

# Annual Report **2015**



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## CEO LETTER BY HENRIK LIND

After a rather turbulent and disappointing 2014, Lind Invest was back on track in 2015. Posting a profit after tax of DKK 417 million, for a return on equity of 28.4%, we achieved the best annual performance in the history of Lind Invest.

Backed by our solid balance sheet and strong liquidity we achieved strong results and profitable exits, enabling us to continue our investment strategy within our core areas.

Our 2015 results were driven mainly by three factors. Firstly and foremost, Danske Commodities regained its momentum after completing a turnaround in the second half of 2014. Secondly, we held on to our long-term investment strategy, achieving a strong performance by Lind Capital and Lind Capital Fondsmæglerselskab, both of which produced their best results ever, and by our Investment Activities which yielded an average ROIC of 14.2%. And thirdly, we ended our ownership of three Group Companies, in which we had been a majority investor for periods of five to seven years. All three exits realised significant premiums to book value.

Although 2015 was a very satisfactory year, 2014 stands as a hard-learned lesson on how fast things can change if a company does not constantly address and manage external and internal risks.

### The future

For 2016 and beyond we will need to stay focused on the underlying performance of all holdings. All kind of markets seems to continue to change rapidly and constantly; margins are under pressure, existing business models are not only being challenged but also eroded by newcomers capitalising on certain industries. Furthermore, businesses are not being agile enough to adapt or even to react to changes driven by factors such as big data, digitalisation and the sharing economy.

The right approach for us is to accept and adapt to a significantly higher degree of market volatility and new ways of competing in all business segments going forward. This is important for us as an investor with an active ownership approach and holding different types of assets and asset classes.

I strongly believe that flexibility, independence and a strong and proactive decision-making approach are keys to navigating in an ever-changing world. Many things may be changing in the world today, but at Lind Invest, our approach will stay the same.


In this year's annual report, we provide our readers with more insights into how we generate value in our businesses as active owners by describing the development of the investments where our ownership ended in 2015.

Lastly, I wish to thank all our highly-skilled people in the Lind Invest group. This year's results would not have been possible without their tremendous efforts and ability to continually adapt to changing market conditions.

I hope you will find our 2015 Annual Report an interesting read.



Henrik Lind

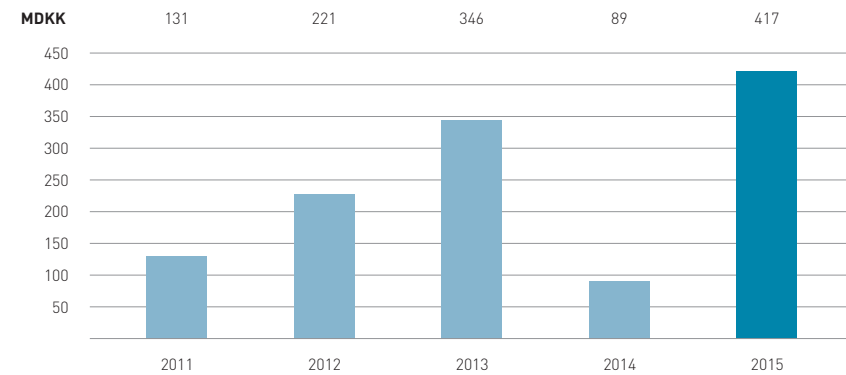


” I strongly believe that flexibility, independence and a strong and proactive decision-making approach are keys to navigating in an ever-changing world.

## KEY FIGURES FOR 2015

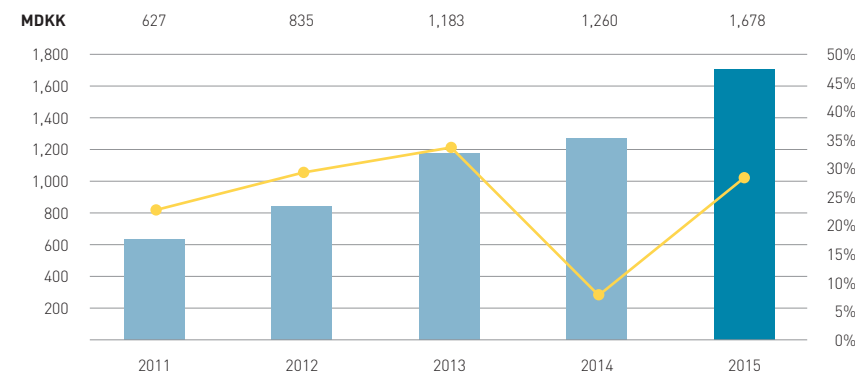
### PROFIT AFTER TAX MDKK

**369%** ▲  
Increase in profit



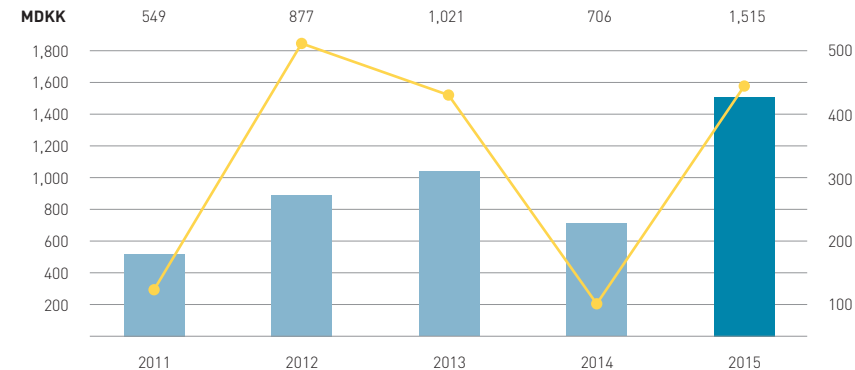
### EQUITY AND RETURN ON EQUITY MDKK

**28.4%** ▲  
Return on equity



### CASH FLOW FROM OPERATING ACTIVITIES AND CASH MDKK

**344%** ▲  
Increase in cash flow from operating activities



## FINANCIAL HIGHLIGHTS 2015

### DKK'000

| INCOME STATEMENT         | 2015       | 2014       | 2013       | 2012      | 2011      |
|--------------------------|------------|------------|------------|-----------|-----------|
| Revenue                  | 21,967,325 | 18,915,995 | 14,582,689 | 9,435,310 | 6,201,496 |
| Gross margin             | 558,780    | 543,082    | 734,694    | 523,304   | 330,348   |
| Operating profit/loss    | 217,995    | 145,277    | 430,024    | 345,111   | 248,019   |
| Net financials           | 265,187    | -16,591    | -30,502    | -27,396   | -58,845   |
| Profit/loss for the year | 548,227    | 127,600    | 433,424    | 286,241   | 179,371   |

| BALANCE SHEET                                 | 2015      | 2014      | 2013      | 2012      | 2011      |
|---|-----------|-----------|-----------|-----------|-----------|
| Non-current assets                            | 1,539,443 | 2,443,909 | 2,132,723 | 1,765,600 | 1,504,566 |
| Current assets                                | 3,096,579 | 2,244,754 | 2,148,617 | 1,823,823 | 1,043,693 |
| Total assets                                  | 4,636,022 | 4,688,663 | 4,281,340 | 3,589,423 | 2,548,259 |
| Share capital                                 | 2,220     | 2,220     | 2,220     | 2,220     | 2,220     |
| Equity  | 1,678,079 | 1,259,453 | 1,182,946 | 835,113   | 627,090   |
| Provisions                                    | 7,580     | 54,517    | 48,062    | 31,753    | 18,833    |
| Non-current liabilities other than provisions | 671,998   | 1,151,636 | 71,845    | 1,213,240 | 1,190,970 |
| Current liabilities other than provisions     | 2,151,174 | 1,919,694 | 2,689,193 | 1,272,666 | 536,990   |

| CASH FLOWS   | 2015      | 2014     | 2013     | 2012     | 2011    |
|--|-----------|----------|----------|----------|---------|
| Cash flows from operating activities                             | 444,182   | 99,513   | 427,664  | 517,512  | 121,822 |
| Net cash flows from investing activities                         | 1,114,833 | -378,907 | -196,834 | -244,633 | -21,056 |
| Portion relating to investment in property, plant, and equipment | -4,424    | -38,945  | -59,202  | -67,482  | -28,716 |
| Cash flows from financing activities                             | -750,666  | -35,464  | -86,418  | 54,533   | 921     |
| Total cash flows   | 808,349   | -314,858 | 144,412  | 327,412  | 101,687 |

| FINANCIAL RATIOS IN %          | 2015  | 2014  | 2013 | 2012  | 2011  |
|--------------------------------|-------|-------|------|-------|-------|
| Operating margin               | 1.0   | 0.8   | 2.9  | 3.7   | 4.0   |
| Return on invested capital     | 14.8  | 9.7   | 26.9 | 17.1  | 15.3  |
| Gross margin                   | 2.5   | 2.9   | 5.0  | 5.5   | 5.3   |
| Current ratio                  | 143.9 | 116.9 | 79.9 | 143.3 | 194.4 |
| Solvency ratio                 | 36.2  | 26.9  | 27.6 | 23.3  | 24.6  |
| Solvency ratio, parent company | 72.3  | 77.2  | 93.8 | 94.8  | 98.9  |
| Average number of employees    | 340   | 465   | 346  | 203   | 111   |

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, see the accounting policies.





**AVERAGE ROE**

**26.8%** ▲

Average Return on Equity (ROE) of the past five years

# 2015 AT A GLANCE

## CASH & CASH EQUIVALENTS

# 114%

Cash and cash equivalents totalling DKK 1.5 bn.

## EMPLOYEES

# 355

The parent company Lind Invest has 17 employees in holding. The group has a total of 355 employees.

## SOLVENCY RATIO, PARENT

# 72%

Lind Invest increased equity by 33% in 2015.

## REVENUE

# 16%

This year's revenue increased by 16% to DKK 22 bn.



**Markets are changing – rapidly and constantly. And with a higher pace than ever before.**

### 2015 at a glance

2015 was the best year in Lind Invest's history. It was also a year in which we benefitted from our strategies and positioning to the market situation; both in our Group Companies and in our Investment Activities. We continued our investment strategy with its dedicated long-term focus on high risk-adjusted returns in selected niche markets and the potential to capture short term opportunities. All Group Companies and Investment Activities ended the year with strong positive results which highlight the strong foundation of Lind Invest.

### Results in 2015

The Lind Invest group achieved a profit after tax of DKK 417 million against DKK 89 million in 2014 for a 369% improvement. The performance is considered to be highly satisfactory.

The 2015 performance was driven mainly by three factors. Firstly and foremost, Danske Commodities regained its momentum. Secondly, our Investment Activities performed well. Thirdly, we ended our ownership of three Group Companies which all realised with premiums to book value.

All three exits generated satisfactory returns, demonstrating the value creation of our active ownership approach.

Ending the ownership of the three Group Companies has simplified our group structure and balance sheet, as the transactions converted fixed assets to current financial assets. As a part of the Cornerstone transaction, see page 20, Lind Invest gained a couple of development opportunities, the potential of which we will explore further in 2016. Real estate exposure made up 107% of our equity prior to the exits. At the end of 2015, real estate accounted for less than 3% of equity and there is no debt related to the remaining real estate exposure. We are very comfortable with this strategic change.

### On solid ground in 2015 and beyond

Staying focused on the position and development of our cash flows has always been a guiding principle for us and having a strong cash flow position is an integral part of our risk management approach and strategy. The group generated cash flows from operating activities of DKK 444 million, a DKK 344 million improvement from DKK 100 million in 2014.

