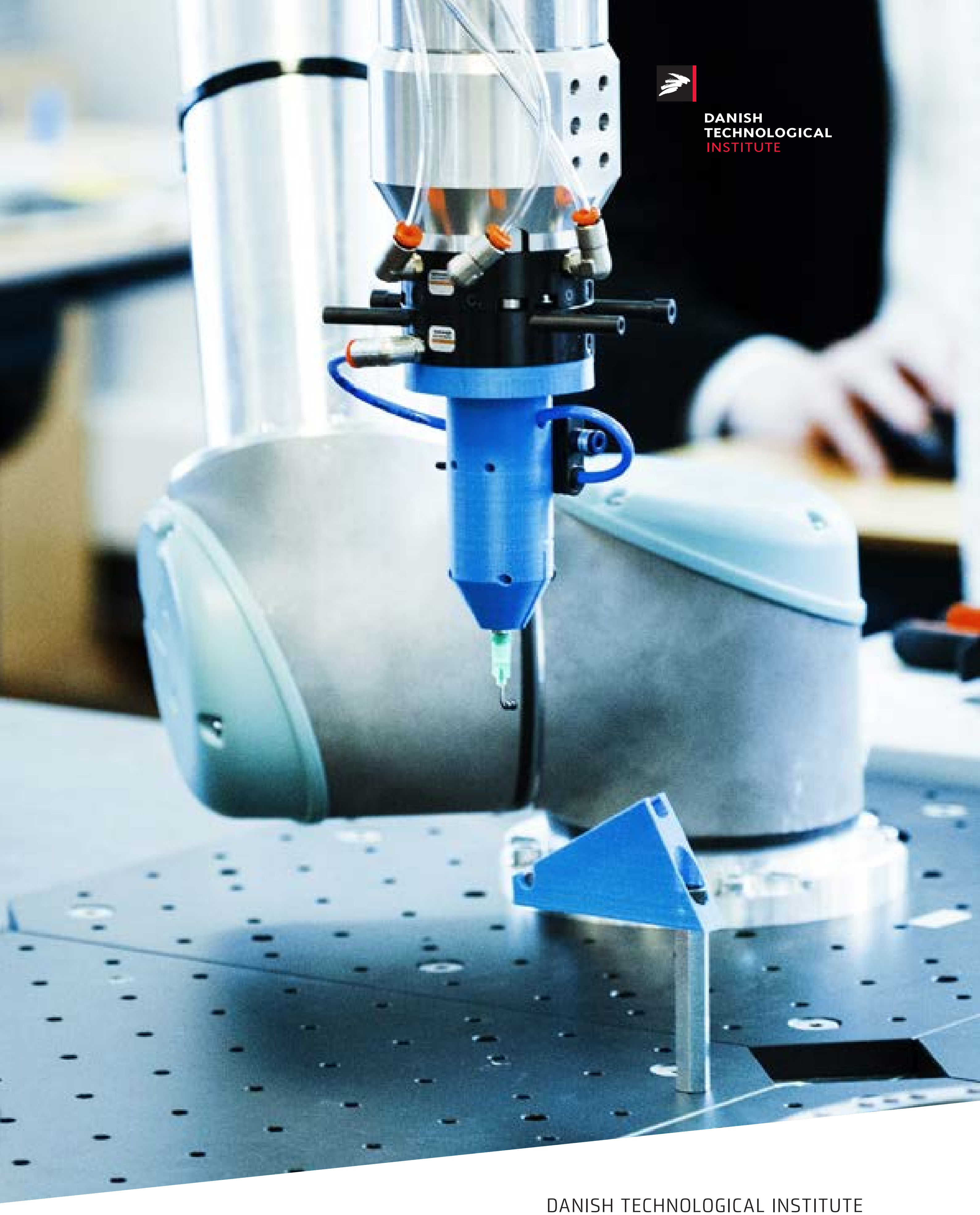

DANISH TECHNOLOGICAL INSTITUTE

Annual Report 2015

CVR no. 56 97 61 16

Danish Technological Institute
Gregersensvej 1
DK-2630 Taastrup

Tel.:	+45 72 20 20 00
Fax:	+45 72 20 20 19
Website:	www.teknologisk.dk
Email:	info@teknologisk.dk
CVR no.:	56 97 61 16
Founded:	1906
Registered office:	Taastrup

Financial year: 1 January to 31 December

Contents

Management statement and auditors' report

Statement by the Executive Board and the Board of Trustees

The Board of Trustees and Executive Board have today considered and adopted the Annual Report for 2015 of the Danish Technological Institute.

This Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the Group's and DTI's assets, liabilities and financial position as at 31 December 2015 and of the results of the Group's and DTI's operations and cash flows for the financial year 1 January – 31 December 2015.

In our opinion, the management's review also provides a true and fair description of the development in the Group's and DTI's operations and financial situation, the results for the year and of the Group's and DTI's financial position.

Taastrup, 2 March 2016

Executive Board:

Søren Stjernqvist
CEO

Board of Trustees:

Clas Nylandsted Andersen
Chairman

Lars Aagaard
Deputy Chairman

Anders Bjarklev

Eva Bak Jacobsen

Frederik R. Steenstrup

Kim Lind Larsen

Niels Techen Nielsen

Søren F. Eriksen

Thorkild E. Jensen

Independent Auditor's Report

To the Board of Trustees of the Danish Technological Institute

Report on Consolidated Financial Statements and Parent Company Fi-nancial Statements

We have audited the Consolidated Financial Statements and the Parent Company Financial State-ments of the Danish Technological Institute for the financial year 1 January to 31 December 2015, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group and the Parent Company, as well as consolidated cash flow statement. 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, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 in accordance with Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Parent Company Financial Statements.

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

The 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 financial position of the Group and the Company at 31 December 201x and of the results of the Group and Company operations as well as the consolidated cash flows for the financial year 1 January - 31 December 201x in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Hellerup, 2 March 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob F Christiansen
State Authorised Public Accountant

Management's review

Company information

Danish Technological Institute
Gregersensvej 1
DK-2630 Taastrup

Tel.: +45 72 20 20 00
Fax: +45 72 20 20 19
Website: www.teknologisk.dk
Email: info@teknologisk.dk

CVR no.: 56 97 61 16
Founded: 1906
Registered office: Taastrup
Financial year: 1 January to 31 December

Board of Trustees

Executive Board

Søren Stjernqvist

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Group chart as at 31 December 2015

Danish Technological Institute
CVR no.: 56 97 61 16

Subsidiaries

Danish

Dancert A/S
100%
CVR no.: 29 51 20 94

Danfysik A/S
100%
CVR no.: 31 93 48 26

Teknologisk Innovation A/S
100%
CVR no.: 20 66 56 45

Associates

Syddansk Teknologisk Innovation A/S
50%
CVR no.: 20 85 82 06

Foreign

Teknologisk Institut AB, Sweden
100%
Reg. no.: 556456-9894

Subsidiary

Learn Lab AB, Sweden
100%
Reg. no.: 559023-7706

DTI Polska sp. Z.o.o., Poland
68%
Reg. no.: KRS 0000023041

DTI Spain, Spain
67%
Reg. no.: B-65573784

Financial highlights for the Group

DKKm	2015	2014	2013	2012	2011
Financial highlights					
Revenue	1,018	1,085	1,081	1,047	981
Operating profit	48	34	35	44	39
Net financials, including profit after tax from associates	2	-2	-1	2	-2
Net profit for the year	**50**	**31**	**33**	**43**	**35**
Balance sheet total	911	847	837	819	745
Equity	**601**	**552**	**523**	**488**	**442**
Cash flow from operating activities	97	19	61	105	90
Cash flow for investing activities	15	-105	-66	-92	-14
Of which for investment in property, plant and equipment	23	102	66	93	17
Cash flow for financing activities	1	0	-15	-32	0
Total cash flow	**112**	**-87**	**-20**	**-19**	**76**
Financial ratios					
Operating profit margin	4.7	3.1	3.2	4.2	4.0
Solvency ratio	66.0	65.1	62.5	59.6	59.3
Liguidity ratio	156.4	125.7	139.4	145.0	175.0
Development financed by operations	9.2	8.6	10.1	9.0	7.6
Average number of full-time employees	**1,004**	**1,055**	**1,051**	**992**	**953**

Definitions and concepts are stated under accounting policies.

