

Dynatest International A/S
Central Business Registration No
64532413
Gladsaxevej 342
2860 Søborg

Annual report 2015

The Annual General Meeting adopted the annual report on 08.07.2016

Chairman of the General Meeting

Name: Nicholas Liebach

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	8
Consolidated income statement for 2015	17
Consolidated balance sheet at 31.12.2015	18
Consolidated statement of changes in equity for 2015	20
Consolidated cash flow statement for 2015	21
Notes to consolidated financial statements	22
Parent income statement for 2015	28
Parent balance sheet at 31.12.2015	29
Parent statement of changes in equity for 2015	31
Notes to parent financial statements	32

Entity details

Entity

Dynatest International A/S
Gladsaxevej 342
2860 Søborg

Central Business Registration No: 64532413

Registered in: Gladsaxe

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Christian Møller Christensen, formand

Anders Sørensen

Johannes Sloth

Lars Christian Pallesen

Executive Board

Christian Lanng Nielsen, CEO

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Dynatest International A/S for the financial year 01.01.2015 - 31.12.2015.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Søborg, 24.06.2016

Executive Board

Christian Lanng Nielsen
CEO

Board of Directors

Christian Møller Christensen
formand

Anders Sørensen

Johannes Sloth

Lars Christian Pallesen

Independent auditor's reports

To the owners of Dynatest International A/S Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of Dynatest International A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

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

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

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent 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 about whether consolidated financial statements and parent 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 parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent 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 entity'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 the overall presentation of the consolidated financial statements and parent financial statements.

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

Our audit has not resulted in any qualification.

Independent auditor's reports

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations and the Group's cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Emphasis of matter affecting the financial statements

Without qualifying our opinion, we refer to the information in the management commentary's paragraph on "Outlook" as well as note 1, in which Management states that the Group is expected to have sufficient capital resources to finance the Group's activities for the 2016 financial year. On this basis, Management has presented the consolidated financial statements and parent financial statements under the going concern assumption. We have found no reason to give a different assessment.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Copenhagen, 24.06.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Jens Sejer Pedersen

State Authorised Public Accountant

Eigil Hansen

State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015	2014	2013	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial high-lights					
Key figures					
Revenue	155.400	155.706	118.796	118.357	105.065
Gross profit/loss	37.315	55.684	36.944	35.553	29.368
Operating profit/loss	(35.528)	3.823	(1.137)	6.075	623
Net financials	(695)	(469)	(794)	(782)	(1.293)
Profit/loss for the year	(35.650)	167	(1.849)	4.031	257
Total assets	108.953	99.594	100.291	66.742	63.114
Investments in property, plant and equipment	22.844	4.200	5.216	3.610	5.295
Equity	10.693	44.758	17.163	22.035	17.810
Ratios					
Gross margin (%)	24,0	35,8	31,1	30,0	28,0
Net margin (%)	(22,9)	0,1	(1,6)	3,4	0,2
Return on equity (%)	(128,6)	0,5	(9,4)	20,2	1,4
Equity ratio (%)	9,8	44,9	17,1	33,0	28,2
Gennemsnitligt antal ansatte	144,0	107,0	92,0	87,5	82,0

Due to changes in accounting principles the comparative figures for 2012 in financial highlights and ratios, the consolidated income statement and the consolidated balance sheet have been adjusted accordingly. Financial highlights and ratios have not been adjusted for 2011.

Management commentary

Primary activities

Dynatest International A/S is a leading international provider of pavement consultancy for use in planning and maintenance of pavements. The Company also develops, manufactures, and sells high technology data collection equipment for condition monitoring of pavements.

Dynatest International A/S' customers are owners/operators of airports and roads as well as transportation authorities. Dynatest International A/S is headquartered in Denmark and sells its products and services in more than 100 countries with a strong focus on the US.

Development in activities and finances

The Dynatest Group's revenue essentially remained flat at DKK 157m. In 2015, The Group's production costs were impacted by the fact that revenue relates to a product mix with a averagely lower contribution ratio than last year.

Also in the 2015 financial year, the Dynatest Group has taken several acquisitive and structural initiatives. Among others, these initiatives have resulted in the Group's Danish activities being relocated to new premises in Gladsaxe, Denmark just as a process has been initiated, in which the Group's US production facilities and administrative functions are consolidated at one location in Atlanta, US.