Our equity had grown to DKK 1,678 million at 31 December 2015 with cash and cash equivalents making up 90%. Going into 2016, we have a solid balance sheet and a strong liquidity.

### Outlook for 2016

Our strategic focus will be to continuously grow our existing businesses and people. We see strong potential for our Group Companies and our Investment Activities to continue their development. We expect their potential to materialise in the coming years.

We are very comfortable with having such a strong financial and strategic position, because we see a growing potential in the disruptive environments of all markets. It is still too soon to conclude the specific, micro effects, but it will be imperative to stay on top of developments in new markets so we can be ready for the potential opportunities these changes will undoubtedly bring.

We expect to maintain a strong financial position and to make a profit in 2016, although our bottom line will likely be lower than what we reported for 2015.



## ABOUT LIND INVEST

Since Lind Invest was founded in 2002, the company mind-set has been entrepreneurial and opportunistic. Value is created through skilled employees and a thorough understanding of the businesses we engage in.

Lind Invest is the Aarhus-based holding company of Henrik Lind's businesses. We invest in listed and unlisted companies and common to all our activities is our ambition to develop our companies, people and investments to be among the most successful in our selected business areas.

### Entrepreneurial mind-set

Lind Invest and all of our Group Companies were founded on the notion of doing things a little differently in order to gain a competitive edge in the marketplace. This approach must continuously be calibrated to ever changing market circumstances, as we strive to be proactive and forward-looking and rarely try to be first movers unless it truly makes sense in the particular situation.

This mind-set and approach is our means of challenging processes and businesses in different areas and it forms an integral part of all decision-making and business development within the group.

However, it will never be our ambition to take a different approach just to do things differently – it has to make sense and there has to be a sound and a very clear value proposition.

Our approach and mind-set also means that we will make mistakes while trying to find the right way to succeed. However, we believe that as long as we do not make the same mistake twice, we will succeed in the long run.

### Having the right people makes a difference

In order to unfold the potential of a business or of an idea, it is important to delegate responsibility and ambition to others who can develop and translate the vision into meaningful action and value creation, not only for the group, but also for customers and other stakeholders.

This philosophy has been the very foundation of the people strategy at Lind Invest from day one, and it is the path we

will to stay on going forward. It makes sense to us and creates value in all dimensions for our employees, our stakeholders and for the group in general.

### Active ownership with a long-term approach

Our guiding principle prior to making any investment is to have a thorough understanding of the candidate business or businesses we are considering, and it is important to us that we have a strong belief in the people who are to run the business and generate value from the investment.

We believe that when we make a decision to establish or acquire a company or asset, that decision implies an obligation to be a responsible owner with a dedicated and active ownership approach. At Lind Invest, that means cultivating a framework that enables the company to unfold its long-term potential. With this framework in place, we can begin to expect performance and dedication to value creation from everyone involved in the company: from other shareholders, the board, management and the employees.

### Policy on the under-represented gender in management

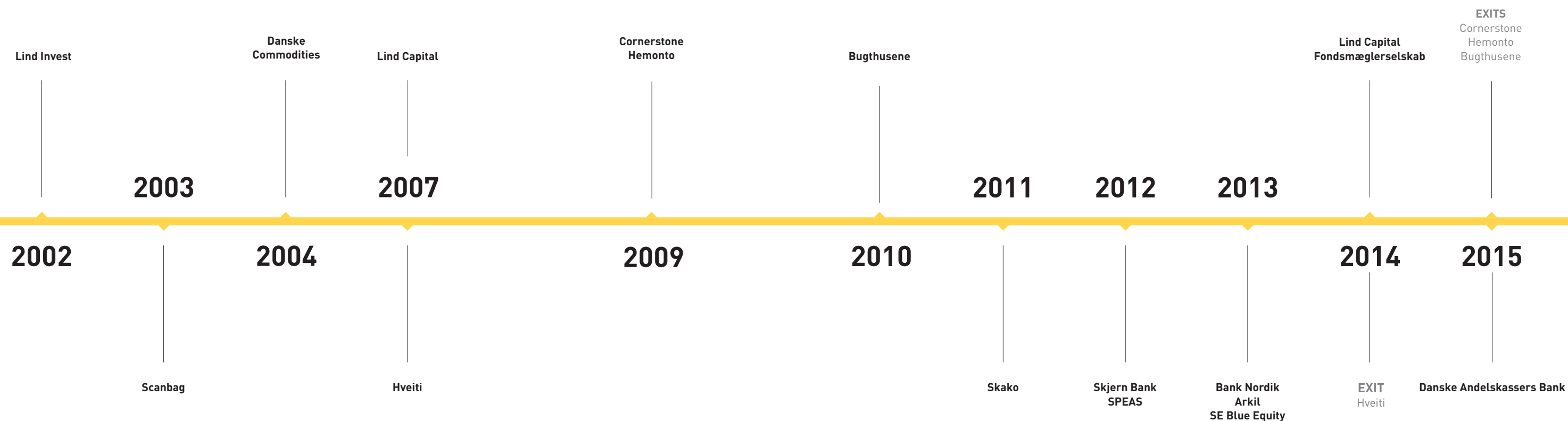
In accordance with Danish legislation, Lind Invest has defined target figures and policies for the group regarding under-represented gender in management. The group targets a ratio of 25% women in the company's top management before 2018. See the Lind Invest group's policy on the under-represented gender in management on the Lind Invest website: [www.lind-invest.dk](http://www.lind-invest.dk)

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# OVERVIEW

## ▶ GROUP COMPANIES



## ▶ INVESTMENT ACTIVITIES



# PORTFOLIO

The Lind Invest portfolio is made up of two parts: our Group Companies and our broad range of dynamic Investment Activities.

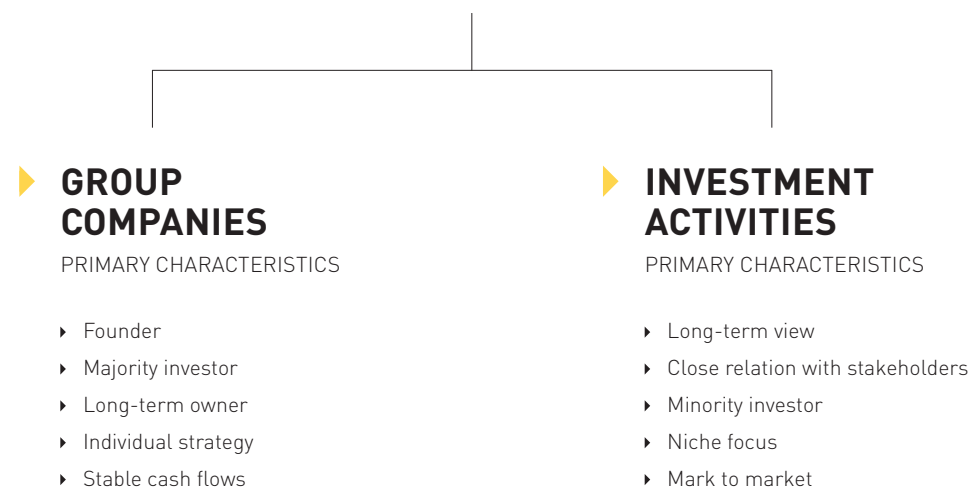
## Group Companies

A fundamental characteristic of our Group Companies is that Lind Invest is the founder or a co-founder and the majority owner with corresponding influence. Representation on the board of directors is also a fundamental requirement for us as we are close to management, strategy and value creation.

Lind Invest is a long-term and active owner in all Group Companies and our role is always to support and challenge the management, thus contributing to the continual development of our companies in their different competitive markets.

The Group Companies make up a robust backbone of the Lind Invest group's profit performance, creating relatively stable cash flows that ensure a strong financial foundation for further development.

## LIND INVEST



## Lind Capital

Lind Capital is an independent trading company that trades using its own capital, pricing models, and IT solutions. Our business strategy is to create a positive return on liquidity and risk imbalances in selected securities. Through our trading activities, we provide liquidity to markets, thereby helping markets become more efficient. Founded in 2007, Lind Capital today consists of 30 people. We have an energetic and knowledge-based culture that reflects our great desire to challenge the existing order, learn new things, and create great results.

In 2015, Lind Capital delivered trading income of DKK 44 million, the best performance in the company's history. The pre-tax profit was a highly satisfactory DKK 15 million and return on equity was 28%, which is more than three times the pre-tax profit and return on equity reported in 2014. The improvement in trading income was driven by significant progress in all core business areas and, additionally, the successful implementation of Lind Capital's strategy Dynamic Challenger.

## TRADING RESULT IN MDKK

# 44

An increase of 45% compared to 2014 and the best result in company history.

LindCapital

## Lind Capital Fondsmæglerselskab

Lind Capital Fondsmæglerselskab, which was established in April 2014, is a subsidiary of Lind Invest and the most recent of our Group Companies. The company is an independent investment firm serving eligible counterparties and professional investors in the field of corporate bonds. Lind Capital Fondsmæglerselskab creates value for its clients by combining its many years of experience in established markets with an innovative approach to analysis and advisory services.

Despite a challenging year in the financial markets, Lind Capital Fondsmæglerselskab generated significant progress in the company's activities, producing profit after tax of DKK 1.8 million. The performance is considered highly satisfactory, as this is only Lind Capital Fondsmæglerselskab's second year in operation.

## PROFIT AFTER TAX IN MDKK

# 1.8

Total accumulated result of DKK 1.6 mio. after tax since being founded in 2014.

LindCapital  
Fondsmæglerselskab



**Danske Commodities**

Danske Commodities is an international energy trading and services company founded in 2004 and based in Aarhus, Denmark. They combine trading expertise, intelligent data and unparalleled Europe-wide market access and provide customers with energy trading-related services such as asset management, consumption management, balancing and risk management – often by way of customised products tailored to client requirements.

Danske Commodities regained momentum in 2015, generating EBIT of DKK 229 million, a sharp increase of DKK 162 million relative to 2014. The company is now entering a period of balanced growth with focus on maturing the Company.

Danske Commodities' strong financial results were driven by moderate growth in gross profit and cost-cutting thanks to the implementation of a revised strategy strongly focused on operational excellence, effective product development and innovation. The revised strategy "One Team. Creating Profitable Growth" launched in June 2015 sets a clear commercial direction and outlook for the future.

**EBIT IN MDKK**

**229** ▲

An increase of 243 % over 2014.



**Investment Activities**

The overall objective of the Investment Activities of Lind Invest is to secure, optimise and develop the group's financial resources not related to the Group Companies. The primary activity is investment in different asset classes.

The objective of our Investment Activities is to build a dynamic and long-term portfolio that generates a stable and the highest possible rate of total risk-adjusted return. Additionally, the focus is on the portfolios continuously generating strong and stable cash flows.

Fundamental to our Investment Activities is a broad approach to all types of asset classes but with the primary

focus on business models with narrow market segmentation and on niches that based an agile business model generate stable, long-term returns.

The Investment Activities and risk management is handled by a separate team of 12 dedicated full-time employees and five talented student assistants who are responsible for a total of some 45 investments. The work performed is driven by a clear overall strategy and risk policy with distinct areas of responsibility for the investment team and the risk management team.

▶ **SELECTED INVESTMENTS IN PORTFOLIO**

|  |  |
|--|--|
| <p>Danske Andelskassers Bank</p>  | <p>SPEAS</p>        |
| <p>Bank Nordik</p>                | <p>Skako</p>        |
| <p>Arkil</p>                      | <p>Skjern Bank</p>  |

# END OF OWNERSHIP 2015

At Lind Invest, we always concentrate and rebalance our portfolios according to where we find the most attractive risk-premiums in the general investment space relative to our internal risk strategy and the expected return.

