

## Monberg & Thorsen A/S – Annual report 2017

Monberg & Thorsen's Board of Directors approved the 2017 annual report at its meeting today

### Financial results for 2017

Monberg & Thorsen A/S reported net profit for the year of DKK 0.7 million, in line with the latest outlook in the interim financial report for the third quarter of 2017. At the Annual General Meeting, the Board of Directors will propose that a dividend of DKK 2 per DKK 20 share be paid.

MTH GROUP delivered revenue of DKK 7.6 billion, compared with DKK 6.8 billion in 2016, and operating profit of DKK 51.3 million, compared with DKK 72.8 million in 2016. The results were in line with the latest outlook. For detailed information, we refer to Stock Exchange announcement No 2, which has just been issued and in which we have published MT Højgaard A/S's annual report 2017.

### Outlook 2018

For 2018, MTH GROUP expects revenue of around DKK 6.8 billion and operating profit (EBIT) in the DKK 140-180 million range.

Monberg & Thorsen's share is 46% of MTH GROUP's profit after tax and non-controlling interests. From this should be deducted operating expenses in Monberg & Thorsen, which are expected to be around DKK 4 million.

The annual report of Monberg & Thorsen A/S has been published via Nasdaq Copenhagen, and is available on Monberg & Thorsen's website, [www.monthor.com](http://www.monthor.com)

Questions relating to this announcement should be directed to Anders Heine Jensen, Chairman, on telephone +45 2048 8563.

This announcement is available in Danish and English. In case of doubt, the Danish version shall prevail.

MONBERG & THORSEN A/S

CVR 12 61 79 17  
LEI 529900NA1V21KR5S7498

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DK – 2605 Brøndby



# MONBERG & THORSEN A/S

Ringager 4C, 2nd Floor, Right  
2605 Brøndby  
Denmark

CVR 12 61 79 17

Annual report 2017

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## FINANCIAL HIGHLIGHTS 2013 - 2017

	2013	2014	2015	2016	2017
<b>INCOME STATEMENT (DKK MILLION)</b>					
Share of profit/(loss) after tax and non-controlling interests in jointly controlled entities, MT Højgaard A/S (46%)	15	-154	84	-6	-39
Administrative expenses in Monberg & Thorsen A/S	-33	-10	-5	-7	-3
Operating profit/(loss)	-18	-164	79	-13	-42
Net financials	1	0	4	4	4
Profit/(loss) before tax	-17	-164	83	-9	-38
Net profit/(loss) for the year	-17	-164	81	-9	-38
<b>BALANCE SHEET (DKK MILLION)</b>					
Interest-bearing assets	288	230	223	183	78
Invested capital	474	353	441	434	392
Equity	762	583	663	616	470
Balance sheet total	801	587	669	619	473
<b>CASH FLOWS (DKK MILLION)</b>					
Operating activities	-21	-50	6	0	2
Investing activities	164	-208	-1	30	97
Financing activities	-7	-7	-7	-36	-107
Net increase (decrease) in cash and cash equivalents	136	-265	-2	-6	-8
<b>FINANCIAL RATIOS (%)</b>					
Return on invested capital (ROIC)	-4	-40	20	-3	-10
Return on equity (ROE)	-2	-24	13	-1	-7
Equity ratio	95	99	99	99	99
<b>SHARE RATIOS (DKK PER SHARE)</b>					
Earnings per share (EPS)	-5	-46	23	-3	-11
Cash flows from operations	-6	-14	2	0	1
Proposed dividends	2	2	10	30	2
Book value	213	163	185	172	130
Market price	268	260	440	230	169
Market price/book value	1.3	1.6	2.4	1.3	1.3
Price/earnings (P/E)	-	-	19	-	-
Payout ratio (%)	-	-	44	-	-
Market capitalisation, DKK million	961	932	1,577	825	606
Number of employees in Monberg & Thorsen A/S	1	1	1	1	1

Financial ratios have been calculated in accordance with the Danish Finance Society's recommendations.

Earnings per share (EPS) has been calculated in accordance with IFRS. Financial ratios are defined in note 1.

## COMPANY OVERVIEW



Monberg & Thorsen A/S's sole activity is its 46% ownership interest in MT Højgaard A/S and the operation of same. MT Højgaard A/S is owned together with Højgaard Holding A/S and is a jointly controlled entity. It is consequently recognised using the equity method (one-line consolidation). For detailed information on MT Højgaard A/S's financial performance in 2017, activities and strategy, etc., reference is made to MT Højgaard A/S's published annual report and its website, [www.mth.com](http://www.mth.com).