Overall, this resulted in the Group's level of expenses increasing significantly and net results after tax declining to a loss of DKK 35.7m. Shareholders' equity decreased to DKK 10.7m, equal to an equity ratio of 10%.

In 2015, results for the year and cash flow development have been unsatisfactory.

In first half of 2016, a new Top Management was appointed, and a plan to restore profitability in 2017 has been initiated.

Uncertainty related to recognition and measurement

When preparing the Company's annual report, it is necessary that Management, in accordance with legislative provisions, makes a number of accounting judgments and estimates which form the basis for the annual report. Material accounting judgments and estimates made by Management are described in the paragraph "Management's material judgments and estimates" under accounting policies, to which we refer.

The accounting judgments and estimates made primarily relate to the sufficiency of the Group's financing, measurement of development costs and measurement of stage of completion as regards contract work in progress. Such estimates are made on the basis of assumptions which Management considers being reasonable and realistic, but which by nature are uncertain.

Management commentary

Outlook

Expectations for 2016 are negative due to a very slow beginning in 2016 in addition to considerable cost over-run in the first five months of 2016. As mentioned, a plan is being launched and initiated to generate profitable operations in 2017.

This has entailed a reassessment of the Group's strategic focus with emphasis on the Group's historical core activities as well as development activities which closely support these. In this connection, an adjustment has been made to the level of expenses through termination of resources and through efficiency measures. The full effect of these initiatives is expected to be manifested in positive operation as of the 2017 financial year.

As a result of the loss generated in the first part of the 2016 financial year and the implementation phase for the launched plan, a loss is also expected for 2016 as a whole. This loss is expected to be at the same level as the loss for 2015.

Due to the development in terms of results, the Group has seen increasing borrowing requirements. These have been covered by way of increased credit facilities and cash inflow from the owner of the Group. In the period up until the Group is expected to be profitable in 2017 a need for additional capital of upwards of DKK 22m is estimated. In connection with the preparation of the consolidated financial statements and parent financial statements for 2015, the majority owner of the Group has established a credit facility of DKK 25m available from 23 June 2016. On this basis, the Group's other credit facilities are expected to be maintained throughout 2016.

In light of the above, the Group is expected to have sufficient capital resources while achieving profitable operation and, as such, the consolidated financial statements and parent financial statements for the financial year 2016 are presented under the going concern assumption.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises.

The accounting policies applied for this consolidated financial statements and parent financial statements are consistent with those applied last year.

Management's material judgements and estimates

When preparing the Group's and Company's annual report, it is necessary that Management makes a number of accounting judgments and estimates which form the basis for presentation, recognition and measurement of the Group's and the Company's assets and liabilities. In particular, the accounting judgments and estimates made by Management relate to:

- The sufficiency of the Group's financing to continue activities. Note 1 of the consolidated financial statements states how the Group's future activities are expected to be financed. The sufficiency of the expected financing is influenced by the launched plan to establish profitability in 2017 being realised as anticipated, as well as the existing credit facilities being maintained and obligations / covenants are met.
- The recognition and measurement of development costs, and
- The measuring of the stage of completion and the value of contract work in progress. Stage of completion is calculated based on the ratio between actual consumption of resources (working hours) and total budgeted consumption of resources (working hours), in which stage of completion may proceed differently than expected on such projects.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Accounting policies

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the

Accounting policies

relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses..

Income statement

Revenue

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

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

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Also, provisions for loss on contract work in progress are recognised under production costs.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment attached to the distribution process.

Accounting policies

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationary and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is usually 3 years. Development projects are written down to the lower of recoverable amount and carrying amount

Accounting policies

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises direct costs of materials, components, subsuppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	31 - 39 years
Plant and machinery	3 - 10 years
Other fixtures and fittings, tools and equipment	3 - 10 years
Leasehold improvements	5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised pro rata internal profits and losses.

Accounting policies

Associates with negative equity are measured at DKK 0, and any receivables from these associates are written down by the share of such negative equity if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if there is a legal or constructive obligation to cover the liabilities of the relevant associate.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Contract work in progress

Contract work in progress regarding individualized products is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources (working hours).

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Accounting policies

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Minority interests

Minority interests consist of non-controlling interests share of equity in subsidiaries not 100% owned by the parent company.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognised based on a specific assessment of the purpose of the individual subsidiary,

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructurings, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

If goods are sold on approval, a provision is made for the mark-up on the goods estimated to be returned as well as any expenses related to the returns.