Our approach is very simple and we always try to secure a good starting point. We believe that performing a thorough pre-investment due diligence is essential for generating the expected return on an investment.

For all investments, we apply a focused plan with a long-term view to ensuring that we are aligned with the management in terms of developing the anticipated value and reducing risks going forward.

When a company or an asset has developed as planned we will always do a thorough assessment of whether it is strategic to us or if new owners can develop the company or asset even further.



The core of our investment philosophy as an active owner is to cultivate a framework that enables the company to unfold its long-term potential.

In 2015, we ended our ownership of three of our Group Companies; Cornerstone, Hemonto and Bugthusene. All three initial investments have developed positively during our time of ownership. While we had not planned to end our ownership all of three, opportunities arose that resulted in strategic and significant exits for Lind Invest. All three exits produced satisfactory risk-adjusted returns for Lind Invest.

|  | ▶ INVEST<br>WHY DID WE BUY  | ▶ DEVELOP<br>WHAT WE DID   | ▶ EXIT<br>WHAT WAS THE OUTCOME              |
|--|---|--|---|
| Cornerstone<br> | <ul style="list-style-type: none"> <li>▶ Acquired in 2009</li> <li>▶ Distressed real estate markets</li> <li>▶ Portfolio of 37 properties in Hamburg and Cologne</li> </ul>           | <ul style="list-style-type: none"> <li>▶ Simplified setup with investment in internal organisation</li> <li>▶ Income growth of 21%</li> <li>▶ Costs reduced by 15%</li> <li>▶ Some 10,000 sqm of new developments</li> <li>▶ Asset value increase of 41%</li> </ul>  | <b>57%</b><br>Internal Rate of Return (IRR) |
| Hemonto<br>     | <ul style="list-style-type: none"> <li>▶ Acquired in 2009</li> <li>▶ Distressed financial markets</li> <li>▶ Early stage setup with attractive market opportunity</li> </ul>          | <ul style="list-style-type: none"> <li>▶ Investments in development of sales and customer relations, skills, and processes</li> <li>▶ Investments in product developments</li> <li>▶ Beginning internationalisation</li> <li>▶ Gross profit increased with 23x</li> <li>▶ PBT increased from 1.6 MDKK loss to 4.5 MDKK profit</li> </ul> | <b>29%</b><br>Internal Rate of Return (IRR) |
| Bugthusene<br>  | <ul style="list-style-type: none"> <li>▶ Acquired in 2010</li> <li>▶ Distressed real estate markets</li> <li>▶ Potential to get a top three residential location in Aarhus</li> </ul> | <ul style="list-style-type: none"> <li>▶ Road access</li> <li>▶ Securing residential sea view</li> <li>▶ Optimising green outdoor areas</li> <li>▶ City council approval of project</li> <li>▶ 100% increase in asset value</li> </ul>   | <b>21%</b><br>Internal Rate of Return (IRR) |



Our strategy for reducing risk is to stay in our primary areas of business and follow our internal procedures and guidelines.



## RISK MANAGEMENT

Risk management can be extremely complicated and, at the same time, very simple. Our strategy for reducing risk is to stay in our primary areas of business and follow our internal procedures and guidelines. We address any risks that cannot be eliminated by acting proactively and dynamically, which includes monitoring our investments as active, long-term owners and investors.

The group is based on taking, controlling and minimising all types of risks. It is the overall strategy that each company of the group selects the specific risk policies that best match its particular business needs. The risk strategy is based on the overall position that the necessary detailed knowledge of a company's inherent risks lies with its management and organisation and that these parties establish the necessary framework for minimising risks.

### Key focus areas

Standardised reporting on risk is provided on a monthly basis and presented to the executive management of each company.

The group covers the following main risk categories:

- ▶ Market risk
- ▶ Credit risk
- ▶ Commodity risk
- ▶ Foreign Exchange risk
- ▶ Interest rate risk
- ▶ Operational risk
- ▶ Liquidity risk
- ▶ Regulatory risk
- ▶ Legal risk

All major risk classes are managed through internal risk management processes which are fully aligned with each company's risk policies and guidelines.

### Focus of risk management

In 2014, our focus was very much on quantifying and evaluating all significant risks, with Lind Invest clearly defining the scope and targets for risk management.

In 2015, we concentrated more on in-depth analysis of specific risk areas. The target last year was "to develop a platform from which to monitor and stay abreast of all types of risks to which the group is exposed." This goal seems largely to have been met by all Group Companies partly due to the resources allocated to risk management.

### Risk management going forward

In 2016, the group will continue its on-going development of an even stronger risk management framework, with the focus on how to maintain a strong and progressive financial position in volatile and fluctuating markets. The approach is based on a combination of overall risk management tools such as scenario and sensitivity analysis, and specific policies governing risk management in all key areas. Through the individual Group Companies best risk management practices will be applied across the organisation.

The group is expected to increasingly quantify group risks and have the Group Companies to cooperate on risk management, whereas the strategy to make decentralised risk decisions will be maintained.

# SOCIAL RESPONSIBILITY

Lind Invest aims to play an active part in society. We engage in social projects and organisations, where we can contribute to creating social and societal value. In 2015, we increased our focus and dedicated more time to working with social responsibility.



We all have a responsibility towards each other and towards society. All human beings are created equal, but the sum of our individual choices as well as the contingencies of life mean that some people are vulnerable and live their lives on the edge of society. It is difficult for them to take a positive view on life because their everyday struggle may seem insurmountable and their future prospects may seem too gloomy. In order to consider our society a success, we must embrace these people and help them get back on the right track. We all hold a potential but for some of us the prerequisites to unfold that potential are not necessarily present.

Society is more than just the government – it is just as much society in general, meaning all of us. It is incumbent

to all of us to reach out to our fellow human beings and support those in need. At Lind Invest, we are profoundly aware about our responsibility. We have contributed to social projects since 2011 and we have committed ourselves to contribute many years ahead.

Philanthropy is undergoing major changes these years, greater demands are placed on contributors, and impact measurement is becoming more and more important. At Lind Invest, we have made the decision to participate in this transformation. We support projects that create measurable value and allow us to be involved in and help drive possible changes.

## 2015 IN BRIEF

In 2015, we increased our focus on social responsibility. We dedicated more time to refining our vision and goals, and we further developed our criteria for social responsibility.

It has been essential for us to work with our goals and criteria because we continue to receive more and more applications from interesting organisations and projects seeking financial support.

We are not able to provide financial support to all applicants, which is why we must be true to our defined criteria in an attempt to select which projects to support and which not to. Although it can be difficult, we must make a selection despite the growing number of worthy and deserving projects, which we would only be happy to support.

In addition to an intensified focus on refining our vision, goals and criteria, we have moreover been working to establish a toolbox consisting of different templates, e.g. an annual cycle of work on boards as well as various budget templates. The purpose of this toolbox is to support and continuously help develop the voluntary associations and projects that we work with, also from an organisational point of view.

### Greater focus on impact measurement

We have a specific goal of increasing impact measurement of the projects and associations in our "portfolio". To that end, we worked closely with both Gallo Kriserådgivning and Fundamentet in 2015. Lind Invest has taken the initiative to conduct surveys within these organisations in order to compile impact measurement data and to use it to identify value creation.

In 2015, we worked to learn more about the field of impact measurement. However, compiling data from our projects, which are based in Third World countries, has turned out to be difficult because the projects input as well as the delivered output can be quite difficult to calculate. In 2016, we will work to produce reports documenting how these projects generate value.

### Internal fragility

Another area of focus for us in 2015 was to work closely with the management of Gallo Kriserådgivning to strengthen the internal fragility of the organisation and, among other things, to identifying the truly passionate people who can manage and operate the organisation in the long term. We are very pleased to conclude that this process is proving successful, but it is important to note that it is also a continuous and on-going process. Furthermore, we have drawn on our network in order to help secure qualified candidates to the respective boards of Gallo Kriserådgivning and Fundamentet.

All in all, 2015 was an interesting year for us. We stepped up our focus on working with social responsibility. Lind Invest contributed DKK 629,500 to our chosen projects, and we dedicated more time to work with both strategic and operational aspects in the projects and processes and we look forward to continuing these efforts in 2016.



**At Lind Invest, we are profoundly aware about our responsibility. We have contributed to social projects since 2011 and we have committed ourselves to contribute many years ahead.**



## OUR APPROACH

Working with social responsibility requires clearly defined procedures and criteria as the number of projects meriting support is towering. At Lind Invest, we work in a catalytic and proactive manner with the focus on impact measurement and in support of our vision of elevating the standards of social investing. Our approach and criteria are specified in the section below.

### Vision and mission

Our entire approach to social responsibility is first and foremost based on our vision and mission statements which are set out below.

#### ► VISION

Through support of specific social projects, which distinguish themselves by creating measurable value for both individuals and society, Lind Invest aims to elevate the standards of social investment.

#### ► MISSION

To select, support and continue to develop social projects with the aim of promoting a practice that evaluates and reports the results of social projects as well as to demonstrate how change can be achieved and what value such change creates for individuals and for society in general.

### Catalytic and proactive

What characterises our work in overall terms is our willingness to engage ourselves in the projects we support. We take a catalytic and proactive approach, which means that we take

an active part in projects, our focus being on a long-term transformational process. For that reason, our contribution to the projects is not only financial – it also comes in the shape of involving our network, sharing our ideas and helping to raise public attention to the issues.

### Impact measurement

When you work as a catalytic philanthropist, conducting impact measurement is an absolute must. Impact measurement is essential as it provides insights into the value created by social projects. Our focus on documented impact lies in collecting questionnaires and compiling information about public spending on certain benefits. The process results in a thorough valuation, and through the analytical process we obtain a better understanding both of the issue at hand and of the way that the project is managed in order to solve it.

### Criteria

For the purpose of assessing potential new projects, we have developed the following criteria which not only help express our views on social responsibility, they also illustrate how we try to honour our commitment to a socially responsible conduct.

## ► OUR CRITERIA

- ▶ Long-term support and change-processes
- ▶ Local focus, with a global perspective
- ▶ On-going feedback and reporting
- ▶ Catalytic and proactive approach based on high commitment
- ▶ Transparency and measurement of impact
- ▶ Clearly defined vision and objectives
- ▶ Cost-consciousness
- ▶ Personal chemistry and talented people

## CHOOSING OUR PROJECTS

**We spend quite a lot of time on the initial processes of getting to know the underlying visions and thoughts as well as the people behind the idea. We are proactive and our aim is to gain as much information as possible before committing to a project.**

A common characteristic of the projects and organisations we support is the fact that they all have a clear vision of what they do and why they do it. They all take a long-term view and by offering their support and counselling now, poor children in India or Africa and vulnerable people, young and old, in Aarhus, will prospectively have more and better opportunities in life.

Another common characteristic of our chosen projects is the opportunity it gives us to gain detailed knowledge about the work being done in each of the different projects. This is based on our proactive and highly committed approach. One of our fundamental requirements is transparency and for us to be closely involved with the projects we support. Therefore, we place great emphasis on regular progress meetings and/or progress reporting by e-mail, mutual feedback as well as on-going and close dialogue. We believe that this is the best way to ensure transparency and to measure the effects of our support. It is also the best way to ensure that our support benefits the intended target groups to the greatest possible extent.

### SROI (Social Return on Investment)

Before making a commitment to any project or organisation, we spend quite a lot of time on the initial processes of getting to know the underlying visions and thoughts as well as the people behind the idea. We are proactive and our aim is to gain as much information as possible before committing to a project. With that in mind, we also have a fundamental belief that the projects and/or organisations we support create value – also in the long run.