Report

Principal activity

The Danish Technological Institute (DTI) is an independent and non-profit institution. DTI develops, applies and disseminates research-based and technology-based knowledge to the Danish business sector. This implies that DTI participates in development projects of public utility in close cooperation with leading research and educational institutions in Denmark and abroad. In addition, the Danish Technological Institute performs consultancy and standardisation activities which contribute to a dynamic and harmonious development of society. Finally, DTI contributes to the strengthening of the Danish workforce's competences in collaboration with educational institutions and through its own course, certification and lecture activities.

The Danish Technological Institute's most important task is to ensure that new knowledge and technology can quickly be converted into value for our customers in the form of new or improved products, materials, processes, methods and organisational structures. DTI works together with new and existing enterprises, either individually or in groups, on ways to enhance technological and management restructuring and efficiency, both widely and within advanced fields.

Development in activities and financial situation

The Danish Technological Institute generated very satisfactory results in 2015, showing a profit of DKK 50.3 million, including, among other things, the profit on the sale of the properties in Roskilde and in Kolding.

2015 was an eventful, but also a challenging year for the Danish Technological Institute.

Agreements were made with SEGES P/S and AGRO TECH FONDEN to take over the activities of GTS Instituttet AgroTech A/S as of 1 January 2016. The activities will be integrated in DTI as a new division under the name of AgroTech. The division will employ 71 full-time equivalents and budgets for a revenue of DKK 87.5 million in 2016. With this acquisition, DTI will become the strongest technology platform for the Danish food sector.

On 1 July, DTI acquired two-thirds of the shares in the Spanish company NunaSolutions, which acts as an agent for DMRI in the Spanish market. The company has changed its name to DTI Spain. In addition to the sale of services from DTI, DTI Spain supplies IT systems to the Spanish slaughterhouse sector.
In Sweden, an agreement was made for DTI's takeover of the activities of the course and conference provider Conductive AB as of 1 January 2016. The activities will be consolidated with similar activities in Teknologisk Institut AB, Sweden.

In 2015, a lot of work went into the preparation of a new strategy plan and proposals for performance contracts for the period 2016 to 2018. The strategy plan focuses on a commercial scale and an international perspective for several of DTI's core competences.

As part of DTI's communication strategy, efforts were made to position DTI more clearly on the Danish market. In this connection, a branding campaign was launched, raising the profile of DTI and its services on a wide range of media platforms – both print, online and outdoor (billboards). Measurements from respondents in the target group have shown that the campaign exceeded the benchmark by far.

The inauguration of the new 700-square-metre innovation facility for robot activities in Odense was a major attraction. More than 300 registered guests and an overwhelming press coverage on the national channels have significantly strengthened DTI's position in the robot field. The leased premises in Forskerparken in Odense are now close to 2,000 square metres.

As feared, the late start-up of Innovation Fund Denmark and the Horizon 2020 programmes had a negative impact on DTI's R&D effort in 2015. Revenue fell from DKK 257.2 million to 228.6 million. Funds for new projects were only granted late in Q4 2015 and unfortunately had no impact on R&D revenue in 2015.

Commercial revenue in the parent company totalled DKK 500.5 million, which is on a par with revenue in 2014. DTI has many different business areas, and the overall development of the commercial revenue reflects the fluctuations in their revenue. A fair increase was recorded within the building, slaughterhouse and education fields, while the activities within the oil and material fields have declined.

Economy

In 2015, the Danish Technological Institute realised a profit of DKK 50.3 million, which is DKK 25.2 million more than budgeted for and up DKK 19.1 million on 2014. The significant positive deviation relative to the budget was due to, among other things, the profit on the sale of the properties in Roskilde and Kolding.

The Group's total revenue was DKK 1,017.6 million, which is DKK 67.5 million lower than in 2014. Despite of the declining revenue, the Group succeeded in realising the budgeted profit, when special income is left out of account, through cost restraint and staff cuts.

The Danish Technological Institute's revenue stems from commercial activities and R&D activities, including performance contract activities. DTI's commercial revenue amounted to DKK 671.2 million, down DKK 40.1 million on the year before. This is attributable to declining revenue in the subsidiaries. The parent company's commercial revenue amounted to DKK 500.5 million against DKK 502.5 million in 2014.

R&D revenue as well as performance contract revenue reached DKK 346.4 million against DKK 373.8 million in 2014. This corresponds to 34.0% of total revenue against 34.4% in 2014.

In 2015, DTI's development financed by operations totalled DKK 94.2 million, an increase of 0.6% compared to the year before.

The Group's equity amounted to DKK 601.4 million as at 31 December 2015, which is an increase of DKK 49.5 million, corresponding to the net profit for the year and value adjustments of forward contracts. The balance sheet total increased by DKK 64.1 million to DKK 911.4 million (2014: DKK 847.3 million). Cash flow from operating activities amounted to DKK 96.7 million against DKK 18.8 million in 2014. The increase is primarily attributable to a reduction in work in progress as well as trade payables and other short-term debt relative to 2014. Cash flow for investments totalled DKK -14.6 million, which is due to the sale of land and buildings (2014: DKK 105.4 million).

DTI's financial resources are still satisfactory and amounted to DKK 104.3 million at year-end 2015.

Subsidiaries

Revenue at Danfysik A/S in 2015 amounted to a total of DKK 113.8 million, corresponding to a decline relative to 2014 of 18.9%. The profit after tax was DKK 1.1 million against DKK 0.3 million in 2014. As at 31 December 2015, the assets amounted to DKK 80.9 million, and equity to DKK 22.0 million.

The activities of Danfysik A/S comprise development, design, production, testing, sale and service and have primarily focused on working up and completing a number of customer projects within the product areas of particle accelerators, accelerator magnets and stable power supplies to customers in Europe, North America and Asia.

Danfysik A/S is primarily a project business with a highly fluctuating order intake. Despite declining revenue and a number of technical challenges, Danfysik A/S achieved positive results for 2015. Also, the order intake was very satisfactory, which meant that Danfysik A/S had an order book of DKK 140 million at the end of 2015 against DKK 103 million in 2014.

Teknologisk Institut AB in Sweden generated satisfactory results in 2015. It showed a profit of DKK 2.4 million, compared to DKK 3.5 million in 2014. Revenue was DKK 48.2 million against DKK 53.1 million in 2014. The fall in revenue related to the decision to discontinue the business area 'Yrkeshögskolor', which is a publicly-funded youth education system. It was not possible to create the necessary synergies with the rest of the business, and the competition for funding of new study programmes has intensified. However, Teknologisk Institut AB's core business developed positively.