Accounting policies

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructurings in the acquired enterprise that were decided and published at the takeover date at the latest.

Once it is likely that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Accounting policies

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

Consolidated income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Revenue		155.399.642	155.706
Production costs	2	<u>(118.084.987)</u>	<u>(100.022)</u>
Gross profit/loss		37.314.655	55.684
Distribution costs	2	(13.429.209)	(5.926)
Administrative costs	2	<u>(59.413.626)</u>	<u>(45.935)</u>
Operating profit/loss		(35.528.180)	3.823
Income from investments in associates		421.265	582
Other financial income		177.210	49
Other financial expenses		<u>(1.293.354)</u>	<u>(1.100)</u>
Profit/loss from ordinary activities before tax		(36.223.059)	3.354
Tax on profit/loss from ordinary activities	3	<u>572.880</u>	<u>(3.100)</u>
Consolidated profit/loss		(35.650.179)	254
Minority interests' share of profit/loss		<u>0</u>	<u>(87)</u>
Profit/loss for the year		<u>(35.650.179)</u>	<u>167</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(35.650.179)</u>	<u>167</u>
		(35.650.179)	167

Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Completed development projects		6.204.867	2.169
Development projects in progress		4.325.098	5.936
Intangible assets	4	<u>10.529.965</u>	<u>8.105</u>
Land and buildings		2.596.775	2.418
Other fixtures and fittings, tools and equipment		34.680.827	17.239
Property, plant and equipment	5	<u>37.277.602</u>	<u>19.657</u>
Investments in associates		2.772.773	2.584
Deposits		682.695	1.512
Fixed asset investments	6	<u>3.455.468</u>	<u>4.096</u>
Fixed assets		<u>51.263.035</u>	<u>31.858</u>
Raw materials and consumables		13.607.630	12.439
Manufactured goods and goods for resale		0	1.529
Prepayments for goods		4.618	575
Inventories		<u>13.612.248</u>	<u>14.543</u>
Trade receivables		33.811.476	25.833
Contract work in progress	9	3.570.048	11.811
Deferred tax assets		0	1.680
Other short-term receivables		20.652	1.566
Income tax receivable		2.377.884	0
Prepayments		2.822.667	1.152
Receivables		<u>42.602.727</u>	<u>42.042</u>
Cash		<u>1.475.073</u>	<u>11.151</u>
Current assets		<u>57.690.048</u>	<u>67.736</u>
Assets		<u>108.953.083</u>	<u>99.594</u>

Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital		2.040.000	2.040
Retained earnings		8.652.987	42.718
Equity		<u>10.692.987</u>	<u>44.758</u>
Minority interests	10	<u>0</u>	<u>588</u>
Provisions for deferred tax		36.073	1.305
Other provisions		2.286.951	2.414
Provisions		<u>2.323.024</u>	<u>3.719</u>
Mortgage debts		315.659	571
Bank loans		1.859.943	1.704
Prepayments received from customers		6.904.618	0
Non-current liabilities other than provisions	11	<u>9.080.220</u>	<u>2.275</u>
Current portion of long-term liabilities other than provisions	11	956.706	4.175
Bank loans		52.049.008	13.607
Prepayments received from customers		1.683.688	264
Contract work in progress		1.271.043	9.674
Trade payables		18.229.171	9.015
Income tax payable		0	564
Other payables		12.667.236	10.955
Current liabilities other than provisions		<u>86.856.852</u>	<u>48.254</u>
Liabilities other than provisions		<u>95.937.072</u>	<u>50.529</u>
Equity and liabilities		<u><u>108.953.083</u></u>	<u><u>99.594</u></u>
Going concern	1		
Subsidiaries	7		
Mortgages and securities	13		

Consolidated statement of changes in equity for 2015

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2.040.000	42.718.794	44.758.794
Purchase of treasury shares	0	(55.969)	(55.969)
Exchange rate adjustments	0	1.640.341	1.640.341
Profit/loss for the year	0	(35.650.179)	(35.650.179)
Equity end of year	<u>2.040.000</u>	<u>8.652.987</u>	<u>10.692.987</u>