In order for us to put this value creation into numbers, we validate it by composing SROI (Social Return of Investment) analyses for our two Danish projects. The SROI-method puts a monetary valuation on voluntary work and social effects by comparing the investments made in the social effort with the value created for the stakeholders involved.

Research by both Gallo Kriserådgivning and Fundamentet shows that users and clients express a large degree of satisfaction with Gallo (95% of respondents) and Fundamentet (100% of respondents). Similarly, many volunteers indicate that the practical experience they get from doing voluntary work is invaluable for Gallo Kriserådgivning. From a societal perspective calculations show that Gallo gains an SROI ratio of 4.63 and Fundamentet an SROI ratio of 13.65, both of which are indeed satisfactory. More specifically this means that every time DKK 1 is invested in Gallo Kriserådgivning, DKK 4.63 of social value is returned to society in the form of saved costs to for example doctor's visits, psychological consultations and hospitalisations. Similarly, Fundamentet returns DKK 13.65 of social value to society every time DKK 1 is invested in the organisation. These numbers clearly show that Gallo Kriserådgivning and Fundamentet create added value per DKK invested and thereby extensive value for individuals and for society in general.

Being socially responsible is important to Lind Invest, and the measurable value creation is of particular importance to us, which is why we are very pleased to present the two SROI analyses prepared in close cooperation with Gallo Kriserådgivning and Fundamentet, respectively.

The following is a short introduction to our projects and organisations. To learn more or to read our SROI analyses, please visit Lind Invest's website: [www.lind-invest.dk](http://www.lind-invest.dk).



# FUNDAMENTET

WWW.FUNDAMENTET.ORG

## Who is Fundamentet?

Fundamentet (literally: the Foundation) is an Aarhus-based non-profit organisation dedicated to the rethinking of social work. The aim of Fundamentet is to centre on the needs and wants of vulnerable individuals in a meaningful way so as to redirect the focus away from reporting and bureaucracy. Fundamentet offers free and anonymous counselling, psychotherapy, physiotherapy etc. Fundamentet urges people to break with the notion that individuals need to fit into specific categories. Instead, great importance is attached to having close relationships and a safe environment.

## We Believe in You

The 'We Believe in You' project is a holistic-oriented programme for vulnerable young people that each year aims to help 30-50 young people with various complex problems relating to education or employment, as well as to improve their quality of life, self-awareness, reduce abuse and help make their financial situation more stable.

Focus is on preparing these young people for education and work, while at the same time helping them to break away from abuse, crime and other issues in a positive and long-term manner, with intention of helping the young people to continue in their new life.

## Review of 2015

For Fundamentet, 2015 was a path-breaking year. The organisation grew significantly in size - the physical environment, volunteers, the number of users as well as the staff group all grew substantially. The budget also became significantly larger. In 2015, Fundamentet became eligible for financial support from the Aarhus City Council and connected with several foundations and business people.

Volunteer numbers swelled, a load of positive results were achieved with in-house users, resulting in a huge increase in the number of visitors. In other words, 2015 was the year when Fundamentet went from being based on a small idea to become a relatively large organisation. Therefore, Fundamentet has in 2016 developed plans for relocation, expansion, new projects and involving more citizens in the process.



FUNDAMENTET  
Sociale forandringer i bæredygtigt fællesskab

## SROI RATIO

# 13.65

For every DKK 1 invested in Fundamentet, society saves DKK 13.65 to benefit the stakeholders of Fundamentet and society in general.

## SATISFACTION RATE

# 100%

All users and clients indicate a high degree of satisfaction with Fundamentet.

## IN JOB/EDUCATION

# 60%

After Project We Believe in You the employment rate have increased from 11% to 60%.

# GALLO KRISERÅDGIVNING

WWW.KRISERAADGIVNING.DK

## Who is Gallo Kriserådgivning?

Gallo Kriserådgivning (translation: Gallo Crisis Counselling) is a non-profit, voluntary organisation founded in 1999. The organisation is located in the heart of Aarhus and consists of a drop-in centre and counselling service, which is open to anyone in need of anonymous and professional help from a third party free of charge. Gallo Kriserådgivning not only provides support to people in an immediate crisis, they can also help with any other personal problem, no matter the size or character. There is no waiting list, and no crisis is too big or too small. If the public waiting list is too long, or if when savings for your psychological help are falling short, Gallo provides a helping hand.

## Review of 2015

Gallo Kriserådgivning began 2015 with positive expectations and launching new and exciting activities, including cooperation with other creative environments in Aarhus. However, 2015 turned out to be an educational year for Gallo Kriserådgivning and financial and managerial challenges had to be solved. The head of the Værestedet drop-in centre was appointed day-to-day manager, and with the interaction of the Board, staff, volunteers and external stakeholders Gallo Kriserådgivning managed to provide qualified support and counselling to a growing user group. Despite initial challenges, the year ended with hopes of stable finances and continued growth for Gallo Kriserådgivning in 2016.



**Gallo gains a SROI ratio of 4.63. This means that every time DKK 1 is invested in Gallo Kriserådgivning, DKK 4.63 of social value is given back to society in form of saved costs.**

– REPORT OF SOCIAL RETURN ON INVESTMENT 2016, LIND INVEST



Gallo  
Kriserådgivning

## SROI RATIO

# 4.63

For every DKK 1 invested in Gallo Kriserådgivning, society saves DKK 4.63 to benefit the stakeholders of Gallo and society in general.

## SATISFACTION RATE

# 95%

95 % of users and clients indicate a high degree of satisfaction with Gallo Kriserådgivning.

## VOLUNTEERS

# 120

120 volunteers have gained practical experience of great value.

# LITTLEBIGHELP

WWW.LITTLEBIGHELP.COM

## LittleBigHelp

LittleBigHelp was established as an NGO in 2010 and works to create better opportunities for vulnerable children and women in West Bengal, India. LittleBigHelp seeks to secure their basic human rights such as education, protection, basic health care, and nutrition- each and every day. Today, LittleBigHelp works with over 70 local team members in Kolkata who have invaluable knowledge about the local conditions and thus they are able to better understand the issues and challenges that street children face on a daily basis.

LittleBigHelp runs a Pre and Primary School in a slum community (135 students), a 24/7 Open Shelter, a Boys' & Girls' Home (45 boys and 25 girls), as well as various learning centres (benefitting both adults and children). The organisation is built on the belief that a little help from others makes a tremendous difference for the children.

## Review of 2015

Throughout 2015 LittleBigHelp helped more than 500 children and women build a better future. With an increased focus on women, LittleBigHelp has established two new projects for the purpose of helping women build income-generating skills.

Furthermore, seven vulnerable boys moved in at the Boys' Home. During the year all boys from the Boys' Home went on vacation twice, staying for three days in the seaside town of Tajpur and later in the year at Maithon Dam.

In their daily activities, the boys participate in football, gymnastics and creativity and acting classes. Moreover, the boys have won several competitions at their schools and in the local area.

Last, but not least, the boys from the Boys' Home recorded the song "We all Need a Little Help" in a professional studio in Kolkata, together with the Danish singer-songwriter Kris Herman.

Click this link to watch song and video on YouTube:  
<https://www.youtube.com/watch?v=iizu0Ed2214>



**LittleBigHelp**  
www.littlebighelp.dk

## COST PER CHILD PER DAY AT BOYS' HOME

# DKK 60

DKK 60 is the cost per day for one boy living at the Boys' Home. Equivalent in Denmark the rate is in DKK 2,781\*.

## HELP GIVEN

# 500+

500 children and women have been helped in 2015.

## STREET CHILDREN IN INDIA

# 400,000+

It is very difficult to estimate exactly how many street children there are in India. The estimated number is 400,000 - 800,000.

\* <http://doegncentret.dk/sagsbehandlere/visitation-og-takser/>

# WHERE RAINBOWS MEET

WWW.WHERERAINBOWSMEET.ORG

## Who is Where Rainbows Meet?

Where Rainbows Meet is a non-profit training and development organisation located in one of Cape Town's slum areas, the so-called townships. Living standards are extremely low in large parts of the area and people have no electricity or running water. Unemployment is high and living conditions are extremely poor. Alcohol, drug abuse, violence and crime are a part of everyday life here. Where Rainbows Meet offers a wide range of programmes and leisure activities all focusing on alleviating the many social problems and hopefully contributing to breaking the negative, social heritage by offering education, information and support. More precisely, Where Rainbows Meet offers the opportunity to attend a day care centre, school counselling, afternoon activities for both children and adults, and a food scheme for especially vulnerable children - as well as life-skills courses in IT, sewing, English and counselling in small-business development.

## Review of 2015

2015 was another year of significant activity growth for Where Rainbows Meet. Demand for their development programmes surged, and they managed to strengthen their relations with the local government. The main challenge now is to raise sufficient funds to meet demand and to raise support for further development.

A specific goal for 2016 is to build a youth centre that can keep the young people away from a career in crime and instead fill their lives with education, activities, and social cohesion. It has been a year-long dream for Where Rainbows Meet and in the coming year the organisation will work hard to raise the necessary funds and make the dream come true.



## BENEFICIARIES

# 328

208 children and 120 adults benefit from the ECD learning centre.

## COST PER CHILD PER DAY

# DKK 5.74

The annual costs per child benefitting from the learning centre is equalling DKK 1,262.

## UNEMPLOYMENT IN SLUM AREA

# 90%

The unemployment rate is as high as 90% in the slum area where ECD learning centre is located.





*A little help from you is a big help for others*



# LOOKING AHEAD

Going forward we plan to continually build and structure our social standpoint based on a potential on-going adjustment of our strategy and criteria.

Our primary focus in 2016 will centre on structuring and completing our impact measurement methods within our portfolio projects located outside Denmark. This is a challenging task, however, as the projects and the means of achieving them differ very much from similar projects in Denmark. As a result, recording valid data will therefore be very difficult.

Furthermore, our wish is to be able support our projects in order to further strengthen the internal fragility of the organisations located in Aarhus, and be able to continually help find and identify the truly passionate people needed to manage and operate the organisations for the long term, among other things by searching within our network.

