

Diego HC TopCo A/S

Plutovej 3, DK-8700 Horsens

CVR no. 36 97 29 63

Consolidated financial statements for the financial period 17 July - 31 December 2015

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

Chairman

A handwritten signature in black ink, appearing to read 'Peter Ahlers Sørensen', with a long, sweeping underline that extends to the left.

Peter Ahlers Sørensen

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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 Diego HC TopCo A/S for the financial period 17 July - 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 consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2015 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial period 17 July - 31 December 2015.

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

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

Horsens, 31 May 2016
Executive Board



Steffen Martin Baungaard
CEO

Board of Directors:



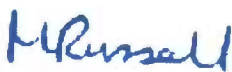
Tore Thorstensen
Chairman



Mads Munkholt Ditlevsen
Vice chairman



Jan Buck-Emden



Matthew John Russell



Andreas Karl Achenbrenner



Allan Lindhardt Jørgensen

Independent auditors' report

To the shareholders of Diego HC TopCo A/S

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

We have audited the consolidated financial statements and the parent company financial statements of Diego HC TopCo A/S for the financial period 17 July - 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 Group as well as for the parent company. The consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and cash flows for the financial period 17 July - 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

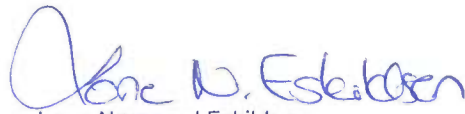
Statement on the Management's review

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 consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

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

Diego HC TopCo A/S was established in July 2015 and is the ultimate parent company of the Group and owned by EQT's foundation VI. Through the subsidiary Diego HC A/S, Diego HC TopCo A/S acquired HusCompagniet Group in 2015, by taking over the shares in HC TopCo A/S

The Company was without any significant activities until 18 August 2015 where the Company acquired HusCompagniet Group.

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 and on a full year perspective, despite that Diego HC TopCo only has been the owner of the HusCompagniet group for the four-month period.

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.

For the four month period 1 September - 31 December the revenue totalled DKK 892 million and the Group generated an operating profit before depreciation and amortisation, interest and special items in 2015 (EBITDA) of DKK 87 million in accordance with IFRS accounting policies, which is considered satisfactory.

For the four month period 1 September - 31 December 2015, the Company incurred non-recurring special costs of DKK 17 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 279 million for the four month period 1 September - 31 December.

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 Company's solvency ratio is 51% and the cash balance is DKK 262 million. Furthermore, the Company has drawing rights through revolving credit facilities in the Company'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	Diego HC TopCo A/S Plutovej 3 DK-8700 Horsens
CVR no.	36 97 29 63
Financial year	17 July - 31 December
Webpage	www.huscompagniet.dk
Board of directors	Tore Thorstensen, Chairman Mads Munkholt Ditlevsen, Vice chairman Jan Buck-Emden Matthew John Russell Andreas Karl Aschenbrenner Allan Lindhard Jørgensen
Executive board	Steffen Martin Baungaard, CEO
Bank	Nordea Bank Danmark A/S SEB Bank Nykredit Bank
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, DK-8000 Aarhus C

Management review

Consolidated key figures

DKK'm	2015
Revenue	892
Gross profit	168
Operating profit before depreciation and special items (EBITDA)	87
Operating profit	40
Financial items	-17
Net profit	15

Total assets	2,837
Equity	1,451

Cash flow from operating activities before interest and tax	279
Cash flow from operating activities	193

Key figures

Gross margin	18.8%
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Average number of employees	260
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Consolidated financial statements 17 July - 31 December

Consolidated Income Statement for the period ended 31 December

Notes	DKK'000	2015
6	Revenue	892,434
	Production costs	-724,580
	Gross profit	167,854
	Other operating income	478
7	Staff costs	-58,975
	Other operating expenses	-22,155
	Operating profit before depreciation and amortisation and special items (EBITDA before special items)	87,202
8	Depreciation and amortization	-30,089
9	Special items, net	-17,447
	Operating profit	39,666
10	Finance costs	-18,138
11	Finance income	1,398
	Profit before tax	22,926
12	Income tax	-8,205
	Profit for the year	14,721
	Profit for the year	
	Attributable to	
	Equity holders of the parent	14,721