Consolidated cash flow statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Operating profit/loss		(34.328.182)	3.826
Amortisation, depreciation and impairment losses		7.059.866	6.502
Other provisions		(127.049)	622
Working capital changes	12	<u>10.741.087</u>	<u>(24.369)</u>
Cash flow from ordinary operating activities		(16.654.278)	(13.419)
Financial income received		177.210	49
Financial income paid		(1.293.352)	(1.102)
Income taxes refunded/(paid)		<u>(2.941.884)</u>	<u>(1.088)</u>
Cash flows from operating activities		(20.712.304)	(15.560)
Acquisition etc of intangible assets		(4.956.153)	(6.802)
Acquisition etc of property, plant and equipment		(22.867.860)	(4.201)
Sale of property, plant and equipment		3.497.140	0
Acquisition of fixed asset investments		(587.776)	(1.088)
Sale of fixed asset investments		<u>828.887</u>	<u>0</u>
Cash flows from investing activities		(24.085.762)	(12.091)
Loans raised		0	1.974
Instalments on loans etc		(3.319.706)	0
Cash increase of capital		<u>0</u>	<u>26.000</u>
Cash flows from financing activities		(3.319.706)	27.974
Increase/decrease in cash and cash equivalents		(48.117.772)	323
Cash and cash equivalents beginning of year		<u>(2.456.163)</u>	<u>(2.779)</u>
Cash and cash equivalents end of year		(50.573.935)	(2.456)
Cash and cash equivalents at year-end are composed of:			
Cash		1.475.073	11.151
Short-term debt to banks		<u>(52.049.008)</u>	<u>(13.607)</u>
Cash and cash equivalents end of year		(50.573.935)	(2.456)

Notes to consolidated financial statements

1. Going concern

As described in the management commentary and in the section Accounting policies – Management’s material judgements and estimates, to which we refer, the Group’s development in terms of results has seen increasing borrowing requirements.

These have been covered by way of increased credit facilities and cash inflow from the owner of the Group. In the period up until the Group is expected to be profitable in 2017 a need for additional capital of upwards of DKK 22m is estimated. In connection with the preparation of the consolidated financial statements and parent financial statements for 2015, the majority owner of the Group has established a credit facility of DKK 25m available from 23 June 2016. On this basis, the Group’s other credit facilities are expected to be maintained throughout 2016.

In light of the above, the Group is expected to have sufficient capital resources while achieving profitable operation and, as such, the consolidated financial statements and parent financial statements for the financial year 2016 are presented under the going concern assumption.

	2015	2014
	DKK	DKK'000
2. Staff costs		
Wages and salaries	63.247.371	49.109
Pension costs	1.783.209	902
Other social security costs	8.017.829	6.437
Other staff costs	935.115	127
	73.983.524	56.575
Average number of employees	144	107
	Remuneration of management	Remuneration of management
	2015	2014
	DKK	DKK'000
Total amount for management categories	2.135.000	2.146
	2.135.000	2.146

Notes to consolidated financial statements

	2015	2014
	DKK	DKK'000
3. Tax on profit/loss from ordinary activities		
Tax on current year taxable income	(166.246)	2.548
Change in deferred tax for the year	(406.634)	21
Adjustment concerning previous years	0	531
	(572.880)	3.100
	Completed	Development
	development	projects in
	projects	progress
	DKK	DKK
4. Intangible assets		
Cost beginning of year	3.382.495	5.935.926
Transfer to and from other items	5.935.526	(5.935.926)
Additions	631.055	4.325.098
Disposals	(1.008.391)	0
Cost end of year	8.940.685	4.325.098
Amortisation and impairment losses beginning of year	(1.213.225)	0
Impairment losses for the year	(1.666.610)	0
Amortisation for the year	(864.374)	0
Reversal regarding disposals	1.008.391	0
Amortisation and impairment losses end of year	(2.735.818)	0
Carrying amount end of year	6.204.867	4.325.098