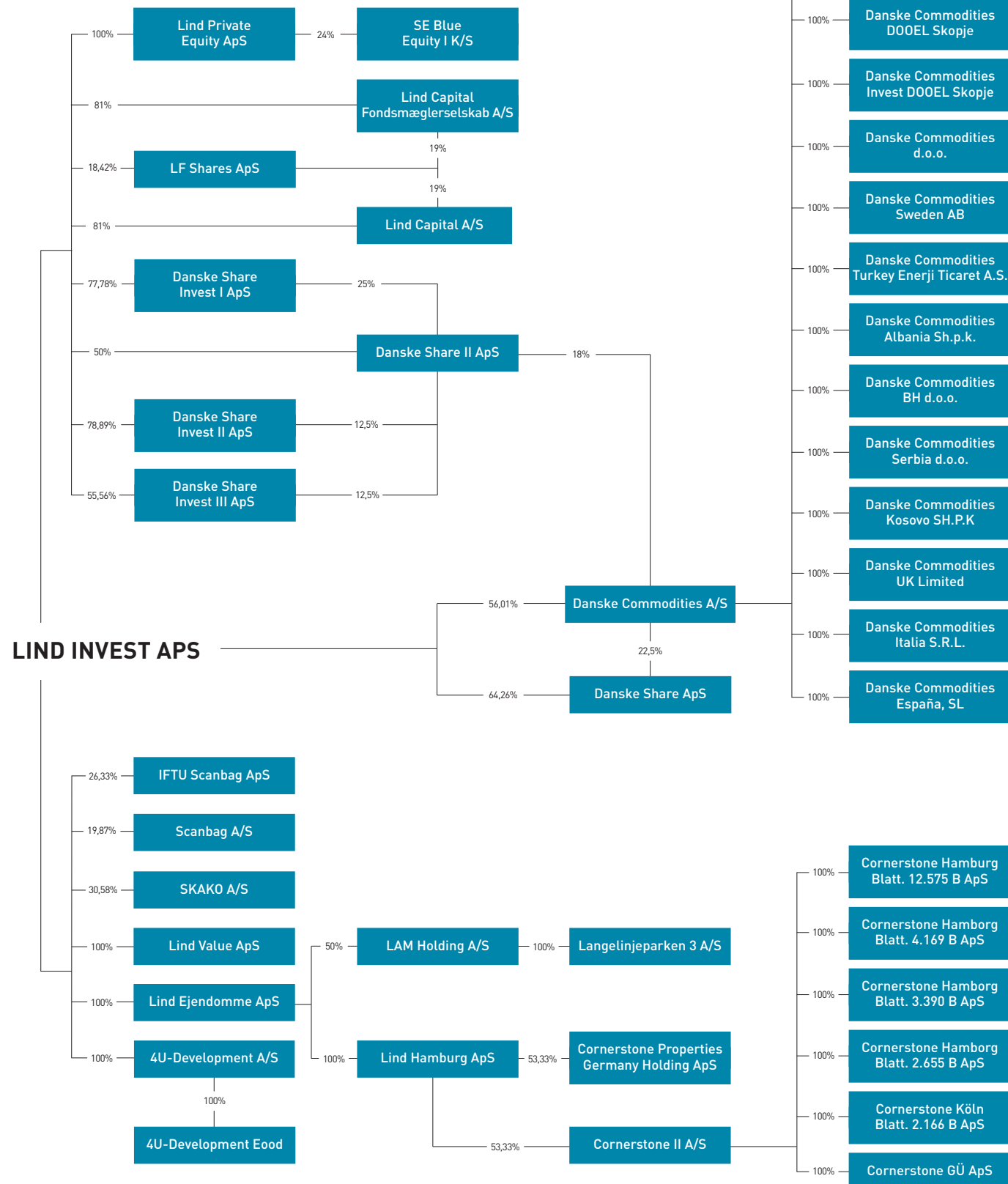
Moreover, we seek to continually challenge ourselves in our work on social responsibility, and we will endeavour to be up-to-date with the latest research within the fields we operate in.

We look forward to continuing our work – and we hope to find new projects meeting our criteria and organisations sharing our visions and ideas for working with social responsibility.

**55** Our primary focus in 2016 will centre on structuring and completing our impact measurement methods within our portfolio projects located outside Denmark.



# GROUP CHART



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# STATEMENT BY THE EXECUTIVE BOARD

The Executive Board has today considered and approved the annual report of Lind Invest ApS for the financial year 1 January - 31 December 2015.

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

In my opinion, 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 of the consolidated cash flows for the financial year 1 January - 31 December 2015.

Further, in my 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.

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

Aarhus, 13 May 2016

Executive Board:



Henrik Lind

# INDEPENDENT AUDITORS' REPORT

**To the shareholder of Lind Invest Aps.**

**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 Lind Invest ApS for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies for the group as well as the company, and a cash flow statement for the group. The consolidated financial statements and the parent company financial statements are prepared in accordance with 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 the Danish Financial Statements Act. Further, Management is responsible for such internal control as it 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 according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 an 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 auditor considers internal control relevant

to the company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management as well as 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 audit 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 company's financial position at 31 December 2015 and of the results of the group's and the company's operations, and the consolidated cash flow for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

**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 other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the consolidated financial statements and the parent company financial statements.

Aarhus, 13 May 2016

ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR-nr. 30 70 02 28



**Mads Meldgaard**

State authorised public accountant



**Tom B. Lassen**

State authorised public accountant



## INCOME STATEMENT 1 JANUARY – 31 DECEMBER

| INCOME STATEMENT  | Notes | Group          |                | Parent Company |                |
|---|-------|----------------|----------------|----------------|----------------|
|   |       | 2015           | 2014           | 2015           | 2014           |
| DKK '000  |       |                |                |                |                |
| Revenue   | 1     | 21,967,325     | 18,915,995     | 0              | 0              |
| Other operating income  |       | 2,947          | 16,892         | 0              | v              |
| Raw materials and consumables   |       | -21,296,283    | -18,217,630    | 0              | 0              |
| Other external expenses   |       | -115,209       | -172,175       | -5,568         | -2,990         |
| <b>Gross profit/loss</b>  |       | <b>558,780</b> | <b>543,082</b> | <b>-5,568</b>  | <b>-2,990</b>  |
| Staff costs   | 2     | -290,987       | -346,233       | -4,898         | -8,626         |
| Amortisation/depreciation and impairment of intangible assets and property, plant and equipment |       | -49,798        | -51,572        | -899           | -257           |
| <b>Operating profit/loss</b>  |       | <b>217,995</b> | <b>145,277</b> | <b>-11,365</b> | <b>-11,873</b> |
| Income from investments in group entities and associates  |       | 15,118         | -6,920         | 293,180        | 60,352         |
| Income from other investments, securities and receivables, that are noncurrent assets           |       | 131,262        | 37,896         | 122,854        | 34,134         |
| Financial income  | 3     | 348,158        | 53,718         | 47,519         | 26,145         |
| Financial expenses  | 4     | -82,971        | -70,309        | -13,816        | -12,594        |
| <b>Profit before tax</b>  |       | <b>629,562</b> | <b>159,662</b> | <b>438,372</b> | <b>96,164</b>  |
| Tax for the year  | 5     | -81,335        | -32,062        | -21,619        | -7,234         |
| <b>Profit for the year</b>  |       | <b>548,227</b> | <b>127,600</b> | <b>416,753</b> | <b>88,930</b>  |
| Minority interests' in the profit or loss for the year  |       | -131,474       | -38,670        | 0              | 0              |
| <b>Profit for the year after noncontrolling interests</b>                                       |       | <b>416,753</b> | <b>88,930</b>  | <b>416,753</b> | <b>88,930</b>  |

| PROPOSED PROFIT APPROPRIATION                          | Parent Company |               |
|--|----------------|---------------|
|  | 2015           | 2014          |
| DKK '000   |                |               |
| Proposed dividend recognised under equity              | 100            | 100           |
| Retained earnings                                      | 448,510        | 120,697       |
| Net revaluation reserve according to the equity method | -31,857        | -31,867       |
| <b>Total</b>   | <b>416.753</b> | <b>88.930</b> |

## BALANCE SHEET 31 DECEMBER

| ASSETS   | Notes     | Group            |                  | Parent Company   |                  |
|--|-----------|------------------|------------------|------------------|------------------|
|  |           | 2015             | 2014             | 2015             | 2014             |
| DKK '000   |           |                  |                  |                  |                  |
| Software   |           | 39,499           | 31,238           | 0                | 671              |
| CO <sub>2</sub> quota                            |           | 380              | 759              | 0                | 0                |
| Goodwill   |           | 48,221           | 11,089           | 0                | 0                |
| <b>Intangible assets</b>                         | <b>6</b>  | <b>88,100</b>    | <b>43,086</b>    | <b>0</b>         | <b>671</b>       |
| Land and buildings                               |           | 40,131           | 1,567,457        | 0                | 0                |
| Other fixtures and fittings, tools and equipment |           | 28,141           | 39,238           | 261              | 390              |
| Leasehold improvements                           |           | 4,701            | 8,667            | 113              | 180              |
| <b>Property, plant and equipment</b>             | <b>7</b>  | <b>72,973</b>    | <b>1,615,362</b> | <b>374</b>       | <b>570</b>       |
| Investments in group entities, net asset value   |           | 0                | 0                | 684,110          | 633,255          |
| Investments in associates, net asset value       |           | 125,091          | 63,727           | 27,103           | 13,463           |
| Other securities and investments                 |           | 1,250,187        | 721,734          | 1,171,566        | 634,890          |
| Other receivables                                |           | 3,092            | 0                | 0                | 0                |
| <b>Investments</b>                               | <b>8</b>  | <b>1,378,370</b> | <b>785,461</b>   | <b>1,882,779</b> | <b>1,281,608</b> |
| <b>Total non-current assets</b>                  |           | <b>1,539,443</b> | <b>2,443,909</b> | <b>1,883,153</b> | <b>1,282,849</b> |
| Finished goods and goods for resale              |           | 83,558           | 68,526           | 0                | 0                |
| <b>Inventories</b>                               |           | <b>83,558</b>    | <b>68,526</b>    | <b>0</b>         | <b>0</b>         |
| Trade receivables                                |           | 771,271          | 576,653          | 136              | 0                |
| Receivables from group entities                  |           | 0                | 0                | 394,361          | 239,673          |
| Receivables from associates                      |           | 12,781           | 6,780            | 4,042            | 6,210            |
| Deferred tax assets                              |           | 0                | 0                | 23               | 0                |
| Income taxes receivable                          |           | 21,769           | 32,667           | 14,047           | 3,435            |
| Other receivables                                |           | 273,913          | 276,070          | 26,493           | 97,042           |
| Prepayments                                      | 9         | 23,710           | 28,640           | 0                | 42               |
| <b>Receivables</b>                               | <b>10</b> | <b>1,103,444</b> | <b>920,810</b>   | <b>439,102</b>   | <b>346,402</b>   |
| Other securities and investments                 |           | 1,477,088        | 788,375          | 0                | 0                |
| <b>Securities and investments</b>                |           | <b>1,477,088</b> | <b>788,375</b>   | <b>0</b>         | <b>0</b>         |
| <b>Cash</b>                                      |           | <b>432,489</b>   | <b>467,043</b>   | <b>335</b>       | <b>2,561</b>     |
| <b>Total current assets</b>                      |           | <b>3,096,579</b> | <b>2,244,754</b> | <b>439,437</b>   | <b>348,963</b>   |
| <b>Total assets</b>                              |           | <b>4,636,022</b> | <b>4,688,663</b> | <b>2,322,590</b> | <b>1,631,812</b> |

## BALANCE SHEET 31 DECEMBER

| EQUITY AND LIABILITIES                                 | Notes | Group            |                  | Parent company   |                  |
|--|-------|------------------|------------------|------------------|------------------|
|  |       | 2015             | 2014             | 2015             | 2014             |
| <b>DKK'000</b>   |       |                  |                  |                  |                  |
| Share capital  | 11    | 2,220            | 2,220            | 2,220            | 2,220            |
| Net revaluation reserve according to the equity method |       | 6,530            | 2,849            | 523,823          | 556,571          |
| Retained earnings                                      |       | 1,669,229        | 1,254,284        | 1,151,936        | 700,562          |
| Dividend proposed for the year                         |       | 100              | 100              | 100              | 100              |
| <b>Total equity</b>                                    |       | <b>1,678,079</b> | <b>1,259,453</b> | <b>1,678,079</b> | <b>1,259,453</b> |
| <b>Non-controlling interests</b>                       |       | <b>127,191</b>   | <b>303,363</b>   | <b>0</b>         | <b>0</b>         |
| Deferred tax   |       | 7,580            | 54,517           | 0                | 170              |
| Provision, investments in group entities               | 8     | 0                | 0                | 0                | 1,796            |
| <b>Total provisions</b>                                | 12    | <b>7,580</b>     | <b>54,517</b>    | <b>0</b>         | <b>1,966</b>     |
| Mortgage debt  |       | 7,828            | 1,074,636        | 0                | 0                |
| Bank debt  |       | 664,170          | 77,000           | 495,159          | 77,000           |
| <b>Liabilities other than provisions</b>               | 13    | <b>671,998</b>   | <b>1,151,636</b> | <b>495,159</b>   | <b>77,000</b>    |
| Current portion of long-term liabilities               | 13    | 21,117           | 27,873           | 17,625           | 0                |
| Bank debt  |       | 395,021          | 549,211          | 68,647           | 277,736          |
| Trade payables   |       | 1,218,593        | 833,451          | 60               | 512              |
| Payables to group entities                             |       | 0                | 0                | 60,110           | 3,511            |
| Income taxes payable                                   |       | 352              | 1,860            | 0                | 0                |
| Other payables   |       | 516,091          | 494,900          | 2,910            | 11,634           |
| Deferred income  | 14    | 0                | 12,399           | 0                | 0                |
| <b>Current liabilities other than provisions</b>       |       | <b>2,151,174</b> | <b>1,919,694</b> | <b>149,352</b>   | <b>293,393</b>   |
| <b>Total liabilities other than provisions</b>         |       | <b>2,823,172</b> | <b>3,071,330</b> | <b>644,511</b>   | <b>370,393</b>   |
| <b>Total equity and liabilities</b>                    |       | <b>4,636,022</b> | <b>4,688,663</b> | <b>2,322,590</b> | <b>1,631,812</b> |

|   |    |
|---|----|
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| Accounting policies   | 22 |

