement of other comprehensive income for the year ended 31 December			
Profit for the year	91,867	36,692	128,559
Other comprehensive income			
Items that may be reclassified to the income statement			
Equity adjustments on foreign currency translation (net of tax, nil)	-226	-	-226
Interest hedging	2,876		2,876
Tax	-719		-719
Other comprehensive income	1,931	0	1,931
Total comprehensive income for the year, net of tax	93,798	36,692	130,490
Total comprehensive income attributable to:			
Equity holders of the parent	93,798	36,692	130,490

Financial statements 1 January - 31 December

Notes to the financial statements

6 First-time adoption of IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2014 and 31 December 2014 and total comprehensive income for the year ended 31 December 2014

A Investments in subsidiary companies

Under Danish GAAAP, the Company's investments in subsidiary companies have recognised revenue from sale of houses, when construction has ended, and significant risk and rewards has been transferred to the customer. According to IFRS, revenue from sale of houses, where the buyer controls the work in progress, and where risks and rewards of ownership of the work in progress are transferred to the buyer as construction progresses, should be recognised under the percentage-of-completion method. Accordingly, constructions contracts should be measured at the sales value of the work in progress.

The various transitional adjustments lead to different temporary differences. According to the accounting policies, the Company's investments in subsidiary companies have to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

The above adjustments are reflected in the Company's recognition of investments in subsidiary companies.

B Statement of cash flows

The transition from Danish GAAP to IFRS has not had a material impact on the statement of cash flows or key figures.

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Notes to the financial statements

DKK'000	2015	2014
7 Staff costs		
Wages and salaries	8,719	8,255
Pensions, defined contribution plans	-	-
Other social security costs	14	15
Other staff costs	59	38
Transfer to production cost	-	-
	8,792	8,308
Number of employees (average)	2	2

Remuneration to the Executive Group Management Board

	2015	2014
Wages and salaries	8,085	6,639

Remuneration to the Board of Directors

The Company has not incurred costs for Board of Directors in 2015.

In 2015, Diego HC TopCo A/S and HC ToCo A/S have issued a Management Participation programme (MPP) through which Management and selected key employees have received an opportunity to purchase shares in Diego HC TopCo A/S subject to certain market conditions.

DKK'000	2015	2014
8 Special items		
Cost in connection with the sale of the Company	734	-
	734	0
9 Finance costs		
Interests paid to banks	185	9
	185	9

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Notes to the financial statements

	DKK'000	2015	2014
10	**Finance income**		
	Other financial income	17	221
		17	221

11	**Income taxes**		
	Current tax		
	Income tax	-276	-372
		-276	-372
	Profit before tax	147,732	128,187
	Tax rate, Denmark	23.5%	24.5%
	Tax at applicable rate	34,717	31,406
	Non-taxable income	-34,995	-31,726
	Other	2	-52
	Tax expense for the year	-276	-372
	Effective tax rate, %	-0,2%	-0,3%

12	**Investments in subsidiary companies**		
	Cost at 1 January	540,500	540,500
	Cost at 31 December	540,500	540,500
	Share of result at 1 January	384,809	253,383
	Exchange rate adjustment	-	-226
	Share of results	148,897	129,495
	Interest hedging after tax	0	2,157
	Share of results at 31 December	533,706	384,809
	Net book value	1,074,206	925,309

Investment in subsidiary companies relate to investment in 100% of shares in HC NewCo I A/S and LejlighedsCompagniet A/S.

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Notes to the financial statements

12 Investments in subsidiary companies (continued)

Impairment testing

Goodwill

At 31 December 2015, Management tested the carrying amount of goodwill for impairment based on the allocation of the cost of goodwill on the cash-generating units.

DKK'm	2015
Denmark	585
Germany	0
Sweden	0
Carrying amount 31 December 2015	585

In each individual case, the recoverable amount is calculated as the highest of the value in use and fair value less selling costs. The below descriptions state the value on which the recoverable amount is based.

The recoverable amount is based on the value in use determined using expected net cash flows based on budgets for the years 2016-2019 approved by Management and with a pre-tax discount factor of 10.8%.

The contribution margin for the budget period is estimated based on the average contribution margin.

The budgeted number of houses sold is expected to increase by an average of 8-9% in the budget period.

The weighted average growth rate used in connection with extrapolation of future net cash flows for the years after 2019 is estimated to 2%. The growth rate is not assessed to exceed the long-term average growth rate within the Company's markets.

Our impairment test did not give rise to any need for impairment write-down.

Sensitivity analysis

Management assesses that probable changes in the basic assumptions would not cause the carrying amount of goodwill would exceed recoverable value.

Financial statements 1 December 2014 - 31 December 2015

Notes to the financial statements

13 Equity

Capital Management

The primary objective of HC ToCo A/S's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. HC TopCo A/S manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, HC TopCo A/S may adjust the dividend payments to shareholders, acquire its own shares or issue new shares.

Share Capital

	Issued shares			
	Number of shares		Nominal value (DKK'000)	
	2015	2014	2015	2014
1 January 2015	5,538	5,533	5,538	5,533
Capital injection	-	5	-	5
31 December 2015 - fully paid	5,538	5,538	5,538	5,538

14 Tax payable

DKK'000	2015	2014
Tax payable at 1 January	-372	-5,510
Tax at the applicable rate	-276	-372
Tax payed for the year	562	5,510
Tax payable 31 December	-86	-372

15 Contingent assets, contingent liabilities, collateral and leases

Contingent liabilities

The Company is jointly taxed with its parent, Diego HC A/S, which acts as Management Company for the other Danish group entities. The Company is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income years 2013 and withholding taxes falling due for payment on or after 1 July 2012 in the group of jointly taxed entities.

Financial statements 1 January - 31 December

Notes to the financial statements

16 Related parties

The ultimate Parent

The ultimate parent of the Group is EQT Foundation VI, Guernsey

There were no transactions between the Company and the ultimate company.

Other related parties

Other related parties include the following affiliated companies:

Name	Country of incorporation
HusCompagniet Midt- og Nordjylland A/S	Denmark
HusCompagniet Sjælland A/S	Denmark
HusCompagniet Fyn A/S	Denmark
HusCompagniet Sønderjylland A/S	Denmark
FM-Søkjær Entreprise A/S	Denmark
Svenska HusCompagniet AB	Sweden
Die Haus-Compagnie Gmbh	Germany
HusCompagniet A/S	Denmark
LejlighedsCompagniet A/S	Denmark
HC NewCo I A/S	Denmark
Diego HC A/S	Denmark
Diego HC TopCo A/S	Denmark

Transactions with other related parties include management fee DKK 9,200 thousand (2014: DKK 7,550 thousand).

Transactions with key management personnel in 2015

Transactions with key management personnel include transactions with companies controlled by the key management personnel. Reference is made to note 7.

DKK'000	2015	2014
17 Other adjustments		
Share of results in subsidiaries	-148,897	-129,495
Non-cash financial items	168	-212
	-148,729	-129,707

18 Events after the balance sheet date

No significant events have occurred subsequent to the financial year.

	2015	2014
19 Fee to the auditors appointed by the Company in general meeting		
Fee regarding statutory audit	33	14
Tax assistance	-	3
Other assistance	190	17
	223	34