Statement of other comprehensive income for the period ended 31 December

Notes	DKK'000	2015
	Profit for the year	14,721
	Total comprehensive income for the year, net of tax	14,721
	Total comprehensive income attributable to:	
	Equity holders of the parent	14,721

Consolidated financial statements 17 July - 31 December

Consolidated statement of financial position as at 31 December

Notes	DKK'000	2015
	Assets	
	Non-current assets	
14	Intangible assets	1,891,858
15	Property, plant and equipment	22,877
	Deferred tax	4,633
	Other receivables	3,634
	Total non-current assets	1,923,002
	Current assets	
16	Inventories	209,928
17	Construction contracts	375,319
24	Trade and other receivables	56,393
	Prepayments	1,345
	Income tax receivables	8,334
	Cash and short-term deposits	262,291
	Total current assets	913,610
	Total assets	2,836,612
	Equity and liabilities	
18	Equity	
	Share capital	14,366
	Retained earnings	1,436,947
	Total equity	1,451,313
	Non-current liabilities	
19	Provisions	4,675
20	Interest-bearing long term debt	867,934
12	Deferred tax liabilities	25,994
	Total non-current liabilities	898,603
	Current liabilities	
19	Provisions	18,699
17	Prepayments from customers	13,126
17	Construction contracts	10,187
21	Income tax payable	3,076
	Other liabilities	90,009
	Bank overdraft	82,049
24	Trade and other payables	269,550
	Total current liabilities	486,696
	Total liabilities	1,385,299
	Total equity and liabilities	2,836,612

Consolidated financial statements 17 July - 31 December

Consolidated statement of cash flows for the period ended 31 December

Notes	DKK'000	2015
	Operating activities	
	Profit before tax	22,926
26	Other adjustments	48,782
	Working capital adjustments:	
	Increase in construction contracts and inventory	93,095
	Increase in trade and other receivables	-14,624
	Increase in trade and other payables	128,844
	Cash flow from operating activities before interest and tax	279,023
	Interest received	1,398
	Interest paid	-18,138
	Borrowing cost paid	-32,066
	Income tax paid	-37,271
	Net cash flows from operating activities	192,946
	Investing activities	
	Purchase of subsidiary	-2,337,016
	Purchase of property, plant and equipment	-11,033
	Net cash flows used in investing activities	-2,348,049
	Financing activities	
	Proceeds from long term debt obligation	900,000
	Capital injection from equity partners	1,436,092
	Net cash flows used in investing activities	2,436,092
	Net increase in cash	180,989
	Cash at 17 July incl. cash opening balance acquisition HusCompagniet Group	-747
23	Cash at 31 December	180,242

Consolidated financial statements 17 July - 31 December

Consolidated statement of changes in equity

for the period ended 31 December 2015

DKK'000	Issued capital	Retained earnings	Foreign currency translation reserve	Share premium	Total equity
As at 17 July 2015	500	0	0	0	500
Comprehensive income for the year					
Profit for the year	-	14,721	-	-	14,721
Total comprehensive income	0	14,721	0		14,721
Transactions with owners of the company					
Dividends	-	-	-	-	0
Capital injection	14,366	-	-	1,422,226	1,436,592
Capital reduction	-500	-	-	-	-500
Total transactions with owners of the company	13,866	0	0	1,422,226	1,436,092
At 31 December 2015	14,366	14,721	0	1,422,226	1,451,313

Consolidated financial statements 17 July - 31 December

Notes to the consolidated financial statements

Note

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Consolidated financial statements 17 July - 31 December

Notes to the consolidated financial statements

1 Corporate information

The consolidated financial statements of Diego HC TopCo A/S and its subsidiaries (collectively, the Group) for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 31 May 2016.

These consolidated financial statements are the first financial statements prepared by the Group.

Diego HC TopCo A/S (the Company or the parent) is a limited company incorporated and domiciled in Denmark. The registered office is located at Plutovej 3, 8700 Horsens.

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

2 Basis of preparation

These consolidated financial statements are the first consolidated financial statements prepared by the Group in accordance with International Financial Reporting Standards as adopted by the EU ('IFRS').

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

The consolidated 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 consolidated financial statements. Line items not individually material are aggregated with other items of a similar nature in the consolidated 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

Basis of consolidation

The consolidated financial statements include the Parent Company and the companies and operations in which the Parent Company, directly or indirectly, has a controlling interest. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements for the subsidiaries are prepared for the same accounting period as the Group, using consistent accounting policies. On consolidation, intragroup balances and intragroup transactions are eliminated in full.