## STATEMENT OF CHANGES IN EQUITY 31 DECEMBER

| STATEMENT OF CHANGES IN EQUITY    | Group         |  |                   |                                |                  |
|-----------------------------------|---------------|--|-------------------|--------------------------------|------------------|
|                                   | Share capital | Net revaluation reserve according to the equity method | Retained earnings | Dividend proposed for the year | Total            |
| <b>DKK'000</b>                    |               |  |                   |                                |                  |
| Equity at 1 January 2015          | 2,220         | 2,849  | 1,254,284         | 100                            | 1,259,453        |
| Profit/loss for the year          | 0             | 3,364  | 413,289           | 100                            | 416,753          |
| Exchange adjustment               | 0             | 675  | 0                 | 0                              | 675              |
| Other value adjustments of equity | 0             | -358   | 1,656             | 0                              | 1,298            |
| Dividend distributed              | 0             | 0  | 0                 | -100                           | -100             |
| <b>Equity at 31 December 2015</b> | <b>2,220</b>  | <b>6,530</b>   | <b>1,669,229</b>  | <b>100</b>                     | <b>1,678,079</b> |

| STATEMENT OF CHANGES IN EQUITY    | Parent Company |  |                   |                                |                  |
|-----------------------------------|----------------|--|-------------------|--------------------------------|------------------|
|                                   | Share capital  | Net revaluation reserve according to the equity method | Retained earnings | Dividend proposed for the year | Total            |
| <b>DKK'000</b>                    |                |  |                   |                                |                  |
| Equity at 1 January 2015          | 2,220          | 556,571  | 700,562           | 100                            | 1,259,453        |
| Profit/loss for the year          | 0              | -31,857  | 448,510           | 100                            | 416,753          |
| Exchange adjustment               | 0              | 675  | 0                 | 0                              | 675              |
| Other value adjustments of equity | 0              | -1,566   | 2,864             | 0                              | 1,298            |
| Dividend distributed              | 0              | 0  | 0                 | -100                           | -100             |
| <b>Equity at 31 December 2015</b> | <b>2,220</b>   | <b>523,823</b>   | <b>1,151,936</b>  | <b>100</b>                     | <b>1,678,079</b> |

## CASH FLOW STATEMENT 1 JANUAR – 31 DECEMBER

| CASH FLOW STATEMENT  |           | Group            |                 |
|--|-----------|------------------|-----------------|
| DKK'000  | Notes     | 2015             | 2014            |
| Profit for the year  |           | 548,227          | 127,600         |
| Adjustments  | 19        | -291,351         | 95,389          |
| <b>Cash generated from operations (operating activities) before changes in working capital</b> |           | <b>256,876</b>   | <b>222,989</b>  |
| Changes in working capital   | 20        | 208,523          | -43,357         |
| <b>Cash generated from operations (operating activities)</b>                                   |           | <b>465,399</b>   | <b>179,632</b>  |
| Interest received, etc.  |           | 133,050          | 49,062          |
| Interest paid, etc.  |           | -82,971          | -70,309         |
| Corporation taxes paid   |           | -71,296          | -58,872         |
| <b>Cash flows from operating activities</b>  |           | <b>444,182</b>   | <b>99,513</b>   |
| Additions of intangible assets   |           | -74,103          | -24,650         |
| Disposals of intangible assets   |           | 0                | 15              |
| Additions of property, plant and equipment   |           | -4,424           | -38,945         |
| Disposals of property, plant and equipment   |           | 1,533,053        | 414             |
| Purchase of financial assets   |           | -617,559         | -454,576        |
| Sale of financial assets   |           | 277,866          | 75,773          |
| Repayments received, loans   |           | 0                | 63,062          |
| <b>Cash flows from investing activities</b>  |           | <b>1,114,833</b> | <b>-378,907</b> |
| Dividends distributed  |           | -264,272         | -23,927         |
| Proceeds of long-term liabilities  |           | 635,784          | 0               |
| Repayments, long-term liabilities  |           | -1,122,178       | -13,437         |
| Cash capital increase  |           | 0                | 1,900           |
| <b>Cash flows from financing activities</b>  |           | <b>-750,666</b>  | <b>-35,464</b>  |
| <b>Net cash flow</b>   |           | <b>808,349</b>   | <b>-314,858</b> |
| Cash and cash equivalents at 1 January   | 21        | 706,207          | 1,021,065       |
| <b>Cash and cash equivalents at 31 December</b>  | <b>21</b> | <b>1,514,556</b> | <b>706,207</b>  |

## NOTES TO THE FINANCIAL STATEMENTS

| DKK'000   | Group             |                   | Parent Company |               |
|---|-------------------|-------------------|----------------|---------------|
|   | 2015              | 2014              | 2015           | 2014          |
| <b>1 REVENUE</b>  |                   |                   |                |               |
| Electricity trading   | 12,047,542        | 11,634,022        | 0              | 0             |
| Gas, coal and financial trading   | 9,861,106         | 7,135,659         | 0              | 0             |
| Security trading  | 58,677            | 32,999            | 0              | 0             |
| Rental income   | 0                 | 97,131            | 0              | 0             |
| Sundries  | 0                 | 16,184            | 0              | 0             |
| <b>Total</b>  | <b>21,967,325</b> | <b>18,915,995</b> | <b>0</b>       | <b>0</b>      |
| <b>2 STAFF COSTS</b>  |                   |                   |                |               |
| Wages/salaries  | 273,322           | 325,816           | 4,568          | 8,499         |
| Pensions  | 8,887             | 5,623             | 330            | 127           |
| Other social security costs   | 8,778             | 14,471            | 0              | 0             |
| Other staff costs   | 0                 | 323               | 0              | 0             |
| <b>Total</b>  | <b>290,987</b>    | <b>346,233</b>    | <b>4,898</b>   | <b>8,626</b>  |
| Average number of full-time employees   | 340               | 465               | 4              | 4             |
| By reference to section 98b(3), (iii), of the Danish Financial Statements Act, remuneration to the group management is not disclosed.<br>By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to management is not disclosed. |                   |                   |                |               |
| <b>3 FINANCIAL INCOME</b>   |                   |                   |                |               |
| Interest expenses, group entities and associates  | 292               | 345               | 9,984          | 6,579         |
| Other financial income  | 347,866           | 53,373            | 37,535         | 19,566        |
| <b>Total</b>  | <b>348,158</b>    | <b>53,718</b>     | <b>47,519</b>  | <b>26,145</b> |
| <b>4 FINANCIAL EXPENSES</b>   |                   |                   |                |               |
| Interest receivable, group entities and associates  | 0                 | 81                | 2,153          | 10            |
| Other financial expenses  | 82,971            | 70,228            | 11,663         | 12,584        |
| <b>Total</b>  | <b>82,971</b>     | <b>70,309</b>     | <b>13,816</b>  | <b>12,594</b> |
| <b>5 TAX FOR THE YEAR</b>   |                   |                   |                |               |
| Estimated tax charge for the year   | 127,008           | 28,384            | 20,153         | 5,694         |
| Deferred tax adjustments in the year  | -48,348           | 3,991             | -187           | 161           |
| Tax adjustments, prior years  | 2,682             | 1,125             | 1,660          | 1,379         |
| Change in tax rate  | -7                | -1,438            | -7             | 0             |
| <b>Total</b>  | <b>81,335</b>     | <b>32,062</b>     | <b>21,619</b>  | <b>7,234</b>  |

## NOTES

| DKK'000   |                 |                             |                       | Group          |
|---|-----------------|-----------------------------|-----------------------|----------------|
| <b>6 INTANGIBLE ASSETS</b>                                    | <b>Software</b> | <b>CO<sub>2</sub> qouta</b> | <b>Goodwill</b>       | <b>Total</b>   |
| Cost at 1 January 2015  | 70,967          | 1,897                       | 13,861                | 86,725         |
| Exchange adjustment   | 176             | 5                           | 0                     | 181            |
| Additions in the year   | 24,201          | 0                           | 49,880                | 74,081         |
| Transfer from other accounts                                  | 52              | 0                           | 0                     | 52             |
| <b>Cost at 31 December 2015</b>                               | <b>95,396</b>   | <b>1,902</b>                | <b>63,741</b>         | <b>161,039</b> |
| Impairment losses and amortisation at 1 January 2015          | 39,729          | 1,138                       | 2,772                 | 43,639         |
| Exchange adjustment   | 99              | 3                           | 0                     | 102            |
| Amortisation/depreciation in the year                         | 16,039          | 381                         | 12,748                | 29,168         |
| Transferred   | 30              | 0                           | 0                     | 30             |
| <b>Impairment losses and amortisation at 31 December 2015</b> | <b>55,897</b>   | <b>1,522</b>                | <b>15,520</b>         | <b>72,939</b>  |
| <b>Carrying amount at 31 December 2015</b>                    | <b>39,499</b>   | <b>380</b>                  | <b>48,221</b>         | <b>88,100</b>  |
| Amortised over  | 3 years         | 5 years                     | 5 years               |                |
|   |                 |                             | <b>Parent company</b> |                |
|   |                 |                             | <b>Software</b>       |                |
| Cost at 1 January 2015  |                 |                             |                       | 732            |
| Additions in the year   |                 |                             |                       | 32             |
| <b>Cost at 31 December 2015</b>                               |                 |                             |                       | <b>764</b>     |
| Impairment losses and amortisation at 1 January 2015          |                 |                             |                       | 61             |
| Amortisation/depreciation in the year                         |                 |                             |                       | 703            |
| <b>Impairment losses and amortisation at 31 December 2015</b> |                 |                             |                       | <b>764</b>     |
| <b>Carrying amount at 31 December 2015</b>                    |                 |                             |                       | <b>0</b>       |
| Amortised over  |                 |                             |                       | 3 years        |