DTI Polska Sp. z o.o. changed its strategy in 2015 as a consequence of the strongly declining market for EU-funded regional development projects, which has until now been the company's focus area. The staff was reduced to four employees. DTI Polska will in future be a sales office for DTI's services to the Polish market. It has succeeded in selling a couple of large and promising projects to the Polish meat industry.

Associates
Syddansk Teknologisk Innovation A/S delivered very satisfactory results for 2015 with a profit after tax of DKK 3.0 million, of which DTI has a 50% share. It invested a total of DKK 29.5 million in 10 new enterprises as well as DKK 12.0 million in follow-up investments in 20 enterprises.Returns from the sale of shares as well as repayment of loans amounted to DKK 10.9 million. Attracted private capital amounted to DKK 155.9 million.

Special risks
The Danish Technological Institute's most significant operating risk relates to the management of R&D tasks and long-term commercial tasks. This risk has been allowed for in DTI's procedures and business processes etc. as well as in the financial statements.

Owing to DTI's solvency and financial resources, it is only to a limited extent sensitive to changes in interest rate levels. There is no material currency risk and no material risks relating to individual customers or business partners.

Uncertainty with regard to recognition and measurement
No uncertainty with regard to recognition and measurement exists in the annual report.

Exceptional circumstances
The Group's assets, liabilities and financial position as at 31 December 2015 as well as the results of the Group's activities and cash flows for the year 2015 are not affected by exceptional circumstances. However, the sale of the properties in Roskilde and Kolding contributed to the positive development in liquidity, as the properties were unencumbered.

Outlook for 2016
The 2016 budget reflects the acquisition of the activities of AgroTech, contributing an increase in revenue of DKK 87.5 million.

The development in 2015 was characterised by the lack of orders on R&D projects, as significant funding sources such as Innovation Fund Denmark and Horizon 2020 only started up towards the end of the year. However, the order intake was very satisfactory in October and November. DTI will start 2016 with an order book of around DKK 350 million, comprising mostly projects of a duration of between one and three years. The order book corresponds to approx. 140% of the budgeted R&D revenue in 2016, which experience has shown is a satisfactory level to achieve the budgeted revenue.

With the current sources of financing, it must be expected that R&D revenue will in future be 10-15% lower than the 2012/13 level. This means that commercial revenue must drive growth.

In addition to the growth provided by the acquisition of AgroTech, focus will be on productivity and integration of the new activities in 2016.

The commercial revenue is budgeted at DKK 789.5 million, an increase of 10.3% compared to 2015. R&D revenue in 2016 is budgeted to decrease by DKK 1.5 million to DKK 272.9 million, of which AgroTech's share amounts to DKK 17.8 million.

The revenue on the performance contract is budgeted at DKK 119.4 million, corresponding to the order book for 2016, including AgroTech. This is a small decline relative to the previous grant period 2013-2015.

In 2016, revenue from R&D projects and performance contracts constitutes 33% of total revenue, showing that the many projects still have a significant impact on DTI's general financial situation. For that reason, initiatives to obtain more co-financing from project partners were launched.

DTI budgets for a profit of DKK 27.0 million, corresponding to 2.3% of revenue.

Commercial activities
The Group's commercial revenue in 2015 amounted to DKK 671.2 million (2014: DKK 711.3 million). For the parent company, the commercial revenue is largely unchanged relative to 2014, while the subsidiaries Danfysik A/S, DTI Polska and Teknologisk Institut AB, Sweden, have seen declining revenues.

The objective of DTI's 2016-2018 strategy plan is for consolidated commercial revenue to total approx. DKK 799.0 million in 2018.

Research and development
R&D revenue fell by 7.3% to a total of DKK 346.4 million relative to 2014. This includes the performance contract funding granted to DTI by the Danish Ministry

of Higher Education and Science. These funds totalled DKK 117.8 million in 2015, corresponding to 11.6% of DTI's total revenue.

Funds for new projects were only granted late in Q4 2015 and unfortunately had no impact on R&D revenue in 2015. DTI received funding from Innovation Fund Denmark of approx. DKK 40 million over three years for 13 large-scale projects and societal partnerships. Horizon 2020 programmes received funding commitments for 10 projects with a total grant of DKK 61.7 million over four years. All the projects will start in 2016.

DTI is experiencing intensified competition for R&D project funds. This is reflected in, among other things, DTI's very high self-financing in R&D projects, amounting to DKK 94.2 million in 2015 (2014: DKK 93.6 million).

According to DTI's 2016-2018 strategy plan, R&D revenue in 2018 must reach DKK 415 million.

International activities

The international revenue is composed of three subtotals, namely export revenue from the parent company (including R&D revenue financed by e.g. the EU), the revenue of the two foreign subsidiaries and the revenue of Danfysik A/S. Out of the total consolidated revenue of DKK 1,017.6 million, the international revenue accounts for DKK 300.8 million, i.e. 29.6% It is a part of DTI's strategy to grow internationally, both with regard to R&D revenue and commercial revenue. Indeed, increasing international revenue is an absolute success criterion, as it gives DTI optimum conditions for assisting Danish enterprises in a global market.

Project evaluation

To DTI, the work of transforming new knowledge into daily practice in enterprises constitutes a central element in its non-profit activities, and it is important to learn how satisfied customers are with the projects undertaken by DTI.

So in recent years, customers have been asked to evaluate DTI's work on a number of parameters such as quality and time of delivery. On the question of whether our customers would recommend the Danish Technological Institute to others, we are rated 4.6 on a scale from 1 to 5.

Investments

In 2015, a total of DKK 30.5 million was invested in buildings and property, plant and equipment.

DTI has upgraded its laboratory facilities for advanced packaging development. This will provide much better opportunities for supporting Danish enterprises in their development of new packaging.

The furniture testing facilities have been improved with renovation of the rooms and investments in new test machinery, making the laboratory one of the most modern laboratories in Europe.

More than DKK 10 million have been spent on general maintenance of all DTI's many buildings to ensure that they live up to the current requirements.

The development of the new task management system has been given top priority. All the basic functions were rolled out in 2015, and the system is expected to be completed mid-2016. The benefits of the new system are that it provides an overview of all types of customer tasks, allows preparing the basis of agreements and facilitates invoicing of customers and viewing performance. The new task management system runs quickly and safely on a brand new infrastructure, and all employees have access to the system from both PCs and smartphones.

Knowledge resources

Continued strengthening of competences

The Danish Technological Institute Group had 1,004 full-time employees in 2015 against 1,055 in 2014. DTI continues to have strong technical competences, as 18.7% of the technical staff now have a PhD or a doctoral degree. This is an increase of more than 1% and is in line with the objective of DTI's 2015 strategy to strengthen the technical level by employing more PhDs.

Employee development

In 2015, the Danish Technological Institute conducted its internal talent programme for the fifth time. This means that more than 200 current employees have now completed this programme. It focuses on both business and management development. Participants are very motivated and committed, and it is still perceived as being highly relevant.

15 of DTI's employees have now completed a certified project manager training programme. The model used by DTI is PMI, Project Management Institute.

Recruitment and employer branding
In 2015, we strengthened our employer branding efforts on the social media and employee involvement in connection with attracting new staff.

During the year, DTI launched major campaigns in national printed media and extended the cooperation with e.g. universities. It hosted a large number of company visits in Taastrup and Aarhus in order to highlight DTI as an attractive workplace.