Consolidated financial statements 17 July - 31 December

Notes to the consolidated financial statements

3 Summary of significant accounting policies (continued)

Foreign currencies

The consolidated financial statements are presented in DKK. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The assets and liabilities, including goodwill, of foreign operations are translated into DKK (the Group's presentation currency) at the rate of exchange prevailing at the reporting date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the income statement. On partial disposals, a proportionate share of the deferred cumulative amount is recognised in the income statement.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it will measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the income statement.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the non-controlling interest over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Consolidated financial statements 17 July - 31 December

Notes to the consolidated financial statements

3 Summary of significant accounting policies (continued)

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Income taxes

Current income tax

The parent 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.

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.

Revenue recognition

Sale of completed (non-contracted)

Revenue from sale of completed non-contracted houses is recognised when the significant risks and rewards have been transferred to the buyer, which is on delivery of the house to the customer.

Sales of houses before or during construction (contracted)

Sale of contracted houses, when the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage-of-completion method of revenue recognition is applied. For such contracts, revenue is recognised as work progresses.

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Notes to the consolidated financial statements

3 Summary of significant accounting policies (continued)

Continuous transfer of work in progress is applied when:

- The buyer controls the work in progress, typically when the land plot on which the development takes place is owned by the final customer, and
- All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically, when buyer cannot put the incomplete property back to the Group

In such situations, the percentage of work completed is measured based on the costs

Production costs

Production costs include direct and indirect costs of raw materials and consumables incurred in generating the revenue for the year.

Other operating expenses

Other external expenses include the period's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Other operating income

Other operating income includes income from secondary activities such as gains/losses from sale of property, plant and equipment.

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.

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.

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Notes to the consolidated financial statements

3 Summary of significant accounting policies (continued)

Intangible assets

Goodwill

At the acquisition date goodwill is recognized in the balance sheet at cost as described under Business combinations. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortized but is tested for impairment at least once a year. Goodwill is written down to the recoverable amount if the carrying amount is higher than the computed recoverable amount. The recoverable amount is computed as the present value of the expected future net cash flows from the enterprises or activities to which the goodwill is allocated. Impairment of goodwill is not reversed.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the acquisition date. Identification of cash-generating units is based on the management structure and internal financial control.

Trademarks

Trademarks are initially recognised at cost. Subsequently, trademarks are measured at cost less accumulated amortisations and impairments. Trademarks are amortised on a straight-line basis over its estimated useful life, which are no longer than 10 years.

Trademarks are impairment tested on an annual basis using the relief from royalty method and is based on expected future free cash flows generated by the individual trademark for the next 5 years and projections for subsequent years.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, other plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and costs of materials, components, suppliers, direct wages and salaries and indirect production costs until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives, which are 3,-5 years for operating assets and equipment, and 3,5 for leasehold improvements.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition, are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis
- Work in progress and finished houses (non-contracted construction): cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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Notes to the consolidated financial statements

3 Summary of significant accounting policies (continued)

Construction contracts

Construction contracts are measured at the sales value of the work performed.

Construction contracts are characterised by the manufactured products containing a high degree of individualisation in terms of design. Furthermore, it is a requirement prior to the commencement of the work that a binding contract has been entered into, which is compensated at cancellation.

The sales value is measured based on the level of completion at the balance sheet date and the total expected income from the individual contract work. The percentage of completion is calculated on the basis of an assessment of the completed work, normally calculated as the relationship between the costs and the total expected costs for the construction contract.

When it is likely that the total construction costs for a construction contract will exceed the total construction income, the expected loss on the construction contract is immediately included as an expense.

When the sales value of a construction contract cannot be measured reliably, the sales value is measured as the costs to be spent on the construction which the Company considers to be the most probable to recover.

Construction contracts for which the sales value of the work performed exceeds the invoicing on account and expected loss are recognised as receivables. Construction contracts for which invoicing on account and expected losses exceed the sales value, are recognised as a liability.

Prepayments from customers are recognised as a liability.

Expenses in connection with sales work and obtaining contracts are recognised in the income statement as incurred.

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.

Trade and other receivables

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables.

Other receivables are deposits on leaseholds. On initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR) less impairment. The EIR amortisation is included in financial income in the income statement. The losses arising from impairment are recognised in the income statement in financial expenses.