## NOTES

| DKK'000   |                           |   |                               | Group          |
|---|---------------------------|---|-------------------------------|----------------|
| <b>7 PROPERTY, PLANT AND EQUIPMENT</b>                            | <b>Land and buildings</b> | <b>Other fixtures, fittings tools and equipment</b> | <b>Leasehold improvements</b> | <b>Total</b>   |
| Cost at 1 January 2015  | 1,384,032                 | 64,853  | 18,194                        | 1,467,079      |
| Exchange adjustment   | 3,481                     | -24   | 44                            | 3,501          |
| Additions in the year   | 17,250                    | 2,827   | 1,597                         | 21,674         |
| Disposals in the year   | -1,364,307                | -1,608  | -522                          | -1,366,437     |
| <b>Cost at 31 December 2015</b>                                   | <b>40,456</b>             | <b>66,048</b>                                       | <b>19,313</b>                 | <b>125,817</b> |
| Value adjustments at 1 January 2015                               | 185,368                   | 0   | 0                             | 185,368        |
| Exchange adjustment   | 471                       | 0   | 0                             | 471            |
| Revaluations in the year  | 2,951                     | 0   | 0                             | 2,951          |
| Reversal of revaluation of disposals                              | -185,839                  | 0   | 0                             | -185,839       |
| <b>Value adjustments at 31 December 2015</b>                      | <b>2,951</b>              | <b>0</b>  | <b>0</b>                      | <b>2,951</b>   |
| Impairment losses and depreciation at 1 January 2015              | 1,943                     | 25,615  | 9,527                         | 37,085         |
| Exchange adjustment   | 5                         | 22  | 25                            | 52             |
| Amortisation/depreciation in the year                             | 1,328                     | 13,256  | 5,888                         | 20,472         |
| Amortisation/depreciation and impairment of disposals in the year | 0                         | 0   | -828                          | -828           |
| Reversal of amortisation/depreciation and impairment of disposals | 0                         | -986  | 0                             | -986           |
| <b>Impairment losses and depreciation at 31 December 2015</b>     | <b>3,276</b>              | <b>37,907</b>                                       | <b>14,612</b>                 | <b>55,795</b>  |
| <b>Carrying amount at 31 December 2015</b>                        | <b>40,131</b>             | <b>28,141</b>                                       | <b>4,701</b>                  | <b>72,973</b>  |
| Amortised over  | 15 years*                 | 3-15 years  | 3-5 years                     |                |
|   |                           |   | <b>Parent company</b>         |                |
|   |                           | <b>Other fixtures, fittings tools and equipment</b> | <b>Leasehold improvements</b> | <b>Total</b>   |
| Cost at 1 January 2015  |                           | 643   | 336                           | 979            |
| <b>Cost at 31 December 2015</b>                                   |                           | <b>643</b>  | <b>336</b>                    | <b>979</b>     |
| Impairment losses and depreciation at 1 January 2015              |                           | 253   | 156                           | 409            |
| Amortisation/depreciation in the year                             |                           | 129   | 67                            | 196            |
| <b>Impairment losses and depreciation at 31 December 2015</b>     |                           | <b>382</b>  | <b>223</b>                    | <b>605</b>     |
| <b>Carrying amount at 31 December 2015</b>                        |                           | <b>261</b>  | <b>113</b>                    | <b>374</b>     |
| Amortised over  |                           | 3-15 years  | 3-5 years                     |                |



## NOTES

| DKK'000                                      |  |                                  |                   | Group            |
|--|--|----------------------------------|-------------------|------------------|
|  | Investments in associates, net asset value | Other securities and investments | Other receivables | Total            |
| <b>8 INVESTMENTS</b>                         |  |                                  |                   |                  |
| Cost at 1 January 2015                       | 60,878                                     | 528,491                          | 0                 | 589,369          |
| Additions in the year                        | 45,930                                     | 569,478                          | 3,092             | 618,500          |
| Disposals in the year                        | 0  | -101,550                         | 0                 | -101,550         |
| <b>Cost at 31 December 2015</b>              | <b>106,808</b>                             | <b>996,419</b>                   | <b>3,092</b>      | <b>1,106,319</b> |
| Value adjustments at 1 January 2015          | 2,849                                      | 193,243                          | 0                 | 196,092          |
| Share of the profit/loss for the year        | 15,118                                     | 0                                | 0                 | 15,118           |
| Equity adjustments, investments              | 316  | 0                                | 0                 | 316              |
| Revaluations for the year                    | 0  | 60,525                           | 0                 | 60,525           |
| <b>Value adjustments at 31 December 2015</b> | <b>18,283</b>                              | <b>253,768</b>                   | <b>0</b>          | <b>272,051</b>   |
| <b>Carrying amount at 31 December 2015</b>   | <b>125,091</b>                             | <b>1,250,187</b>                 | <b>3,092</b>      | <b>1,378,370</b> |

|  |  |  |                                  | Parent company   |
|--|--|--|----------------------------------|------------------|
|  | Investments in group entities, net asset value | Investments in associates, net asset value | Other securities and investments | Total            |
| <b>INVESTMENTS</b>                           |  |  |                                  |                  |
| Cost at 1 January 2015                       | 77,614   | 10,737                                     | 494,941                          | 583,292          |
| Additions on merger/corporate acquisition    | 0  | 0  | 539,703                          | 539,703          |
| Additions in the year                        | 97,052   | 9,839                                      | -56,633                          | 50,258           |
| Disposals in the year                        | -7,849   | 0  | 0                                | -7,849           |
| <b>Cost at 31 December 2015</b>              | <b>166,817</b>                                 | <b>20,576</b>                              | <b>978,011</b>                   | <b>1,165,404</b> |
| Value adjustments at 1 January 2015          | 555,641  | 2,726                                      | 139,949                          | 698,316          |
| Exchange adjustment                          | 674  | 0  | 53,606                           | 54,280           |
| Dividend distributed                         | -323,307                                       | 0  | 0                                | -323,307         |
| Share of the profit/loss for the year        | 302,787  | 3,485                                      | 0                                | 306,272          |
| Equity adjustments, investments              | -1,881   | 316  | 0                                | -1,565           |
| Other adjustments, investments               | -13,091  | 0  | 0                                | -13,091          |
| Reversal of revaluations of sold investments | -1,734   | 0  | 0                                | -1,734           |
| Transferred                                  | -1,796   | 0  | 0                                | -1,796           |
| <b>Value adjustments at 31 December 2015</b> | <b>517,293</b>                                 | <b>6,527</b>                               | <b>193,555</b>                   | <b>717,375</b>   |
| <b>Carrying amount at 31 December 2015</b>   | <b>684,110</b>                                 | <b>27,103</b>                              | <b>1,171,566</b>                 | <b>1,882,779</b> |

## NOTES

| DKK'000                                     |          |         |             |
|---|----------|---------|-------------|
| 8 SUBSIDIARIES, NAME AND DOMICILE           | Interest | Equity  | Profit/loss |
| Danske Commodities A/S, Aarhus              | 56 %     | 578,478 | 174,503     |
| Danske Share ApS, Aarhus                    | 64 %     | 146,965 | 39,266      |
| Danske Share II ApS, Aarhus                 | 50 %     | 117,570 | 30,974      |
| Danske Share Invest I ApS, Aarhus           | 78 %     | 29,464  | 7,739       |
| Danske Share Invest II ApS, Aarhus          | 79 %     | 14,710  | 3,867       |
| Danske Share Invest III ApS, Aarhus         | 56 %     | 14,709  | 3,867       |
| Lind Capital A/S, Aarhus                    | 81 %     | 47,634  | 11,893      |
| Lind Capital Fondsmæglerselskab A/S, Aarhus | 81 %     | 11,572  | 1,831       |
| 4U Development A/S, Aarhus                  | 100 %    | -21,032 | -897        |
| Lind Value ApS, Aarhus                      | 100 %    | 36,765  | 9,838       |
| Lind Ejendomme ApS, Aarhus                  | 100 %    | 28,901  | 128,019     |
| Lind Private Equity ApS, Aarhus             | 100 %    | 2,340   | 4,136       |

| ASSOCIATES                    | Interest | Equity  | Profit/loss |
|-------------------------------|----------|---------|-------------|
| LAM Holding A/S, Aarhus       | 50%      | 16,287  | 12,320      |
| IFTU Scanbag ApS, Aarhus      | 26%      | -234    | 0           |
| LF Shares ApS, Aarhus         | 18%      | 3,261   | 0           |
| Scanbag A/S, Skive            | 20%      | 2,875   | 0           |
| SKAKO A/S, Faaborg            | 31%      | 84,797  | 13,242      |
| SE Blue Equity I K/S, Kolding | 24%      | 374,354 | 23,077      |

## NOTES

### 9 PREPAYMENTS

#### Group:

Prepayments include accrual of expenses relating to subsequent financial years.

### 10 RECEIVABLES

#### Group:

Out of the Group's total receivables, other receivables totalling DKK 24,426 thousand falls due for payment after more than one year after the balance sheet date.

#### Parent company:

Out of the parent company's total receivables totalling DKK 289 thousand falls due for payment after more than one year after the balance sheet date.

### 11 SHARE CAPITAL

The parent's share capital has remained DKK 2,220 thousand over the past 5 years.

### 12 PROVISIONS

#### Group:

The provision for deferred tax primarily relates to timing differences in respect of property, plant and equipment and tax losses.

#### Parent company:

The provision for deferred tax primarily relates to timing differences in respect of property, plant and equipment.

|                          | DKK'000                     |                         |                      |                                   | Group    |
|--------------------------|-----------------------------|-------------------------|----------------------|-----------------------------------|----------|
| 13 LONG-TERM LIABILITIES | Total debt at<br>31/12 2015 | Repayment,<br>next year | Long-term<br>portion | Outstanding debt<br>after 5 years |          |
| Mortgage debt            | 11,320                      | 3,492                   | 7,828                |                                   | 0        |
| Bank debt                | 681,795                     | 17,625                  | 664,170              |                                   | 0        |
| <b>Total</b>             | <b>693,115</b>              | <b>21,117</b>           | <b>671,998</b>       |                                   | <b>0</b> |

#### Parent company

|              |                |               |                |  |          |
|--------------|----------------|---------------|----------------|--|----------|
| Bank debt    | 512,784        | 17,625        | 495,159        |  | 0        |
| <b>Total</b> | <b>512,784</b> | <b>17,625</b> | <b>495,159</b> |  | <b>0</b> |

## NOTES

### 14 DEFERRED INCOME

#### Group:

Prepayments comprise prepayments received (DKK 0 thousand as against DKK 2,140 thousand in 2014) as well as other income to be recognised in subsequent financial years (DKK 0 thousand as against DKK 10,259 thousand in 2014).

### 15 COLLATERAL

#### Group:

Land and buildings at a carrying amount of DKK 9 million at 31 December 2015 as well as fixtures and fittings other plant and equipment at a carrying amount of DKK 22 million at 31 December 2015 have been provided as security for debt to mortgage credit institutions, totalling DKK 11 million.

An owner's mortgage of DKK 4 million regarding land and buildings and fixtures and fittings other plant and equipment at a carrying amount of DKK 31 million at 31 December 2015 have been provided as security for bank connections.

Securities at a carrying amount of DKK 239 million at 31 December 2015 and liquid funds at a carrying amount of DKK 38 million at 31 December 2015 have been provided as security for credit lines granted by Danske Commodities A/S' bank connections.

Danske Commodities A/S have provided security for subsidiaries' obligations towards trading partners and bank loans, etc. The guarantee totalled DKK 1,138 million at 31 December 2015.

Danske Commodities A/S has provided security for all obligations of the subsidiaries Danske Commodities UK Ltd. and DC Generation A/S until the annual reports for 2016 have been filed.

Securities and liquid funds at a carrying amount of DKK 529 million at 31 December 2015 have been provided as security for bank loans of DKK 246 million and financial instruments of DKK 234 million in Lind Capital A/S.

Securities at at carrying amount of DKK 189 million at 31 December 2015 have been provided as security for bank loans of DKK 230 million in Lind Value ApS.

Securities of DKK 113 million have been provided as security by Lind Value ApS for bank loans in Lind Invest ApS of DKK 336 million.