DTI continues its collaboration with LinkedIn and other providers in the recruitment field to ensure that it has a strong and visible profile for potential candidates.

Impact on the external environment
The majority of Danish Technological Institute's workplaces are office workplaces. Their environmental load comprises consumption of electricity and heat. In addition, DTI has a number of laboratories that make use of different forms of consumables, the use and disposal of which comply with the acts and executive orders in force from time to time in the area, including the rules on health and safety at work.

Corporate social responsibility
The Danish Technological Institute has described what it understands by corporate social responsibility and the policies and guidelines this entails. The management has decided to publish its statutory report on corporate social responsibility on its website at www.dti.dk/csr2014.

Gender equality
Focus is still on a balanced gender composition of the management at the Danish Technological Institute and in its subsidiaries. The gender distribution on the talent programme was 40% women and 60% men, which is a more equal distribution than the general gender distribution for employees at DTI. DTI will keep a consistent focus on this.

The overall position is that DTI treats all its staff equally, irrespective of their gender in all aspects of their work. This applies to recruitment, selection for management positions and career development. This is supported by DTI's staff policy, which states: "We are working to promote a balanced staff mix so that DTI at all times has access to the best qualified staff within DTI's core competences".

The gender composition of the Danish Technological Institute including the Danish subsidiaries Danfysik A/S and Dancert A/S at the end of 2015 was 37% women and 63% men.

The Danish Technological Institute's Board of Trustees has nine members (including two employee-elected members, of whom one is a woman). Here, the distribution exclusive of employee-elected members is 100% men and 0% women. For 2020, DTI aims for a distribution among men and women on the Board of Trustees that reflects DTI's staff mix.

Events after the balance sheet date
No significant events have occurred after the balance sheet date that will affect the financial statements.

Consolidated financial statements and parent company financial statements

Accounting policies

The Aannual Report of the Danish Technological Institute for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act for class C companies (large).

In accordance with section 23(4) of the Danish Financial Statements Act, the table requirements laid down in the Act for the income statement have been adjusted to show the Group's business activities as an approved technological service institute.

The Consolidated Financial Statements and Parent Company Financial Statements have been presented in accordance with the same accounting policies as last year.

General information on recognition and measurement

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

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

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

Gains, losses and risks arising before the date of presentation of the annual report and confirming or disproving circumstances and conditions existing at the balance sheet date are taken into consideration upon recognition and measurement.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Expenses incurred to achieve the earnings for the year are also recognised, including depreciation, amortisation and impairment losses and provisions as well as reversals resulting from revised accounting estimates for amounts previously recognised in the income statement.

Consolidated financial statements

The consolidated financial statements comprise the parent company – the Danish Technological Institute – and subsidiaries in which it directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling interest. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises a significant, but not controlling, influence are considered to be associates (see the Group chart).

The consolidated financial statements are prepared by eliminating intercompany income and expenses, shareholdings, balances and dividends as well as realised and unrealised gains and losses on transactions between the consolidated enterprises.

Investments in subsidiaries are offset against the proportionate share of subsidiaries' fair value of net assets or liabilities at the acquisition date.

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the acquisition date. Divested or discontinued enterprises are recognised in the consolidated income statement up until the time of divestment or discontinuation. Comparative figures are not adjusted for newly acquired, divested or discontinued enterprises.

The acquisition method is used when a new enterprise is acquired, such that its identifiable assets and liabilities are measured at fair value at the acquisition date. A provision is recognised to cover the costs associated with decided and publicised restructuring within the acquired enterprise in connection with the purchase. Deferred tax on reassessments made is recognised.

Positive balances (goodwill) between the cost and fair value of acquired identified assets and liabilities are recognised under intangible assets and amortised systematically in the income statement on the basis of an individual assessment of the economic life, however, a maximum of five years.

Negative balances (negative goodwill), constituting an expected adverse development in the enterprise in question, are recognised in the balance sheet under accruals and deferred income and are recognised in the income statement in step with the development of the adverse situation. Negative goodwill not related to the expected adverse development is recognised in the balance sheet at an amount corresponding to the fair value of non-monetary assets, which are subsequently recognised in the income statement over the average life of the non-monetary assets.

Goodwill and negative goodwill from acquired enterprises can be adjusted until the end of the year following the acquisition.

Gains and losses on the disposal of subsidiaries and associates are calculated as the difference between the selling price or the disposal consideration and the carrying amount of net assets at the time of the sale, including non-amortised goodwill as well as the expected costs of sale or winding up.

Minority interests

In the consolidated financial statements, accounting items of subsidiaries are recognised at 100%. The minority interests' proportionate share of the profit/loss and equity of subsidiaries is calculated on an annual basis and recognised as separate items in the income statement and balance sheet.

Foreign currency translation

Foreign currency transactions are translated on initial recognition at the exchange rate applicable at the date of transaction. Exchange rate differences between the exchange rate applicable at the date of transaction and the exchange rate at the date of payment are recognised in the income statement as a financial item.

Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rate applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised in the income statement under financial income or expenses.

The exchange rate adjustment of balances with independent foreign subsidiaries which are considered part of the total investment in the subsidiary is recognised directly in equity. Exchange gains and losses on loans and derivative financial instruments entered into to hedge foreign subsidiaries are also recognised directly in equity.

Foreign subsidiaries' income statements are translated using the average exchange rate, and balance sheet items are translated using the exchange rates applicable at the balance sheet date. Exchange rate differences arising from the translation of subsidiaries' equity at the beginning of the year to the exchange rate at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Derivative financial instruments

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

Changes in the fair value of derivative financial instruments classified as and fulfilling the criteria for hedging 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 classified as and fulfilling the criteria for hedging future assets and liabilities are recognised in other receivables or other accounts payable as well as recognised in equity. Where the future transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are recognised at the cost of the asset or the liability, respectively. Where the future transaction results

Income statement

in income or costs, amounts recognised in equity are recognised in the income statement in the period in which the hedged asset or liability affects the income statement.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

Revenue

The Danish Technological Institute's revenue is divided into three categories: Commercial activities, R&D activities and performance contract activities. Commercial activities include tasks solved for private and public customers and where the customer owns the rights to the result. R&D activities are undertaken for Danish and foreign grant givers. The results of these tasks will be made available to the public via the grant givers. Performance contract activities consist of a series of tasks performed for the Danish Agency for Science, Technology and Innovation with the overall purpose of enabling small and medium-sized enterprises to rapidly and effectively benefit from new knowledge and new technologies.

The invoicing criterion is used as revenue recognition criterion, according to which income is recognised in the income statement in step with invoicing.

In case of major and long-term contracts in progress, recognition follows the production criterion, where the profit on services sold is recognised in the income statement in step with the performance of the work.

Revenue is recognised exclusive of VAT and taxes charged on behalf of a third party. All kinds of discounts granted are recognised in revenue.

Project costs

Project costs include costs for the year, exclusive of wages and salaries, which can be directly attributed to the individual projects.

Research and development

R&D costs as well as agreed development costs for the performance of project agreements for which no fee is charged are recognised in the income statement under project costs and staff costs, depending on the nature of the costs.

Other external expenses

Other external expenses include expenses for distribution, sale, advertising, administration, premises, bad debts, operating leases etc.

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature in relation to the company's activities, including gains and losses on the sale of non-current assets.

Profit/loss from equity investments in subsidiaries and associates

The proportionate share of the individual subsidiaries' profit or loss after tax after full elimination of intercompany profits and losses is recognised in the parent company's income statement.