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Notes to the consolidated financial statements

3 Summary of significant accounting policies (continued)

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.

Provisions

Provisions differ from other liabilities in that there is a degree of uncertainty concerning when payment will occur or concerning the size of the amount required to settle the provision. Provisions are recognized in the balance sheet when a legal or informal commitment exists due to an event that has occurred, it is probable that an outflow of resources will be required to settle the commitment and the amount can be estimated reliably.

Other financial liabilities

Loans and other financial liabilities, such as accounts payable, are included in this category. Liabilities are recognized at amortized cost.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Consolidated financial statements 17 July - 31 December

Notes to the consolidated financial statements

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 consolidated 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 Group's accounting policies, management has made estimates and assumption related to the following:

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; refer to Note 17 Construction contracts.

Valuation of goodwill

Goodwill is measured at the lower of cost and recoverable amount. Goodwill in the Group is valued at DKK 1,841 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 14 Intangible assets, for information on the assumptions and estimations made.

Guarantee commitments

At year-end, the guarantee provision amounted to DKK 23 million, refer to Note 19 Provisions. 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 Group'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.

Consolidated financial statements 17 July - 31 December

Notes to the consolidated financial statements

6 Revenue

2015 DKK'000	Contracted sales	Non- contracted sales	Total Revenue
Sales value houses sold on customers building sites	792,280	0	792,280
Sales value houses sold on own building sites	31,922	*11,866	43,788
Sales of land plots	53,535	0	53,535
Other revenue	0	2,831	2,831
	<u>877,737</u>	<u>14,697</u>	<u>892,434</u>

*Non-contracted sales is sales of show houses

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Notes to the consolidated financial statements

		2015
DKK'000		
7 Staff costs		
Wages and salaries	43,269	
Pensions, defined contribution plans	698	
Other social security costs	656	
Other staff costs	19,742	
Transfer to production cost	-5,390	
	58,975	
		260
Remuneration to the Executive Group Management Board		
Wages and salaries	2,695	
		181
Remuneration to the Board of Directors		
Wages and salaries	181	
		181
In 2015, Diego HC TopCo A/S and HusCompagniet 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.		
8 Depreciation and amortization		
Amortisation of intangible assets	27,848	
Depreciation of property, plant and equipment	2,241	
	30,089	
		30,089
9 Special items		
Cost related to restructuring of processes and fundamental structural adjustment in connection with acquisition of HusCompagniet group:		
Organisational changes	5,426	
Costs in connection with the acquisition	10,206	
Other special items	1,815	
	17,447	
		17,447

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Notes to the consolidated financial statements

DKK'000	<u>2015</u>
10 Finance costs	
Interests paid to banks	14,808
Exchange rate losses	22
Other financial cost	<u>3,308</u>
	<u><u>18,138</u></u>
11 Finance income	
Interests received from banks	1,322
Exchange rate gains	<u>76</u>
	<u><u>1,398</u></u>
12 Income taxes	
Current tax	
Income tax	17,320
Movement in deferred tax	-9,179
Adjustment relating to prior years	<u>64</u>
	<u><u>8,205</u></u>
Profit before tax	<u><u>22,926</u></u>
Tax rate, Denmark	23.5%
Tax at applicable rate	5,388
Non-taxable income	843
Expenses not deductible for tax purposes	2,372
Adjustments relating to prior years	3
Effective change in tax rate	-401
Other	<u>0</u>
Tax expense for the year	<u><u>8,205</u></u>
Effective tax rate, %	<u><u>35.8%</u></u>

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Notes to the consolidated financial statements

DKK'000	<u>2015</u>
12 Income taxes (continued)	
Deferred tax	
Deferred tax 17 July	30,540
Recognised in profit or loss	-9,179
Exchange differences	<u>0</u>
Deferred tax 31 December	<u><u>21,361</u></u>
Deferred tax is presented in the statement of financial position as follows:	
Deferred tax assets	4,633
Deferred tax liabilities	<u>25,994</u>
	<u><u>21,361</u></u>
Deferred tax related to:	
Intangible assets	11,097
Tangible assets	144
Construction contracts	10,399
Other payables	<u>-280</u>
	<u><u>21,361</u></u>

Consolidated financial statements 17 July - 31 December

Notes to the consolidated financial statements

13 Acquisition of subsidiaries and activities

On 18 August 2015, the Group acquired 100% of the voting shares of HC TopCo A/S, an unlisted company based in Denmark and specializing in construction and sale of houses, primarily single-family houses at the customers' own account in Denmark, Sweden and Germany.