#### Parent company:

As security for debt to credit institutions in the amount of DKK 581 million, the parent company has placed securities at a carrying amount of DKK 984 million at 31 December as security.

The Company has provided guarantee of payment for credit lines in Lind Value ApS of DKK 276 million of which DKK 231 million had been drawn at 31 December 2015.

The parent company has pledged shares in Lind Private Equity ApS which have been provided as security for bank loans of DKK 336 million.

## NOTES

### 16 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES, ETC.

#### Other contingent liabilities

##### Group:

Other group enterprises have agreed to pay in the remaining commitment of DKK 160 million for investments. In connection with the disposal of the Company's subsidiary Cornerstone Properties Germany A/S in 2015, Cornerstone Properties Germany Holding ApS, as seller, is under an obligation to maintain a certain level of equity as security for any claims from the buyer. The equity requirement is reduced gradually until the summer of 2017 after which the requirement expires. No provision has been made to cover any claims as the company is not aware of the existence of such claims.

#### Other rent and lease liabilities

| DKK'000                    | Group         |               | Parent company |              |
|----------------------------|---------------|---------------|----------------|--------------|
| Rent and lease liabilities | 2015          | 2014          | 2015           | 2014         |
| <b>Total</b>               | <b>23,934</b> | <b>40,717</b> | <b>801</b>     | <b>1,214</b> |

Rent and lease liabilities include a rent obligation totalling DKK 801 thousand at 31 December 2015 as against DKK 3,175 thousand in the non-cancellable period. Moreover, the Company has entered into operating leases of which DKK 14,099 thousand falls due within one year as against DKK 17,609 thousand in 2014. DKK 9,034 thousand falls due between 1 and 5 years as against DKK 19,933 thousand in 2014. The residual lease payment totals DKK 23,133 thousand as against DKK 37,542 thousand in 2014.

##### Parent company:

As management company, the Company is jointly taxed with other Danish group entities. Together with other jointly taxed group entities, the Company has joint and several liability for the payment of income taxes for the income years 2012-2015 and withholding taxes falling due for payment on or after 1 July 2012 in the group of jointly taxed entities.

### 17 RELATED PARTIES

##### Group:

Lind Invest ApS' related parties comprise the following:

##### Parent company:

Parties exercising control

Related party: Shareholder Henrik Østenkjær Lind

Domicile: 8240 Risskov

Basis for control: Participating interest

## NOTER

| DKK'000   | Group        |              | Parent company |            |
|---|--------------|--------------|----------------|------------|
| 18 FEES TO THE AUDITORS APPOINTED BY THE COMPANY IN GENERAL MEETING | 2015         | 2014         | 2015           | 2014       |
| Fees to other   | 2,931        | 5,218        | 0              | 0          |
| Fees to EY  | 500          | 1,076        | 123            | 611        |
| <b>Total fee</b>  | <b>3,431</b> | <b>6,294</b> | <b>123</b>     | <b>611</b> |
| Fees regarding statutory audit                                      | 1,043        | 1,252        | 98             | 85         |
| Assurance engagements   | 28           | 22           | 0              | 0          |
| Tax assistance  | 1,462        | 1,736        | 18             | 8          |
| Other assistance  | 898          | 3,284        | 7              | 518        |
| <b>Total</b>  | <b>3,431</b> | <b>6,294</b> | <b>123</b>     | <b>611</b> |

| DKK'000   | Group           |               |
|---|-----------------|---------------|
| 19 ADJUSTMENTS                                  | 2015            | 2014          |
| Amortisation/depreciation and impairment losses | 49,798          | 51,572        |
| Income from investments in associates           | -15,118         | 6,920         |
| Financial income                                | -479,420        | -91,615       |
| Financial expenses                              | 82,971          | 70,309        |
| Tax for the year                                | 81,335          | 32,062        |
| Other adjustments                               | -10,917         | 26,141        |
| <b>Total</b>                                    | <b>-291,351</b> | <b>95,389</b> |

### 20 CHANGES IN WORKING CAPITAL

|  |                |                |
|--|----------------|----------------|
| Change in inventories                              | -15,032        | -29,822        |
| Change in receivables                              | -193,532       | -79,942        |
| Change in prepayments and trade and other payables | 417,087        | 66,407         |
| <b>Total</b>                                       | <b>208,523</b> | <b>-43,357</b> |

### 21 CASH AND CASH EQUIVALENTS

#### Cash and cash equivalents at year end:

|  |                  |                |
|--|------------------|----------------|
| Cash and cash equivalents according to the balance sheet | 432,489          | 467,043        |
| Securities included as cash and cash equivalents         | 1,477,088        | 788,375        |
| Short-term debt to banks                                 | -395,021         | -549,211       |
| <b>Total</b>   | <b>1,514,556</b> | <b>706,207</b> |

# ACCOUNTING POLICIES

The annual report of Lind Invest ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards large reporting class C enterprises.

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

## Consolidation

The consolidated financial statements comprise the parent, Holding A/S, and entities controlled by the parent. Control is presumed to exist when the parent owns, directly or indirectly, more than half of the voting power of an entity. Control may also exist by virtue of an agreement or articles of association or when the parent otherwise has a controlling interest in the subsidiary or actually exercises controlling influence over it.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether control exists.

The consolidated entities' financial statements are prepared in accordance with the accounting policies applied by the parent. The consolidated financial statements are prepared on the basis of the financial statements of the consolidated entities by adding to-

gether like items. Intra-group income, expenses, gains, losses, investments, dividends and balances are eliminated. Investments in consolidated entities are set off by the parent's proportionate share of the consolidated entity's fair value of assets and liabilities at the time of acquisition.

Recently acquired or sold subsidiaries are recognised in the consolidated income statement for the period in which the parent controls such entities. Comparative figures are not restated for recently acquired or sold entities.

The purchase method of accounting is applied to the acquisition of subsidiaries. The cost is made up at the net present value of the consideration agreed plus directly attributable expenses. Conditional payments are recognised at the amount expected to be paid. Identifiable assets and liabilities in the acquired entities are recognised at the fair value at the time of acquisition. Provisions for restructuring expenses relating to the acquired entity are recognised if the restructuring has been decided at the time of acquisition. Allowance is made for the tax effect of revaluations of assets and liabilities. Any residual difference between the cost and the group's share of the fair value of the identifiable assets and liabilities is recognised as goodwill or negative goodwill.

Entities over which the group exercises significant influence are considered associates. Significant influence is presumed to exist when the group directly or indirectly holds between 20% and 50% of the voting rights or otherwise has or actually exercises significant influence. Associates are recognised in the consolidated financial statements at their net asset value.

## Minority interests

Accounting items attributable to subsidiaries are recognised in full in the consolidated financial statements. Minority interests' share of subsidiaries' profit or loss for the year and equity is recognised as separate items in the income statement and the balance sheet.

## Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Changes in the fair value of derivative financial instruments used to hedge net investments in independent foreign subsidiaries or associates are recognised directly in equity.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement on a regular basis.

## Investment property and relating debt

On initial recognition, investment property is measured at cost. Investment property is subsequently measured at fair value, and the value adjustment for the year is recognised in the income statement under 'Fair value adjustment of investment property'. The fair value is made up based on the expected future cash flows for the investment property. Debt relating to investment property is also measured at fair value, and the value adjustment for the year is recognised in the income statement under 'Fair value adjustment of debt relating to investment property'.

## INCOME STATEMENT

### Revenue

Income is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

### Other operating income

Other operating income comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of fixed assets.

### Other external expenses

Other external expenses include the year'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.

### Staff costs

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

**Amortisation/depreciation and impairment of intangible assets and property, plant and equipment.** The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

Goodwill is amortised over the expected economic life, measured by reference to an assessment of, among other factors, the nature, earnings and market position of the acquired entity as well as the stability of the industry and the dependence on key staff.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis

over the expected useful life. The expected useful lives are as follows:

|                                |         |
|--------------------------------|---------|
| Completed development projects | 3 years |
| Acquired IP rights             | 5 years |
| Goodwill                       | 5 years |

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

|  |            |
|--|------------|
| Buildings  | 15 years   |
| Leasehold improvements                           | 3-5 years  |
| Other fixtures and fittings, tools and equipment | 3-15 years |

Land is not depreciated.

Minor acquisitions with a cost of DKK 30 thousand or less per unit are recognised as cost in the income statement in the year of acquisition.

### Income from investments in group entities and associates

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries and associates after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, dividends declared from other



securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

#### Tax

The parent company is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The parent company is the management company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

On payment of joint taxation contributions, the current Danish corporation tax charge is allocated between the jointly taxed enterprises in proportion to their taxable income. Enterprises with tax losses receive joint taxation contributions from enterprises that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current corporation tax, joint taxation contributions for the year and changes in deferred tax for the year – including changes resulting from changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

## BALANCE SHEET

#### Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses. Other intangible assets include development projects and other acquired intangible rights, including

software licences, distribution rights and development projects. Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

#### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Land and buildings are considered investment properties are measured at fair value. The value adjustment is recognised in the income statement. Also, the cost of self-produced Non-current assets includes interest expenses in the production period regarding loans to finance the production.

Gains or losses are made up as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating costs.

#### Investments in group entities and associates

On initial recognition, investments in subsidiaries and associates are measured at cost and subsequently at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies less or plus any residual value of positive or negative goodwill determined in accordance with the acquisition method. Subsidiaries and associates with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the

remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the enterprise's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method in so far as the carrying amount exceeds the acquisition cost.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.

Acquisitions of new subsidiaries and associates are accounted for using the purchase method, according to which the assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of revaluations made is taken into account.

#### Other securities and investments

Other securities and investments are measured at fair value. The fair value is made up at the market value at the balance sheet date if the securities are listed and at a value made up using generally recognised valuation principles if the securities are unlisted.

Deposits are measured at cost.

#### Impairment of fixed assets

Intangible assets, property, plant and equipment and investments in subsidiaries and associates are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable

amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

#### Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realisable value.

#### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

#### Securities and investments

Securities and investments recognised as current assets comprise listed securities and other securities.

Listed securities are measured at fair value at the balance sheet date, corresponding to the market price. Unlisted securities are measured at market value based on calculated sales price. Capital gains and losses are recognised in the income statement.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

#### Equity

*Reserve for net revaluation according to the equity method*

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

#### Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years 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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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.

As management company for all the entities in the joint taxation arrangement, the parent is liable for the subsidiaries' income taxes vis-à-vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivables are recognised in the balance sheet as income tax receivable or payable.

#### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

#### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

#### Cash flow statement

The cash flow statement shows the entity's net cash flows, broken down by operating, investing and financing activities, the year's changes in cash and cash equivalents and the entity's cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the

year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders. Cash and cash equivalents comprise cash, short-term bank loans and short-term marketable securities which are subject to an insignificant risk of changes in value.

#### Segment information

Information is provided on business segments and geographical markets. Segment information is based on the Company's accounting policies, risks and internal financial management. Assets in the segment comprises the assets that are used directly in the revenue-generating activity of the segment. Segment liabilities comprise liabilities resulting from the activities of the segment, including trade and other payables.

#### Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". The financial ratios stated in the survey of financial highlights have been calculated as follows:

#### Operating margin

Operating profit x 100

Revenue

#### Return on invested capital

Operating profit x 100

Average invested capital

#### Invested capital

Operating intangible assets and property, plant and equipment plus net working capital

#### Gross margin

Gross profit x 100

Revenue

#### Current ratio

Current assets x 100

Current liabilities

#### Solvency ratio

Equity at year end x 100

Total equity and liabilities at year end

#### Solvency ratio, parent company

Equity at year end x 100

Total equity and liabilities at year end

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