The proportionate share of the associate's profit or loss after tax after elimination of the proportionate share of intercompany profits and losses is recognised in both the parent company's and the Group's income statements.

Financial income and expenses

Financial income and expenses comprise interest, capital gains and losses on securities, payables and transactions in foreign currency as well as compensation under the tax prepayment scheme etc.

Tax on net profit/loss for the year

The Danish Technological Institute is an approved technological service provider and, thus, exempt from taxation.

Taxable Danish subsidiaries are covered by the Danish rules on compulsory joint taxation. Subsidiaries are included in the joint taxation from the time when they are included in the consolidation in the consolidated financial statements and up to the time when they are excluded from the consolidation.

The current Danish income tax is distributed by settling joint taxation contributions between the jointly taxed enterprises in proportion to their taxable incomes. In conjunction with this, enterprises with a tax loss receive joint taxation contributions from enterprises that have been able to use this loss to reduce their own taxable profit.

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

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised over the estimated economic life, which is determined by the management based on its experience within the individual business areas. Goodwill is amortised on a straight-line basis over a period of five years. The carrying amount of goodwill is estimated on an ongoing basis and is written down to the recoverable amount via the income statement, if the carrying amount is higher than the expected future net income from the enterprise or activity to which the goodwill relates.

Development costs

Development costs comprise costs, wages and salaries and amortisation costs, which are directly or indirectly attributable to DTI's development projects.

Development projects that are clearly defined and identifiable, and where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the enterprise can be demonstrated, and where the intention is to produce, market or use the project, are recognised as intangible assets if the cost can be determined reliably, and if there is sufficient certainty that future earnings will cover selling and administrative costs etc. as well as the development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

After the completion of the development work, development costs are amortised on a straight-line basis over the estimated economic life. The amortisation period is usually five years.

Patents and licences

Patents and licences are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the term of the agreement; however, a maximum of five years. Profit and loss from the sale of patents and licences are calculated as the difference between selling costs and the carrying amount at the time of the sale. Profit and loss are recognised in the income statement under other operating income and other external expenses.

Property, plant and equipment

Land and buildings, plant and machinery and other plant, fixtures and fittings and operating equipment are measured at cost less accumulated depreciation and impairment losses. No depreciation is effected for land.

Cost comprises the acquisition price and costs directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes the direct and indirect cost of materials, components, subsuppliers and wages and salaries. Interest is not included in cost.

Depreciation is effected on a straight-line basis over the expected useful life, based on the following assessment of the expected useful lives of the assets:

Buildings	50 years
Machinery, equipment etc.	5 years
Leasehold improvements	5-10 years
IT equipment	3 years

Property, plant and equipment are written down for impairment to the lower of recoverable amount and carrying amount. An annual impairment test will be performed for each individual asset or group of assets. Depreciation is recognised in the income statement under depreciation, amortisation and impairment losses.

Profit and loss from the sale of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the time of the sale. Profit and loss are recognised in the income statement under other operating income and other external expenses.

Leases

Leases concerning non-current assets, where DTI has all the material risks and rewards of ownership (finance leases), are measured on initial recognition in the balance sheet at the lower of the fair value and the net present value of the future lease payments. For calculating the net present value, the internal rate of interest of the lease is used as the discount rate or DTI's alternative borrowing rate. Assets held under finance leases are subsequently treated as DTI's other non-current assets.

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments in connection with operating leases and other leases are recognised in the income statement over the term of the lease. DTI's total commitment concerning operating leases and other leases is stated under contingent liabilities etc.

Equity investments in subsidiaries and associates

Equity investments in subsidiaries and associates are measured according to the equity method.

Investments in subsidiaries and associates are measured at the proportionate share of the enterprises' equity value calculated according to DTI's accounting policies less or plus unrealised intracompany profits and losses and with the addition or deduction of the remaining value of positive or negative goodwill.

Investments in subsidiaries and associates with a negative equity value are measured at DKK 0, and any receivables from such enterprises are written down for impairment to the extent that such receivables are uncollectable. To the extent that the parent company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the residual amount is recognised under provisions for liabilities.

Net revaluation of equity investments in subsidiaries and associates is stated as a reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds the cost.

Inventories

Inventories are measured at cost using the FIFO method. If the net realisable value is lower than the cost, it is written down to this lower value.

The cost of goods for resale and raw materials covers acquisition cost plus delivery costs.

The net realisable value of inventories is determined as the selling price less the costs of completion and costs incurred to effect the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Other investments

Other investments are measured at cost. If there are indications of impairment, the asset is written down for impairment.

Receivables

Receivables are measured at amortised cost. Provisions for bad debts are made according to fixed principles for the assessment of the receivables.

Contract work in progress

Contract work in progress relates to major and long-term projects and is measured at the selling price of the work performed. The selling price is measured on the basis of the degree of completion at the balance sheet date and the total expected income from the individual work in progress.

When the selling price of a contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or accounts payable. Net assets consist of the sum of the construction contracts where the selling price of the work performed exceeds invoicing on account.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise expenses incurred relating to the following financial year.

Income tax and deferred tax

Current tax liabilities and current tax receivable relating to the subsidiaries of the Group are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on the taxable income of previous years and for the tax paid on account.

Deferred tax is measured according to the balance-sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used.

Provisions for liabilities

Provisions for liabilities include expected costs of warranty commitments. Warranty commitments include commitments within the warranty period of 1-2 years.

Provisions for liabilities are measured at the net realisable value.

Liabilities other than provisions

Mortgage debt is recognised at residual value.

Other liabilities are measured at net realisable value.

Accruals and deferred income

Accruals and deferred income recognised under liabilities include payments received related to income in subsequent financial years.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, changes in cash and cash equivalents for the year as well as the Group's cash and cash equivalents at the beginning and end of the year.

The effect on cash flow from acquisition and disposal of enterprises is shown separately under cash flows from investing activities. Cash flows relating to acquired enterprises are recognised in the cash flow statement from the acquisition date, and cash flows relating to divested enterprises are recognised until the time of sale.

Cash flow from operating activities

Cash flow from operating activities is calculated as the share of the net profit or loss, adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flow for investing activities

Cash flow from investing activities covers payments in connection with the purchase and sale of enterprises and activities as well as the purchase and sale of intangible assets, property, plant and equipment and fixed asset investments.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or composition of DTI's capital and related costs as well as raising of loans and repayment of interest-bearing debt.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities with a maturity of less than three months which can readily be converted into cash, and which are only subject to insignificant risks of changes in value.

Segment information

Revenue is stated for the Group's primary segments. The segment information is in line with the Group's accounting policies, risks and internal financial management. The primary segments comprise the Group's various activities (divisions and companies).