From the date of acquisition, HC TopCo Group contributed DKK 892 million of revenue and DKK 38 million to profit from continuing operations of the Group. If the combination had taken place at 1 January 2015, the Group's revenue from continuing operations would have been DKK 2,228 million and the profit from continuing operations would have been DKK 121 million.

DKK'000	Fair value recognised on acquisition
Assets	
Order port folio	44,392
Brand "HusCompagniet"	33,900
Deferred tax assets	3,574
Property, plant and equipment	14,084
Inventories	263,027
Construction contracts	405,128
Trade and other receivables	43,414
Prepayments	3,335
	810,854
Liabilities	
Deferred tax	34,488
Provisions	21,420
Trade and other payables	243,841
Income tax payables	14,254
	314,003
Total identifiable net assets at fair value	496,851
Goodwill arising from acquisition	1,841,412
Purchase consideration transferred	2,338,263
Net cash acquired with the subsidiary included in cash flows from investing activities	-1,247
Net cash outflow	2,337,016

The purchase price for HC TopCo A/S and its subsidiaries was DKK 2,338 million, of which DKK 2,337 million is paid in cash.

The Group has incurred transaction costs associated with the acquisition of approx. DKK 10.2 million relating to legal advisers. The amount is included in special items in the profit and loss account.

After recognition of identifiable assets, liabilities and contingent liabilities at fair value goodwill in connection with the acquisition valued at DKK 1,841,412 thousand. Goodwill represents the value of existing staff and know-how. Recognised goodwill is not tax deductible.

Consolidated financial statements 17 July - 31 December

Notes to the consolidated financial statements

13. Acquisition of subsidiaries and activities (continued)

Fair value measurement

In connection with the acquisition, the Company has prepared a fair value of assets and liabilities, including values for the brand "HusCompagniet", the order portfolio and excess building sites.

The brand "HusCompagniet" is valued at DKK 33.9 million based on the cost of building up the brand over a period of four years. The valuation is supported by a royalty-based calculation.

Order portfolio is valued at DKK 44.4 million, corresponding to the expected sales price minus the direct costs as well as capacity costs.

As part of the fair value adjustment of inventory of excess building sites a write-down of DKK 23.9 million was made in the opening statement of financial position.

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Notes to the consolidated financial statements

14 Intangible assets

DKK'000	Goodwill	Order portfolio	Other intangible assets	Total
Cost at 17 July 2015	0	0	0	0
Additions through acquisition of subsidiary	1,841,412	44,392	33,900	1,919,704
Cost at 31 December 2015	1,841,412	44,392	33,900	1,919,704
Amortisation and impairment at 17 July 2015	0	0	0	0
Amortisation	0	-22,196	-5,650	-27,846
Amortisation and impairment at 31 December 2015	0	-22,196	-5,650	-27,846
Carrying amount 31 December 2015	1,841,412	22,196	28,250	1,891,858

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	1,761
Germany	56
Sweden	24
Carrying amount 31 December 2015	1,841

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.

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Notes to the consolidated financial statements

15	Property, plant and equipment	Total
	DKK'000	<u> </u>
	Cost at 17 July 2015	0
	Addition combinations	31,007
	Additions	<u>11,033</u>
	Cost at 31 December 2015	<u>42,040</u>
	Depreciation and impairment at 17 July 2015	0
	Addition combinations	16,923
	Depreciation	<u>2,240</u>
	Depreciation and impairment at 31 December 2015	<u>19,163</u>
	Carrying amount 31 December 2015	<u><u>22,877</u></u>
	DKK'000	<u>2015</u>
16	Inventories	
	Raw materials	2,587
	Work in progress (non-contracted)	130,629
	Building sites	<u>76,712</u>
		<u><u>209,928</u></u>

Inventories with a value of DKK 15 million are carried at the lower of net realisable value and cost. During 2015, DKK 195 thousand was charged to the income statement for special items.