## BUSINESS CONCEPT AND STRATEGY

### MONBERG & THORSEN A/S

Creating value through long-term business development within construction-related activities.

Monberg & Thorsen A/S's sole activity is its 46% ownership interest in the jointly controlled entity MT Højgaard A/S. There are no current plans for a listing of MT Højgaard A/S.

Monberg & Thorsen A/S has no current plans to engage in any other activities.

### MT HØJGAARD A/S

MTH GROUP is one of the leading players in the construction and civil engineering industry in the Nordic countries. The Group's projects comprise design & engineering, and construction, renovation and refurbishment of civil works, bridges, residential and commercial buildings. The Group undertakes projects across Denmark as well as focused activities in other countries.

MTH GROUP's vision is:

- to be the most productivity-enhancing group in the construction and civil engineering industry.

The strategic framework, which is to meet the expectations for the Group, is three-pronged. It is designed to ensure that productivity is enhanced and that customers are offered better,

faster and more cost-effective solutions:

- Projects from society to operations
- Best in Class VDC (Virtual Design Construction)
- Exploiting Group synergies

The outcome must be the opportunity for both the Group and its business partners to work more efficiently and productively.

The financial requirements are earnings equivalent to an EBIT margin of at least 5% in all business areas and subsidiaries and a positive cash flow.

The strategic targets are:

- Equity ratio of 30-35%
- Customer satisfaction of at least index 76 out of 100
- 60% of revenue should come from key customers
- Employee satisfaction of at least index 77 out of 100
- No defects or shortcomings
- Max. 10 injuries per one million hours worked
- Continuous productivity improvements

## BOARD OF DIRECTORS AND EXECUTIVE BOARD

### BOARD OF DIRECTORS



Anders Heine Jensen (1964)  
Chairman

MSc in Mechanical Engineering,  
HD in International Business  
CEO of Burmeister & Wain  
Scandinavian Contractor A/S (BWSC)  
(DCB) MT Højgaard A/S, DK  
(MB) Haldor Topsøe A/S, DK  
(MB) DI Energi, DK  
Member of the International Market  
Committee of the Confederation of  
Danish Industry  
Joined the Board in 2017



Henriette H. Thorsen (1970)

MSc in International Business  
Director Marie Brizard Wine & Spirits  
Asia  
Special expertise: management,  
strategy, sales and marketing.  
Joined the Board in 2010



Christine Thorsen (1958)

Master in Management of Technology  
(DTU) and Executive Coach (INSEAD)  
Dynamic Approach ApS  
Special expertise: change management,  
cost optimisation and experience from  
the contracting industry.  
(MB) MT Højgaard A/S, DK  
(CB) Ejnar og Meta Thorsens Fond, DK  
(CB) ANT-Fonden, DK  
Joined the Board in 2008

### EXECUTIVE BOARD



Lars Goldschmidt (1955)  
CEO

MSc in Chemical Engineering (DTU);  
PhD from DTU; and Adjunct Professor  
at CBS.  
Partner Goldschmidt Rise and Shine I/S  
Deputy Director General, Confederation  
of Danish Industry (DI) 2008-2014  
Special expertise: lobbying and  
management of knowledge  
organisations.  
(CB) Erhvervsskolernes Forlag, DK  
(CB) Bornholms Energi og Forsyning  
A/S, DK  
(MB) VIA University College, DK  
(MB) KEA Copenhagen School of Design  
and Technology, DK  
(CB) Horsens Fjernvarme A/S, DK  
(CB) The Association of Danish Business  
and Technical Colleges - Governors

Management holdings of B shares at 31.12		
Number	2016	2017
Anders Heine Jensen	0	0
Henriette H. Thorsen	3,438	3,438
Christine Thorsen	3,265	3,265
Lars Goldschmidt	613	613

CB: Chairman of the Board  
DCB: Deputy Chairman of the Board  
MB: Member of the Board

## ANNUAL REVIEW

### INTRODUCTION

Monberg & Thorsen A/S's sole activity is its 46% ownership interest in MT Højgaard A/S.

### NET PROFIT/(LOSS) IN THE SEPARATE FINANCIAL STATEMENTS (PREVIOUSLY REFERRED TO AS PARENT COMPANY FINANCIAL STATEMENTS)

Monberg & Thorsen A/S's administrative expenses amounted to DKK 3.0 million, compared with DKK 7.0 million in 2016.

The result before tax was a profit of DKK 0.7 million, compared with a loss of DKK 2.6 million in 2016.

Income tax expense was nil, as the current low interest rate level means that it is not realistic to expect Monberg & Thorsen A/S to generate a positive result in the next few years.