Financial ratios

The ratios stated in the overview of financial highlights have been calculated as follows:

Operating profit margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Liquidity ratio	$\frac{\text{Current assets x 100}}{\text{Short-term debt}}$
Development financed by operations	Development financed by operations in % of revenue

Income statement

DKKm	Note	Group		DTI	
		2015	2014	2015	2014
Commercial activities		671.2	711.3	500.5	502.5
Research and development activities		228.6	257.2	228.6	257.2
Performance contract activities		117.8	116.6	117.8	116.6
Revenue	1	1,017.6	1,085.1	846.9	876.3
Project costs, excl. wages and salaries		-175.2	-207.1	-117.1	-122.5
Other external expenses		-209.7	-216.7	-184.5	-191.4
Staff costs	2	-574.9	-604.9	-499.4	-521.5
Depreciation, amortisation and impairment	3	-34.1	-25.0	-31.0	-21.5
Other operating income	4	24.4	2.7	30.8	9.5
Operating profit		48.1	34.1	45.7	28.9
Share of net profit/loss after tax in subsidiaries		0.0	0.0	4.1	2.5
Share of net profit/loss after tax in associates		1.5	0.3	0.0	0.0
Financial income	5	2.6	1.9	2.4	2.9
Financial expenses	6	-2.3	-4.3	-1.9	-3.1
Net profit for the year before tax		49.9	32.0	50.3	31.2
Tax on net profit/loss for the year	7	0.0	-1.2	0.0	0.0
Net profit for the year before minority interests		49.9	30.8	50.3	31.2
Minority shareholders' share of profit/loss of subsidiaries		0.4	0.4	0.0	0.0
Net profit for the year		50.3	31.2	50.3	31.2

Proposal for the distribution of net profit

Net revaluation according to the equity method	0.0	0.0	4.5	6.2
Retained earnings	50.3	31.2	45.8	25.0
Net profit for the year	50.3	31.2	50.3	31.2

Balance sheet

DKKm	Note	Group 2015	Group 2014	DTI 2015	DTI 2014
ASSETS					
Non-current assets					
Intangible assets	8				
Goodwill		1.3	0.0	0.0	0.0
Development projects in progress		5.4	4.1	0.0	0.0
Completed development projects		5.0	0.8	0.0	0.0
Patents		0.0	0.0	0.0	0.0
		11.7	4.9	0.0	0.0
Property, plant and equipment	9				
Land and buildings		382.2	420.6	382.2	420.6
Plant and machinery		3.1	4.2	0.0	0.0
Other plant, fixtures and fittings and operating equipment		43.6	50.5	42.4	48.9
Leasehold improvements		0.8	0.0	0.8	0.0
Property, plant and equipment in progress		3.1	0.0	3.1	0.0
		432.8	475.3	428.5	469.5
Fixed asset investments					
Investments in subsidiaries	10	0.0	0.0	54.1	49.7
Investments in associates	11	12.0	10.5	0.0	0.0
Other investments	12	0.3	0.3	0.0	0.0
		12.3	10.8	54.1	49.7
Total non-current assets		456.8	491.0	482.6	519.2
Current assets					
Inventories					
Inventories	13	26.1	25.0	1.1	1.1
		26.1	25.0	1.1	1.1
Receivables					
Trade receivables		167.1	174.0	141.2	131.6
Contract work in progress	14	98.7	105.4	82.6	91.5
Receivables from subsidiaries		0.0	0.0	9.9	19.1
Deferred tax assets	15	0.9	0.9	0.0	0.0
Other receivables		3.9	4.6	0.8	0.7
Prepayments and accrued income		6.2	6.6	3.9	5.2
		276.8	291.5	238.4	248.1
Cash	16	151.7	39.8	127.0	15.3
Total current assets		454.6	356.3	366.5	264.5
TOTAL ASSETS		911.4	847.3	849.1	783.7

Balance sheet

DKKm	Note	Group 2015	Group 2014	DTI 2015	DTI 2014
EQUITY AND LIABILITIES					
Equity					
Net revaluation according to the equity method		0.0	0.0	23.7	21.1
Retained earnings		601.4	551.9	577.7	530.8
Total equity	17	601.4	551.9	601.4	551.9
Minority interests		1.8	1.9	0.0	0.0
Provisions for liabilities					
Deferred tax	15	2.2	4.5	0.0	0.0
Guarantees	18	1.2	0.4	0.0	0.0
Other provisions		13.5	5.1	13.0	4.6
Total provisions for liabilities		16.9	10.0	13.0	4.6
Liabilities other than provisions					
Long-term liabilities other than provisions					
Accruals and deferred income		0.6	0.0	0.6	0.0
		0.6	0.0	0.6	0.0
Short-term liabilities other than provisions					
Contract work in progress	14	136.0	110.7	110.3	82.9
Accounts payable		35.9	45.0	23.3	35.5
Income tax payable		2.3	0.0	0.0	0.0
Other accounts payable	19	115.9	126.3	100.5	108.8
Accruals and deferred income		0.6	1.5	0.0	0.0
		290.7	283.5	234.1	227.2
Total liabilities other than provisions		291.3	283.5	234.7	227.2
TOTAL EQUITY AND LIABILITIES		911.4	847.3	849.1	783.7

Auditors' remuneration	20
Warranty and rental/lease commitments	21
Contingent liabilities etc.	22
Derivative financial instruments	23
Related parties	24

Cash flow statement

DKKm	Note	Group 2015	Group 2014
Operating profit		48.1	34.1
Adjustment for non-cash items	25	14.9	26.5
Depreciation, amortisation and impairment losses	3	34.1	25.0
Cash flow from operating activities before changes in working capital		97.1	85.6
Change in work in progress and prepayments		30.4	7.2
Change in inventories		-1.4	2.9
Change in trade payables and other short-term debt		-39.3	-50.0
Change in receivables		9.5	-23.9
Cash flow from operating activities before net financials and tax		96.3	21.8
Financial income and expenses, net		0.3	-2.4
Income tax paid		0.1	-0.6
Cash flow from operating activities		96.7	18.8
Investments in intangible assets	8	-7.6	-3.3
Investments in property, plant and equipment	9	-22.9	-102.1
Sale of land and buildings		45.1	0.0
Cash flow for investing activities		14.6	-105.4
Reduction of debt		0.6	0.0
Cash flow from financing activities		0.6	0.0
Cash flow for the year		111.9	-86.6
Cash and cash equivalents, beginning of year		39.8	126.4
Cash and cash equivalents, end of year	16	151.7	39.8

The cash flow statement cannot be deduced directly from the other constituents of the consolidated financial statements. The changes in working capital do not correspond to the difference between the balance of the corresponding items in the balance sheet at the beginning and the end of the year. This is due to the fact that the amounts indicated in the cash flow statement are only the changes that have an effect on cash flow. The difference between the balance at the beginning and end of the year is both due to changes with and without an effect on cash flow. Provisions are an example of a change that does not have an effect on cash flow.

The changes without an effect on cash flow are included in the item 'Adjustment for non-cash items' in the cash flow statement.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 – Segment information

Revenue – divisions

DKKm

2015	Commercial activities	R&D activities	Performance contract activities	Total for the Group
Building and Construction	97.9	18.6	16.4	132.9
Danish Meat Research Institute	45.7	79.9	6.0	131.6
Energy and Climate	117.1	44.1	22.0	183.2
Business and Society	91.5	4.6	15.8	111.9
Life Science	53.1	26.2	12.9	92.2
Materials	54.9	29.6	21.8	106.3
Production	39.2	25.5	22.9	87.6
International commercial activities	1.1	0.1	0.0	1.2
Production of particle accelerator equipment	113.8	0.0	0.0	113.8
Other subsidiaries*	56.9	0.0	0.0	56.9
Revenue	671.2	228.6	117.8	1,017.6
2014				
Building and Construction	92.8	23.7	16.6	133.1
Danish Meat Research Institute	42.1	84.0	6.0	132.1
Energy and Climate	118.9	51.7	21.6	192.2
Business and Society	93.3	8.1	17.1	118.5
Life Science	55.5	25.0	13.0	93.5
Materials	56.4	36.7	21.4	114.5
Production	42.0	27.8	20.9	90.7
International commercial activities	1.5	0.2	0.0	1.7
Production of particle accelerator equipment	140.5	0.0	0.0	140.5
Other subsidiaries*	68.3	0.0	0.0	68.3
Revenue	711.3	257.2	116.6	1,085.1

* Primarily training activities at Teknologisk Institut Sverige AB, certification activities at Dancert A/S and training and consultancy activities at DTI Polska Sp. z.o.o.