Consolidated financial statements 17 July - 31 December

Notes to the consolidated financial statements

DKK'000	2015
17 Construction contracts	
Selling price of construction contracts	391,171
Invoicing on account	-26,038
	365,133
 Calculated as follows	
Construction contracts (assets)	375,319
Construction contracts (liabilities)	-10,187
	365,133
 Prepayments from customers regarding construction contracts not yet started	13,126

18 Equity

Capital Management

The primary objective of Diego HC TopCo'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. Diego HC TopCo manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, Diego HC TopCo may adjust the dividend payments to shareholders, acquire its own shares or issue new shares.

Share Capital

DKK'000	Issued shares	
	Number of shares	Nominal value (DKK'000)
	2015	2015
17 July 2015	500	500
Additions	13,866	13,866
31 December 2015 - fully paid	14,366	14,366

The company's share capital is nominally DKK 14,365,922 divided into 14,365,922 shares of DKK 1 each or multiples hereof. The company's share capital consists of nominally DKK 12,067,374 class A shares, nominally DKK 1,500,000 class B shares, and nominally DKK 798,548 class C shares.

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.

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Notes to the consolidated financial statements

19	Provisions	Guarantees			
	DKK'000	<u>0</u>			
	Provisions 17 July 2015	0			
	Arising during the year	23,374			
	Provisions related to business combinations	0			
	Utilised	0			
	Interest component of restoration liability	<u>0</u>			
	Provisions 31 December 2015	<u>23,374</u>			
	Distributed in the balance as follows:				
	Non-current liabilities	4,675			
	Current liabilities	<u>18,699</u>			
		<u>23,374</u>			
	DKK'000	<u>2015</u>			
20	Borrowings				
	Non-current liabilities	867,934			
	Current liabilities	<u>82,049</u>			
	Carrying amount	<u>949,983</u>			
	Nominal value	<u>982,049</u>			
	2015 DKK'000				
	<u>Currency</u>	<u>Interest rate</u>	<u>Average interest rate</u>	<u>Carrying amount</u>	
	<i>Long-term borrowings</i>				
	Bank borrowings	DKK	Floating	<u>3.9%</u>	<u>900,000</u>
	Total long-term borrowings			<u>3.9%</u>	<u>900,000</u>

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Notes to the consolidated financial statements

21	Tax payable	2015
	DKK'000	<u> </u>
	Tax payable at 17 July	14,254
	Foreign exchange adjustments	
	Tax at the applicable rate	17,320
	Tax paid for the year	<u>-36,832</u>
	Tax payable 31 December	<u><u>-5,258</u></u>

22 Contingent assets, contingent liabilities, collateral and leases

Contingent liabilities

The Company is continuously involved in minor disputes, but no significant per 31 December 2015.

Investments in subsidiaries have been provided as security for balances with Nordea.

Collateral

DKK 9 million of cash and short-term deposits is placed in restricted accounts, and is released when the completed houses are delivered to the customers.

Leases

The Group leases properties and equipment under operational leasing contracts. The term of the leases are usually between 0-8 years with possible extension. None of the lease contracts include conditional lease payments.

Lease payment for 2015 amounts DKK 3 million.

Minimum lease payments can be specified as follows:

DKK'000	2015
0-1 year	<u>10,189</u>
1-5 years	29,552
> 5 years	<u>10,341</u>
	<u><u>50,082</u></u>

23	Cash	
	Cash	262,291
	Bank overdraft	<u>-82,049</u>
		<u><u>180,242</u></u>

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24 Financial instruments and risks

Financial risk managements

Diego HC TopCo group's activities and capital structure is exposes to a variety of financial risks: Market risks (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Group management oversees the management of these risks in accordance with the Group's risk management policies.

Market risks	Expected impact	Description of risk	Risk Management	Outcome	Sensitivity
Interest rate risk	Low	HusCompagniet is exposed towards fluctuations in market interest rates primarily related to the Group's long-term loan with floating rates.	The Group's aims to a reasonable part of its borrowings at fixed rates of interest. At 31 December 2015 the Group's long-term debt is kept at floating rates. The Group has in 2015 entered into an interest rate cap and an interest rate swap effective from February 2016 to address the exposure towards interest fluctuations.	At 31 December 2015, the Group has placed all its long-term borrowings at floating rates of interests.	If the interest rate increased (decreased) by 1% the effect on interest during 2015 would have been DKK 3.1 (3.5) million.
Currency risk	Low	The primarily exposure towards currency fluctuations relates to the Group's activities in Germany and Sweden.	Management continuously assesses the significance of the Group's activities denominated in foreign currencies.	Total revenue generated in SEK and EUR for 2015 amounted to 156 million.	Management considers The Group's exposure to SEK and EUR as low.
Credit risk	Low	HusCompagniet is exposed towards customers' inability to meet their financial obligations.	The Group obtains a bank guarantee from all customers before construction is initiated. Consequently, the Group's exposure towards credit risk is limited to the customers' changes to the house after construction has started.	Total impairment of trade receivables amounted to nil in 2015 and 2014.	Management considers the Group's exposure to credit risk as low.
Liquidity risk	Low	HusCompagniet does not receive payment until construction is finished and the house is handed over to the client. Accordingly, the Group needs sufficient facilities to fund ongoing constructions.	The Group aims to have a undrawn credit of minimum DKK 200 million to ensure that the Group is able to meet its obligations.	The Group has an undrawn credit facility of DKK 200 million to ensure that the Group is able to meet its obligations.	Management considers the exposure as being low.