The net result for the year was consequently a profit of DKK 0.7 million, compared with a loss of DKK 2.6 million in 2016.

### NET PROFIT/(LOSS) IN THE INDIVIDUAL FINANCIAL STATEMENTS (PREVIOUSLY REFERRED TO AS THE CONSOLIDATED FINANCIAL STATEMENTS)

Monberg & Thorsen A/S's share of MT Højgaard A/S's result after tax and non-controlling interests was a loss of DKK 38.7 million, compared with a loss of DKK 5.9 million in 2016. Administrative expenses in Monberg & Thorsen A/S amounted to DKK 3.0 million, compared with DKK 7.0 million in 2016.

The result before tax was a loss of DKK 38.0 million, compared with a loss of DKK 8.5 million in 2016.

Income tax expense was nil, as the current low interest rate level means that it is not realistic to expect Monberg & Thorsen A/S to generate a positive result before recognition of the share of MT Højgaard A/S's profit/(loss) in the next few years.

The net result for the year was consequently a loss of DKK 38.0 million, compared with a loss of DKK 8.5 million in 2016.

### PERFORMANCE VERSUS OUTLOOK

Through 2017, MTH GROUP forecast revenue of around DKK 7.2 billion and operating profit before special items in the DKK 150-200 million range.

MTH GROUP delivered revenue of DKK 7.6 billion and operating profit before special items of DKK 176 million, in line with the outlook. Special items were an expense of DKK 125 million, which was also in line with the outlook.

### FINANCIAL PERFORMANCE MT HØJGAARD A/S

MT Højgaard reported revenue of DKK 7.6 billion in 2017, an increase of DKK 0.8 billion compared with 2016, corresponding to an increase of 13%. Operating profit before special items was DKK 176 million, compared with DKK 73 million in 2016.

First-half earnings were affected by projects in progress with low earnings margins following adjustments made in 2016. However, first-half earnings benefited from the transfer of the Metro Cityringen contract to Copenhagen Metro Team (CMT). The Group's bidding costs on both projects in progress and future projects increased during the year. Capacity was not fully used during the year as a result of lower order intake and deferral of some projects and contracts. There was a positive impact in 2017 from the transfer of the Greenland Contractors contract in connection with the final transfer.

The level of activity was higher than the previous year, generating a 13% increase in revenue, but 2017 unfortunately also saw some impairment charges on projects in progress. Project development activities continue to make a positive contribution to earnings and order intake.

Accordingly, the operating margin before special items was 2.3%, compared with 1.1% in 2016.

Special items amounted to an expense of DKK 125 million due to the ruling in the Robin Rigg case and a reassessment of the guarantee provisions on legacy offshore projects, which run until 2021.

Net financials amounted to an expense of DKK 12 million, compared with an expense of DKK 1 million in 2016.

Income tax expense was DKK 98 million, compared with DKK 62 million in 2016. Income tax expense was affected by the recognition of an impairment charge on a deferred tax asset.

MT Højgaard A/S's net result after tax was a loss of DKK 58 million, of which Monberg & Thorsen A/S's share was 46%, net of the share attributable to non-controlling interests.

The balance sheet total stood at DKK 3.7 billion, in line with the level at the end of 2016.

Operating activities generated a cash inflow of DKK 168 million, compared with an inflow of DKK 200 million last year.

No dividend will be paid for MT Højgaard A/S for 2017.

For detailed information on MT Højgaard A/S's financial performance in 2017, activities and strategy, etc., reference is made to MT Højgaard A/S's published annual report and its website, [www.mth.com](http://www.mth.com).

## ANNUAL REVIEW

### STATEMENT OF CASH FLOWS

Monberg & Thorsen A/S's operating activities generated a cash inflow of DKK 2.4 million, compared with an outflow of DKK 0.2 million in 2016.

Investing activities generated cash of DKK 97.0 million, which related to the sale of listed corporate bonds.

Cash flows from financing activities were an outflow of DKK 107.5 million, representing the payment of the dividend adopted last year.

Cash and cash equivalents at 31 December 2017 totalled DKK 6.2 million, including DKK 1.7 million lodged as security in respect of the liabilities related to the divestment of Dyrup A/S.

### BALANCE SHEET

The balance sheet total decreased to around DKK 472.7 million, from DKK 619.3 million at 31 December 2016, mainly reflecting the payment of dividend.

Equity stood at DKK 470.0 billion, corresponding to an equity ratio of 99%, compared with 99% at the end of 2016.

### OUTLOOK 2018

MTH GROUP expects the construction and civil engineering market in Denmark to be affected by constant price pressure, particularly on large projects.