Notes to consolidated financial statements

	Land and buildings DKK	Other fix- tures and fittings, tools and equipment DKK
5. Property, plant and equipment		
Cost beginning of year	3.960.645	38.102.518
Exchange rate adjustments	444.085	1.930.405
Additions	37.224	22.807.082
Disposals	0	(5.286.572)
Cost end of year	4.441.953	57.553.433
Depreciation and impairment losses beginning of the year	(1.542.411)	(20.862.907)
Exchange rate adjustments	(172.942)	(917.007)
Depreciation for the year	(129.825)	(4.399.057)
Reversal regarding disposals	0	3.306.365
Depreciation and impairment losses end of the year	(1.845.178)	(22.872.606)
Carrying amount end of year	2.596.775	34.680.827
	Investments in associates DKK	Deposits DKK
6. Fixed asset investments		
Cost beginning of year	95.950	1.511.582
Disposals	0	(828.887)
Cost end of year	95.950	682.695
Revaluations beginning of year	2.488.152	0
Exchange rate adjustments	(232.591)	0
Share of profit/loss for the year	421.262	0
Revaluations end of year	2.676.823	0
Carrying amount end of year	2.772.773	682.695

Notes to consolidated financial statements

	<u>Registered in</u>	<u>Equity inte- rest %</u>	<u>Equity DKK</u>	<u>Profit/loss DKK</u>
7. Subsidiaries				
Dynatest Consulting Inc.	Florida, USA	100,0	15.010.800	(9.531.054)
Dynatest Denmark A/S	Søborg, Danmark	100,0	(12.961.113)	(15.610.869)
Dynatest UK Ltd.	England	100,0	(2.213.152)	(1.091.916)
Dynatest New Zealand Ltd.	New Zealand	100,0	(3.001.239)	(1.104.050)
Dynatest Chile SpA	Chile	100,0	(7.785.039)	(5.834.058)
Dynatest Nederland B.V.	Holland	100,0	1.347.741	145.370
Dynatest Peru SpA	Peru	100,0	(299.308)	(93.022)
Dynatest Columbia SpA	Columbia	100,0	(2.163.024)	(2.163.024)
Dynatest Poland	Polen	100,0	188.695	100.695
Internal profit on fixed assets	N/A	N/A	(2.632.420)	(2.018.372)

	<u>Registered in</u>	<u>Equity inte- rest %</u>
8. Associates		
Dynatest Asia-Pacific Sd. Bhd	Malaysia	50,0
Dynatest Africa Ltd.	Sydafrika	50,0

	<u>2015 DKK</u>	<u>2014 DKK'000</u>
9. Contract work in progress		
Contract work in progress	4.658.046	37.672
Progress billings regarding contract work in progress	(2.359.041)	(35.535)
Transferred to liabilities other than provisions	1.271.043	9.674
	3.570.048	11.811

10. Minority interests

During the year the company has acquired the remaining shares of Dynatest Nederland B.V, which now is a 100% owned subsidiary. No minority interests exists at December 31, 2015.

Notes to consolidated financial statements

	Instalments within 12 months 2015 DKK	Instalments within 12 months 2014 DKK'000	Instalments beyond 12 months 2015 DKK
11. Long-term liabilities other than provisions			
Mortgage debts	215.366	200	315.659
Bank loans	741.340	3.975	1.859.943
Prepayments received from customers	0	0	6.904.618
	956.706	4.175	9.080.220

	2015 DKK	2014 DKK'000
12. Change in working capital		
Increase/decrease in inventories	931.962	1.293
Increase/decrease in receivables	(2.918.406)	3.729
Increase/decrease in trade payables etc	12.727.531	(29.391)
	10.741.087	(24.369)

13. Mortgages and securities

Dynatest International A/S has issued a Letter of Support in regards to the subsidiaries Dynatest UK Ltd. and Dynatest New Zealand Ltd.

As a security for debt to banks of DKK ('000) 19,444 Dynatest Denmark A/S has issued a floating charge of a nominal amount of DKK ('000) 7,000.

The floating charge includes the following assets, with a carrying amount as at 31 December 2015 of:

Fixtures and equipment, DKK ('000) 16,901
 Trade receivables, DKK ('000) 4,039
 Inventories, DKK ('000) 5,794

Dynatest Denmark A/S has issued guarantees to customers in the amount of DKK ('000) 64 with expiry in the period until 2016, and has lease payments (operating lease) of DKK ('000) 274 until 2019.

Dynatest Denmark A/S has signed a tenancy rental agreement with 77 months interminability at 31 December 2015 corresponding to a rent of DKK ('000) 10,658.

Notes to consolidated financial statements

Dynatest Consulting Inc has lease and rental agreements in the amount of DKK ('000) 24,568 with expiry in the period until 2026.

As security for debt to banks and lenders Dynatest Consulting Inc. has provided the following security for :

Property, inventory, receivables, cars, furniture, fixtures, tools and equipment, with a total carrying amount as at 31 December 2015 of DKK DKK ('000) 48,315.