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24 Financial instruments and risks (continued)

2015 DKK'000	Carrying amount	Total	0-1 year	2-5 years	After 5 years
Bank borrowings	*900,000	1,136,614	92,838	372,993	670,783
Trade payables	269,550	0	269,550	0	0
Other liabilities	82,049	0	82,049	0	0
Derivatives	115	116	-198	314	0
Total contractual cash flows	1,251,714	1,136,730	442,239	373,307	670,783

*Deducted amortized borrowing costs of DKK 32 million in consolidated financial statements

The presented cash flows are non-discounted amounts, on the earliest possible date at which the Group can be required to settle the financial liability. Floating interest payments on bank borrowings have been determined applying a forward curve on the underlying interest rate at the reporting date.

Future cash flow from derivatives to effect P&L

2015 DKK'000	Hedging instrument	Fair value recognised in OCI	Expected recognition in P&L		After 5 years
			0-1 year	2-5 years	
	Interest rate				0
Bank borrowings	swap	48	-266	314	0
Bank borrowings	CAP	67	67	0	0
Total		115	-199	314	0

The CAP and interest rate swap is effective from respectively February and September 2016.

Categories of financial instruments

DKK'000	2015
Loans and receivables	56,393
Derivatives, financial assets	115
Financial liabilities measured at amortised cost	1,219,648
Derivatives, financial liabilities	0

The fair value of derivatives is calculated using valuation techniques and observable market data (level 2).

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Notes to the consolidated financial statements

25 Related parties

The financial statements include the financial statements of the Group and the subsidiaries in the following table:

Name	Country of incorporation	% equity interest
Die Haus-Compagnie GmbH	Germany	100%
Huscompagniet Midt- og Nordjylland A/S	Denmark	100%
Huscompagniet Sjælland A/S	Denmark	100%
Huscompagniet Fyn A/S	Denmark	100%
Fm-Søkjær Entreprise A/S	Denmark	100%
Huscompagniet Sønderjylland A/S	Denmark	100%
Svenska Huscompagniet AB	Sweden	100%
HusCompagniet A/S	Denmark	100%
LejlighedsCompagniet A/S	Denmark	100%
HC TopCo A/S	Denmark	100%
Diego HC A/S	Denmark	100%

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 6 in the consolidated financial statements.

The ultimate Parent

The ultimate parent of the Group is EQT's foundation VI.

There were no transactions in 2015 between the Group and the ultimate parent company.

DKK'000	2015
26 Other adjustments	
Depreciation, amortisation and impairment	30,089
Movements in provisions recognised in the income statement	1,954
Non-cash financial items	16,739
	<u>48,782</u>
27 Events after the balance sheet date	
No significant events have occurred subsequent to the financial year.	
28 Fee to the auditors appointed by the Company in general meeting	
Fee regarding statutory audit	321
Other assistance	1,616
	<u>1,937</u>

Parent company financial statements 17 July - 31 December

Income statement for the period ended 31 December

Notes	DKK'000	<u>2015</u>
	Revenue	0
	Staff costs	0
	Other operating expenses	<u>0</u>
	Operating profit before depreciation and amortisation and special items	<u>0</u>
	Depreciation and Amortization	0
	Special items, net	0
	Operating profit	<u>0</u>
4	Share of result in subsidiary companies after tax	14,721
	Finance costs	0
	Finance income	<u>0</u>
	Profit before tax	<u>14,721</u>
3	Incomes tax	0
	Profit for the year	<u><u>14,721</u></u>
	 Profit for the year	
	Attributable to	
	Equity holders of the parent	<u>14,721</u>