The order book stood at DKK 7.0 billion at the start of 2018. Of this amount, approximately DKK 5.8 billion is expected to be executed in 2018.

In the light of the current order book, MTH GROUP expects revenue of around DKK 6.8 billion in 2018.

MTH GROUP is currently investing in a new IT platform which, together with the earlier investment in VDC, will support the future digitalisation programme and optimise the Group's processes. The capacity adjustment carried out at the start of 2018 is expected to improve earnings in the second half of 2018 and beyond.

Operating profit is expected to be in the DKK 140-180 million range, mainly as a result of the anticipated improvement in the use of capacity in the second half of 2018.

Monberg & Thorsen A/S's share is 46% of MTH GROUP's result after tax and non-controlling interests. From this should be deducted operating expenses in Monberg & Thorsen A/S, which are expected to be around DKK 4 million, to which should be added any further expenses related to the indemnities and guarantees provided in connection with the divestment of Dyrup A/S.

The projections concerning future financial performance involve uncertainties and risks that may cause the performance to differ materially from the projections. The outlook is based on relatively stable interest rate and exchange rate levels.

### FINANCIAL RESOURCES

At the end of 2017, Monberg & Thorsen A/S's financial resources totalled DKK 75.9 million, consisting of cash and cash equivalents and listed corporate bonds. Of the cash and cash equivalents, DKK 1.7 million has been lodged in an escrow account as security in respect of the indemnities and guarantees provided in connection with the divestment of Dyrup A/S, see note 16.

It is expected that total financial resources will also be at a satisfactory level at the end of 2018.

### DIVIDENDS

Dividend to shareholders of DKK 2 per DKK 20 share will be proposed for 2017. The total dividend, DKK 7.2 million, will be reserved within Proposed dividends in equity.

The dividend payment will provide a direct return of 1.2% based on the market price of 169 at 31 December 2017.

In future, Monberg & Thorsen A/S expects, as a rule, to distribute dividends from MT Højgaard A/S to its shareholders. Dividend distributions will be made with due consideration for financial position, investment opportunities and cash flow.

### KNOWLEDGE RESOURCES

Monberg & Thorsen A/S is a holding company with only one employee.

### STATUTORY CSR REPORT

Monberg & Thorsen A/S has positions on corporate social responsibility, including climate impacts, human rights and the environment, and strives to comply with these although the company does not have any policies of its own in this area.

Monberg & Thorsen A/S is a holding company (one employee). Its sole activity is its ownership interest in MT Højgaard A/S. For further details of the corporate social responsibility principles of Monberg & Thorsen A/S's jointly controlled entity MT Højgaard A/S, reference is made to the description in MTH GROUP's annual report 2017, and the separate CSR report on the company's website [www.mth.com](http://www.mth.com).

## ANNUAL REVIEW

### WOMEN IN MANAGEMENT

We do not discriminate on grounds of gender, race or religion when recruiting, training or promoting employees. The Board of Directors consists of two women and one man, which is considered an even distribution. Because the company only has one employee, no further management information is provided on Monberg & Thorsen A/S.

### RISK FACTORS

The activities of Monberg & Thorsen A/S and MTH GROUP entail various commercial and financial risks that may affect these companies' development, financial position and operations.

We consider it a critical part of our strategy to constantly mitigate the current risks, which, in our opinion, do not differ from the normal risks in the market segments in which the companies operate.

The overall framework for managing the risks judged to be critical is laid down in the business concept and the associated policies for the individual companies.

Monberg & Thorsen A/S endeavours to cover, to the greatest possible extent, significant risks outside the companies' direct control by taking out relevant insurance policies.

The companies are affected by the general market conditions in the construction sector, but are also exposed to other, specific commercial risks, which are primarily controlled and covered locally in MTH GROUP. Further details of financial risks are provided in note 18.

## STATUTORY REPORT ON CORPORATE GOVERNANCE

Monberg & Thorsen A/S has a clear segregation of duties between the Board of Directors and the Executive Board. Duties and responsibilities are determined at overall level through rules of procedure for the Board of Directors.

The Executive Board is in charge of the day-to-day management of the company, and the Board of Directors oversees the Executive Board and takes care of overall strategic management tasks. The chairman is the Board of Directors' principal contact with the Executive Board.

Monberg & Thorsen A/S's sole activity is MT Højgaard A/S's activities. As part of the management of Monberg & Thorsen A/S's activities, representatives of Monberg & Thorsen A/S's Board of Directors serve on the Board of Directors of MT Højgaard A/S.

### COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors is elected by the shareholders in general meeting. The Board consists of not less than three and not more than six members, currently three members.