Revenue – geographically

DKKm	Denmark	International	Total for the Group
2015	716.8	300.8	1,017.6
2014	744.8	340.3	1,085.1

DKKm	Group		DTI	
	2015	2014	2015	2014
2 – Staff costs				
Salaries and wages	554.8	585.7	488.6	509.7
Pensions	11.0	10.6	6.0	6.3
Other social security costs	9.1	8.6	4.8	5.5
	574.9	604.9	499.4	521.5

Remuneration paid to the Executive Board and the Board of Trustees of the Group amounts to DKK 6.6 million (2014: DKK 6.3 million) Remuneration paid to the Executive Board and the Board of Trustees of DTI amounts to DKK 3.8 million (2014: DKK 3.8 million). The average number of employees in the Group was 1,004, compared to 1,055 in 2014. The average number of employees at DTI was 860, compared to 898 in 2014.

With reference to section 98b of the Danish Financial Statements Act, remuneration paid to the Executive Board and the Board of Trustees has not been disclosed separately.

DKKm	Group		DTI	
	2015	2014	2015	2014
3 – Depreciation, amortisation and impairment losses				
Depreciation and amortisation	24.4	21.6	21.3	18.1
Impairment losses	9.7	3.4	9.7	3.4
	34.1	25.0	31.0	21.5

Impairment losses in 2015 relate to other plant, fixtures and fittings and operating equipment.

4 – Other operating income				
Income related to external tenants	4.2	2.7	8.1	6.4
Income from Group services	0.0	0.0	2.5	3.1
Refunds of taxes, previous years	6.7	0.0	6.7	0.0
Profit from sale of buildings	13.5	0.0	13.5	0.0
	24.4	2.7	30.8	9.5

5 – Financial income				
Interest income	2.6	1.9	2.1	1.6
Interest income from group enterprises	0.0	0.0	0.3	1.3
	2.6	1.9	2.4	2.9

6 – Financial expenses				
Other financial expenses	2.0	1.6	0.6	0.9
Foreign exchange losses	0.3	2.7	1.3	2.2
	2.3	4.3	1.9	3.1

DKKm	Group		DTI	
	2015	2014	2015	2014
7 – Tax on net profit/loss for the year				
Tax calculated on the taxable income for the year	2.4	0.6	0.0	0.0
Adjustment of deferred tax for the year	-1.9	0.8	0.0	0.0
Adjustment of deferred tax as a result of change in tax rate	-0.5	-0.2	0.0	0.0
	0.0	1.2	0.0	0.0

DKKm	Group				
8 – Intangible assets	Goodwill	Development projects in progress	Completed development projects	Patents (DTI)	Total
Cost as at 1 January	15.8	4.1	1.5	5.0	26.4
Additions	1.6	4.5	4.7	0.0	10.8
Disposals	0.0	-3.2	0.0	0.0	-3.2
Cost as at 31 December	17.4	5.4	6.2	5.0	34.0
Amortisation and impairment losses as at 1 January	15.8	0.0	0.7	5.0	21.5
Amortisation	0.3	0.0	0.5	0.0	0.8
Amortisation and impairment losses as at 31 December	16.1	0.0	1.2	5.0	22.3
Carrying amount as at 31 December	1.3	5.4	5.0	0.0	11.7

9 – Property, plant and equipment

DKKm	Group					
	Land and buildings	Plant and machinery	Other plant, fixtures and fittings and operating equipment	Leasehold improvements	Property, plant and equipment in progress	Total
Cost as at 1 January	603.4	11.0	305.3	0.0	0.0	919.7
Exchange adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Additions	0.3	0.1	20.2	0.9	3.1	24.6
Project-financed	0.0	0.0	-1.1	0.0	0.0	-1.1
Disposals	-43.2	0.0	-5.6	0.0	0.0	-48.8
Cost as at 31 December	560.5	11.1	318.8	0.9	3.1	894.4
Depreciation and impairment losses as at 1 January	182.8	6.4	255.2	0.0	0.0	444.4
Exchange adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	6.5	1.6	15.3	0.1	0.0	23.5
Impairment losses	0.0	0.0	9.7	0.0	0.0	9.7
Depreciation and impairment losses relating to disposals	-11.0	0.0	-5.0	0.0	0.0	-16.0
Depreciation and impairment losses as at 31 December	178.3	8.0	275.2	0.1	0.0	461.6
Carrying amount as at 31 December	382.2	3.1	43.6	0.8	3.1	432.8

DKKm	DTI				
	Land and buildings	Other plant, fixtures and fittings and operating equipment	Leasehold improvements	Property, plant and equipment in progress	Total
Cost as at 1 January	603.4	299.3	0.0	0.0	902.7
Additions	0.3	19.6	0.9	3.1	23.9
Project-financed	0.0	-1.1	0.0	0.0	-1.1
Disposals	-43.2	-5.5	0.0	0.0	-48.7
Cost as at 31 December	560.5	312.3	0.9	3.1	876.8
Depreciation and impairment losses as at 1 January	182.8	250.4	0.0	0.0	433.2
Depreciation	6.5	14.7	0.1	0.0	21.3
Impairment losses	0.0	9.7	0.0	0.0	9.7
Depreciation and impairment losses relating to disposals	-11.0	-4.9	0.0	0.0	-15.9
Depreciation and impairment losses as at 31 December	178.3	269.9	0.1	0.0	448.3
Carrying amount as at 31 December	382.2	42.4	0.8	3.1	428.5

DKKm	DTI
10 – Investments in subsidiaries	
Cost as at 1 January	28.6
Additions	1.8
Cost as at 31 December	30.4
Value adjustments as at 1 January	21.1
Exchange adjustments	0.5
Distributed dividend	-1.6
Amortisation of goodwill	-0.3
Adjustment of the market value of forward exchange contracts in subsidiaries	-0.4
Adjustment of intercompany profit	-0.1
Share of net profit or loss for the year	4.5
Value adjustments as at 31 December	23.7
Carrying amount as at 31 December	54.1

Name	Registered office	Voting share and ownership interest in %
Teknologisk Innovation A/S	Høje Taastrup, Denmark	100
Dancert A/S	Høje Taastrup, Denmark	100
Danfysik A/S	Høje Taastrup, Denmark	100
Teknologisk Institut Sverige AB	Gothenburg, Sweden	100
DTI Polska Sp. z.o.o.	Warsaw, Poland	68
DTI Spain S.L.	Barcelona, Spain	67

All subsidiaries are separate entities.

DKKm	Group
	2015
11 – Investments in associates	
Cost as at 1 January	6.9
Cost as at 31 December	6.9
Value adjustments as at 1 January	3.6
Share of net profit or loss for the year	1.5
Value adjustments as at 31 December	5.1
Carrying amount as at 31 December	12.0

Associates are included based on the company's internal reporting.