Statement of other comprehensive income for the period ended 31 December

Notes	DKK'000	<u>2015</u>
	Profit for the year	14,721
	Total comprehensive income for the year, net of tax	<u>14,721</u>
	 Total comprehensive income attributable to:	
	Equity holders of the parent	14,721
	Total comprehensive income for the year, net of tax	<u><u>14,721</u></u>

Parent company financial statements 17 July - 31 December

Financial position as at 31 December

Notes	DKK'000	2015
	Assets	
	Non-current assets	
4	Investments in subsidiaries	1,450,313
	Total non-current assets	1,450,313
	Current assets	
	Cash	1,000
	Total current assets	1,000
	Total assets	1,451,313
	Equity and liabilities	
	Equity	
	Issued capital	14,366
	Share premium	1,422,226
	Other capital reserves	14,721
	Retained earnings	0
	Total equity	1,451,313
	Total liabilities	0
	Total equity and liabilities	1,451,313

Parent company financial statements 17 July - 31 December

Statement of cash flows for the period ended 31 December

Notes	DKK'000	<u>2015</u>
	Operating activities	
	Profit before tax	14,721
5	Other adjustments	-14,721
	Net cash flows from operating activities	<u>0</u>
	Investing activities	
	Purchase of subsidiary	-1,435,592
	Net cash flows used in investing activities	<u>-1,435,592</u>
	Financing activities	
	Capital injection from equity partners	1,436,092
	Net cash flows used in investing activities	<u>1,436,092</u>
	Net increase in cash	500
	Cash at 17 July	<u>500</u>
	Cash at 31 December	<u><u>1,000</u></u>

Parent company financial statements 17 July - 31 December

Statement of changes in equity

for the period ended 31 December 2015

DKK'000	Issued capital	Retained earnings	Share premium	Reserve for net revaluation according to the equity method	Total equity
As at 1 December 2014	500	-	-	-	500
<i>Comprehensive income for the year</i>					
Profit for the year	-	14,721	-	-	14,721
Other comprehensive income	-	-	-	-	0
Reserve for net revaluation according to equity method	-	-14,721	-	14,721	0
Total comprehensive income	0	0	0	14,721	14,721
<i>Transactions with owners of the company</i>					
Capital injection	14,366	-	1,422,226	-	1,436,592
Capital reduction	-500	-	-	-	-500
Dividends	-	-	-	-	0
Total transactions with owners of the company	13,866	0	1,422,226	0	1,436,092
At 31 December 2015	14,366	0	1,422,226	14,721	1,451,313

Parent company financial statements 17 July - 31 December

Notes

Overview of notes to the parent financial statements

Notes

- 1 Basis of preparation
- 2 Summary of significant accounting policies
- 3 Income taxes
- 4 Investments in subsidiary company
- 5 Other adjustments
- 6 Other disclosures

Parent financial statements 17 July - 31 December

Notes to the parent financial statements

1 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 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.

2 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 an 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.

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.

Parent financial statements 17 July - 31 December

Notes to the parent financial statements

DKK'000	2015
3 Income taxes	
Current tax	
Income tax	0
Movement in deferred tax	0
Adjustment relating to prior years	0
	0
Profit before tax	14,721
Tax rate, Denmark	23.5%
Tax at applicable rate	3,459
Non-taxable income	-3,459
	0
Effective tax rate, %	0%
4 Investments in subsidiary companies	
DKK'000	2015
Cost at 17 July	0
Additions	1,435,592
	1,435,592
Cost at 31 December	1,435,592
Share of result at 17 July	0
Share of results	14,721
Dividends	0
	14,721
Share of results at 31 December	14,721
Net book value	1,450,313
Reference is made to note 25 in the consolidated financial statements for overview of subsidiary companies.	
5 Other adjustments	
DKK'000	2015
Share of result in subsidiary companies	-14,721
	-14,721

Parent financial statements 17 July - 31 December

Notes to the parent financial statements

6 Other disclosures

For the following disclosures reference is made to the consolidated financial statements:

- Share capital and other reserves (note 18)
- Capital management (note 18)
- Contingent assets, contingent liabilities, collateral and leases (note 22)
- Financial instruments (note 24)
- Related parties (note 25)
- Events after the balance sheet date (note 27)