The Danish companies in the Dynatest International A/S-Group participates in a Danish joint taxation arrangement in which Dynatest Finance ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and also for obligations, if any, relating to withholding tax on interest, royalties and dividend for the jointly taxed companies.

Parent income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Revenue		22.904.237	23.466
Production costs		<u>(6.764.439)</u>	<u>(1.077)</u>
Gross profit/loss		16.139.798	22.389
Administrative costs	1	<u>(15.020.871)</u>	<u>(16.011)</u>
Operating profit/loss		1.118.927	6.378
Income from investments in group enterprises		(37.200.300)	(5.382)
Income from investments in associates		421.265	582
Other financial income	2	690.367	329
Other financial expenses	3	<u>(363.959)</u>	<u>(345)</u>
Profit/loss from ordinary activities before tax		(35.333.700)	1.562
Tax on profit/loss from ordinary activities	4	<u>(316.479)</u>	<u>(1.395)</u>
Profit/loss for the year		<u>(35.650.179)</u>	<u>167</u>
Proposed distribution of profit/loss			
Reserve for net revaluation according to the equity method		(8.690.751)	(5.381)
Retained earnings		<u>(26.959.428)</u>	<u>5.548</u>
		<u>(35.650.179)</u>	<u>167</u>

Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Completed development projects		6.204.867	2.169
Development projects in progress		4.325.098	5.936
Intangible assets	5	10.529.965	8.105
Other fixtures and fittings, tools and equipment		881.107	124
Property, plant and equipment	6	881.107	124
Investments in group enterprises		13.944.820	18.508
Investments in associates		2.772.773	2.584
Deposits		44.700	0
Fixed asset investments	7	16.762.293	21.092
Fixed assets		28.173.365	29.321
Trade receivables		980.001	0
Receivables from group enterprises		11.384.608	21.547
Other short-term receivables		1.564.375	276
Prepayments	8	59.419	575
Receivables		13.988.403	22.398
Cash		177.943	4.810
Current assets		14.166.346	27.208
Assets		42.339.711	56.529

Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital	9	2.040.000	2.040
Reserve for net revaluation according to the equity method		0	8.691
Retained earnings		8.652.987	34.028
Equity		<u>10.692.987</u>	<u>44.759</u>
Provisions for deferred tax		1.621.479	1.305
Provisions		<u>1.621.479</u>	<u>1.305</u>
Bank loans		25.248.430	6.051
Trade payables		2.805.415	897
Payables to group enterprises		1.708.723	1.860
Other payables		262.677	1.657
Current liabilities other than provisions		<u>30.025.245</u>	<u>10.465</u>
Liabilities other than provisions		<u>30.025.245</u>	<u>10.465</u>
Equity and liabilities		<u><u>42.339.711</u></u>	<u><u>56.529</u></u>
Mortgages and securities	10		
Related parties with controlling interest	11		
Ownership	12		

Parent statement of changes in equity for 2015

	Contributed capital DKK	Reserve for net revaluati- on according to the equity method DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	2.040.000	8.690.751	34.028.043	44.758.794
Purchase of treasury shares	0	0	(55.969)	(55.969)
Exchange rate adjustments	0	0	1.640.341	1.640.341
Profit/loss for the year	0	(8.690.751)	(26.959.428)	(35.650.179)
Equity end of year	<u>2.040.000</u>	<u>0</u>	<u>8.652.987</u>	<u>10.692.987</u>

Notes to parent financial statements

	2015 DKK	2014 DKK'000
1. Staff costs		
Wages and salaries	7.373.321	8.706
Pension costs	166.302	166
Other social security costs	9.665	11
Other staff costs	0	30
	7.549.288	8.913
	Remunerati- on of mana- gement 2015 DKK	Remune- ration of manage- ment 2014 DKK'000
Total amount for management categories	2.135.000	2.146
	2.135.000	2.146
	2015 DKK	2014 DKK'000
2. Other financial income		
Financial income arising from group enterprises	690.350	329
Interest income	17	0
	690.367	329
	2015 DKK	2014 DKK'000
3. Other financial expenses		
Financial expenses from group enterprises	730	70
Interest expenses	363.229	275
	363.959	345
	2015 DKK	2014 DKK'000
4. Tax on profit/loss from ordinary activities		
Change in deferred tax for the year	316.479	1.395
	316.479	1.395