Name	Registered office	Group voting share and ownership interest in %
Syddansk Teknologisk Innovation A/S	Odense, Denmark	50

DKKm	Group 2015	Group 2014	DTI 2015	DTI 2014
12 – Other investments				
Cost as at 1 January	1.2	1.7	0.0	0.0
Disposals	0.0	-0.5	0.0	0.0
Cost as at 31 December	1.2	1.2	0.0	0.0
Impairment losses as at 1 January	0.9	1.2	0.0	0.0
Impairment losses for the year	0.0	0.1	0.0	0.0
Impairment losses relating to disposals during the year	0.0	-0.4	0.0	0.0
Impairment losses as at 31 December	0.9	0.9	0.0	0.0
Carrying amount as at 31 December	0.3	0.3	0.0	0.0

13 – Inventories

	Group 2015	Group 2014	DTI 2015	DTI 2014
Raw materials and consumables	20.8	9.7	0.0	0.0
Work in progress	4.2	5.9	0.0	0.0
Finished goods and goods for resale	1.1	9.4	1.1	1.1
	26.1	25.0	1.1	1.1

The carrying amount of inventories, which have been recognised at their net realisable value, is DKK 0.3 million for the Group and DKK 0.0 million for DTI.

14 – Contract work in progress

	Group 2015	Group 2014	DTI 2015	DTI 2014
Selling price of work performed	827.7	772.8	767.1	637.3
Invoicing on account	-865.0	-778.1	-794.8	-628.7
	-37.3	-5.3	-27.7	8.6
Contract work in progress is recognised as follows:				
Contract work in progress (assets)	98.7	105.4	82.6	91.5
Work in progress (liabilities)	-136.0	-110.7	-110.3	-82.9
	-37.3	-5.3	-27.7	8.6

DKKm	Group		DTI	
	2015	2014	2015	2014
15 – Deferred tax				
Deferred tax assets				
Deferred tax as at 1 January	0.9	1.8	0.0	0.0
Adjustment of deferred tax for the year	0.0	-0.9	0.0	0.0
Deferred tax asset as at 31 December	0.9	0.9	0.0	0.0
Deferred tax asset relates to:				
Fixed asset investments	0.0	0.0	0.0	0.0
Tax losses	0.9	0.9	0.0	0.0
	0.9	0.9	0.0	0.0
Deferred tax				
Deferred tax as at 1 January	4.5	5.1	0.0	0.0
Adjustment of deferred tax for the year	-1.9	-0.4	0.0	0.0
Adjustment of deferred tax as a result of change in tax rate	-0.4	-0.2	0.0	0.0
Deferred tax as at 31 December	2.2	4.5	0.0	0.0
Provisions for deferred tax relate to:				
Intangible assets	2.3	1.1	0.0	0.0
Property, plant and equipment	-1.2	-1.5	0.0	0.0
Current assets	4.4	12.2	0.0	0.0
Tax losses	-3.3	-7.3	0.0	0.0
	2.2	4.5	0.0	0.0

16 – Cash

Free funds	81.9	4.9	57.2	-19.6
Tied-up funds	69.8	34.9	69.8	34.9
	151.7	39.8	127.0	15.3

Tied-up funds comprise balance in deposit account and funds for transfer of payment to project partners.

DKKm	Group		DTI	
	2015	2014	2015	2014

17 – Equity

Net revaluation according to the equity method				
Balance as at 1 January	0.0	0.0	21.1	17.5
Retained earnings, distribution of net profit	0.0	0.0	4.5	6.2
Exchange adjustment of foreign enterties	0.0	0.0	0.5	-0.9
Distributed dividend	0.0	0.0	-1.6	-0.8
Amortisation of goodwill	0.0	0.0	-0.3	0.0
Adjustment of intercompany profit	0.0	0.0	-0.1	0.0
Value adjustment of financial instruments	0.0	0.0	-0.4	-0.9
Balance as at 31 December	0.0	0.0	23.7	21.1

Retained earnings				
Balance as at 1 January	551.9	522.8	530.8	505.3
Retained earnings, distribution of net profit	50.3	31.2	45.7	25.0
Exchange adjustment of foreign enterties	0.4	-0.9	0.0	0.0
Value adjustment of financial instruments	-1.2	-1.2	1.2	0.5
Balance as at 31 December	601.4	551.9	577.7	530.8
Total equity	601.4	551.9	601.4	551.9

18 – Warranty commitments

Warranty commitments falling due after 1 year total DKK 0.4 million (2014: DKK 0.3 million)

19 – Other accounts payable

Holiday pay obligation	80.5	84.8	73.1	76.2
A tax payable	0.7	0.7	0.0	0.0
Value added tax payable	5.3	3.1	5.2	3.0
Other payables	28.9	37.2	21.7	29.1
Various deposits	0.5	0.5	0.5	0.5
	115.9	126.3	100.5	108.8

DKKm	Group		DTI	
	2015	2014	2015	2014
20 – Auditors' remuneration				
Statutory audit	0.7	0.7	0.7	0.5
Assurance engagements	0.7	0.5	0.7	0.5
Tax advice	0.0	0.0	0.0	0.0
Total remuneration paid to PWC	1.4	1.2	1.4	1.0
21 – Warranty commitments				
As security for received payments on account and a payment guarantee to the client	57.0	60.2	0.8	6.3
Rent and lease commitments				
Rent commitment				
Commitment within the next 5 years	13.3	10.9	10.5	3.2
Commitment in the coming year	7.2	6.1	2.4	2.1
Operating leases				
Commitment within the next 5 years	0.6	0.5	0.2	0.4
Commitment in the coming year	0.3	0.5	0.2	0.4

22 – Contingent liabilities etc.

The Group is a party to a number of disputes, the outcome of which is deemed not to affect the financial position.

The Group participates in projects which may, under certain conditions, result in an obligation to repay the grants received. If this is deemed probable, provisions will be made.

The Group provides security for its employees' use of MasterCard.

DTI provides security for Danfysik's guarantees in Jyske Bank

DTI provides a guarantee for Danfysik's commitment with Jyske Bank.

23 – Derivative financial instruments

As part of the hedging of individual contracts in foreign currencies, the Group uses forward exchange contracts. The contracts can be specified as follows:

		Contractual value		Gains and losses recognised in equity	
DKKm	Period	2015	2014	2015	2014
DTI	0-12 months	6.4	0.0	-1.0	0.0
	Over 12 months	0.7	7.1	-0.1	-0.3
		7.1	7.1	-1.1	-0.3
Group	0-12 months	24.4	7.6	-2.0	0.3
	Over 12 months	8.1	11.9	-0.1	-0.2
		32.5	19.5	-2.1	0.1

The forward exchange contracts have been concluded in CAD, GBP and USD.

24 – Related parties

The Groups related parties with significant influence comprise members of the Board of Trustees and the Executive Board.

The Groups has no transactions with related parties other than the usual business transactions with subsidiaries and associates. Transactions are conducted on an arm's length basis.

25 – Adjustment for non-cash items

DKKm	Group	
	2015	2014
Adjustment of provision for bonus payment	5.4	11.0
Adjustment of provision for holiday pay obligation	6.5	8.6
Adjustment of provision concerning work in progress	10.0	-0.2
Adjustment of provision for receivables	1.8	0.0
Adjustment of payables	6.0	7.5
Profit from sale of properties	-12.9	0.0
Other adjustments, net	-1.9	-0.4
Total adjustment for non-cash items	14.9	26.5


GEMINI

DANISH
TECHNOLOGICAL
INSTITUTE