Notes to parent financial statements

	Completed development projects DKK	Development projects in progress DKK
	<u>DKK</u>	<u>DKK</u>
5. Intangible assets		
Cost beginning of year	3.382.495	5.935.926
Transfer to and from other items	5.935.526	(5.935.926)
Additions	631.055	4.325.098
Disposals	(1.008.391)	0
Cost end of year	<u>8.940.685</u>	<u>4.325.098</u>
Amortisation and impairment losses beginning of year	(1.213.225)	0
Impairment losses for the year	(864.374)	0
Amortisation for the year	(1.666.610)	0
Reversal regarding disposals	1.008.391	0
Amortisation and impairment losses end of year	<u>(2.735.818)</u>	<u>0</u>
Carrying amount end of year	<u>6.204.867</u>	<u>4.325.098</u>
		Other fix- tures and fittings, tools and equipment DKK
		<u>DKK</u>
6. Property, plant and equipment		
Cost beginning of year		5.932.375
Additions		936.085
Cost end of year		<u>6.868.460</u>
Depreciation and impairment losses beginning of the year		(5.809.733)
Depreciation for the year		(177.620)
Depreciation and impairment losses end of the year		<u>(5.987.353)</u>
Carrying amount end of year		<u>881.107</u>

Notes to parent financial statements

	Investments in group enter- prises DKK	Investments in associates DKK
7. Fixed asset investments		
Cost beginning of year	2.768.327	95.950
Additions	7.550.774	0
Cost end of year	10.319.101	95.950
Revaluations beginning of year	8.213.230	2.488.152
Exchange rate adjustments	1.872.932	(232.591)
Share of profit/loss for the year	(34.913.319)	421.262
Revaluations end of year	(24.827.157)	2.676.823
Investments with negative equity depreciated over receivables	28.452.876	0
Impairment losses end of year	28.452.876	0
Carrying amount end of year	13.944.820	2.772.773

	Registered in	Equity inte- rest %	Equity DKK	Profit/loss DKK
Investments in associates comprise:				
Dynatest Asia-Pacific Sd. Bhd.	Malaysia	50,0	2.443.329	431.270
Dynatest Africa Ltd.	Sydafrika	50,0	329.441	(10.008)

8. Prepayments

Prepayments comprise prepaid expenses.

	Number	Par value DKK	Nominal value DKK
9. Contributed capital			
Aktiekapital	2.040	1.000	2.040.000
	2.040		2.040.000

Notes to parent financial statements

	2015	2014
	DKK	DKK
Changes in contributed capital		
Contributed capital beginning of year	2.040.000	1.000.000
Increase of capital	0	1.040.000
Contributed capital end of year	2.040.000	2.040.000

10. Mortgages and securities

Dynatest International A/S has issued a Letter of Support in regards to the subsidiaries Dynatest UK Ltd. and Dynatest New Zealand Ltd.

Dynatest International A/S has issued a guarantee of payment for the total obligations of the Danish companies to the bank, a debt of DKK ('000) 19,444 as per 31 December 2015.

Dynatest International A/S has issued a guarantee of payment for the total obligations of the US companies to the bank, a debt of DKK ('000) 7,513 as per 31 December 2015.

Dynatest International A/S has issued a guarantee of payment for rent obligations of the US companies amounting to DKK ('000) 24,568 for a 10 years period.

Dynatest International A/S has issued a guarantee of payment for rent obligations of the Danish companies amounting to DKK ('000) 10,658 for a 7 years period.

Dynatest International A/S participates in a Danish joint taxation arrangement in which Dynatest Finance ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and also for obligations, if any, relating to withholding tax on interest, royalties and dividend for the jointly taxed companies.

11. Related parties with controlling interest

Dynatest International A/S' related parties having a significant influence comprise group enterprises and associates, as well as the companies' Board of Directors, Executive Boards and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Notes to parent financial statements

12. Ownership

The following shareholders are recorded in the company's register of shareholders as owing minimum 5% of the votes or minimum 5% of the share capital :

Dynatest Holding ApS, Gladsaxevej 342, 2860 Søborg, Denmark

ANS Holding ApS, Enighedsvej 11, 2800 Kgs. Lyngby, Denmark

GLN Holding ApS, Rørmosen 106, 2990 Nivå, Denmark