In elections to the Boards of Directors of both Monberg & Thorsen A/S and MT Højgaard A/S, efforts are made to ensure a professionally composed Board of Directors that, collectively, possesses the necessary knowledge and experience of board work as well as knowledge of social, commercial and cultural factors in the markets in which the companies have their principal business activities. Efforts are also made to achieve a diverse composition for the Board.

Two of the three Board members are women, and no target has therefore been set for the number of women on the Board of Directors of Monberg & Thorsen A/S.

The current Board of Directors does not meet the independence criteria as only Anders Heine Jensen can be considered to be independent.

An annual self assessment procedure has been established for the Board.

In connection with the election of a new member to the Board of Directors, the Chairman of the Board interviews the selectively chosen candidate to ensure that his or her profile suits the vacant seat.

In connection with the notice convening the general meeting, a description of the background of the nominated candidates is given, along with information on memberships of executive boards or boards of directors in both Danish and foreign companies as well as any demanding organisational posts. A description is also provided of the candidates' educational background, professional qualifications and the expertise deemed to be relevant to the Board's work.

All members of the Board elected by the shareholders in general meeting retire by rotation each year. This provides the company's shareholders with an opportunity to discuss the recruitment criteria, composition and diversity of the Board at the Annual General Meeting each year.

There are no formal requirements with respect to the number of seats on other boards of directors the individual Board members may hold, but on election it is pointed out to new Board members that it is important for them to ensure that they have sufficient time for their duties and that they perform them diligently and conscientiously. In Monberg & Thorsen A/S's experience, Board members are rarely absent from Board meetings.

According to the Board of Directors' rules of procedure, Board members must retire not later than at the first general meeting following their 70th birthday, except where special circumstances apply.

The Board met a total of six times in 2017 and at present expects to meet six times in 2018. In accordance with its rules of procedure, the Board always meets at least six times between Annual General Meetings.

### AUDIT COMMITTEE

The full Board functions as Audit Committee.

### REMUNERATION OF THE BOARD OF DIRECTORS

Monberg & Thorsen A/S has not introduced incentive pay for the Board. Board remuneration for 2017/18 was reduced to DKK 100,000 for ordinary members, with a supplement to the Chairman. Besides their normal remuneration, the Chairman or members may be paid remuneration for special tasks undertaken by them, although the total remuneration received by a Board member may not exceed twice the Chairman's ordinary remuneration. Details of total remuneration paid to the Board are disclosed in note 7 to the financial statements.

## STATUTORY REPORT ON CORPORATE GOVERNANCE

### EXECUTIVE BOARD

The Executive Board consists of the President and CEO, whose background and practical experience match the company's current needs.

### REMUNERATION OF THE EXECUTIVE BOARD

Executive Board remuneration is fixed. Details of remuneration paid to the Executive Board are disclosed in note 7 to the financial statements.

### CORPORATE GOVERNANCE RECOMMENDATIONS

Monberg & Thorsen A/S's B shares are listed on Nasdaq OMX Copenhagen, and Monberg & Thorsen A/S in principle complies with the corporate governance recommendations as set out at [www.corporategovernance.dk/english](http://www.corporategovernance.dk/english).

The Board of Directors is still of the opinion that these recommendations are being practised in the management of Monberg & Thorsen A/S. In some areas, the principles are complied with in part only, as the corporate governance recommendations are not all relevant in their entirety in view of the company's size and activities.

Monberg & Thorsen A/S has taken a position on all recommendations based on the 'comply-or-explain' principle, as described in detail at [http://www.monthor.com/en/pages/monberg\\_thorsen\\_corporate\\_governance\\_details](http://www.monthor.com/en/pages/monberg_thorsen_corporate_governance_details), to which reference is made.

### FINANCIAL REPORTING PROCESS

With effect from 1 January 2017, a management agreement has been entered into with Albjerg Statsautoriseret Revisionspartnerselskab, which takes care of the day-to-day management and bookkeeping, including assistance in connection with the preparation of interim financial reports and annual reports, etc., for Monberg & Thorsen A/S.

The accounting and control systems are designed to ensure that internal and external financial reporting gives a true and fair view without material misstatement and that appropriate accounting policies are defined and applied.

The Board of Directors and the Executive Board regularly review material risks and internal controls in connection with the companies' activities and their potential impact on the financial reporting process.

The responsibility for maintaining adequate and effective internal controls and risk management in connection with the financial reporting lies with the Executive Board. The Board of Directors monitors the financial reporting process on an ongoing basis, including that applicable legislation is being complied with, that the accounting policies are relevant, including the manner in which material and/or exceptional items and accounting estimates are accounted for, and the overall disclosure level in Monberg & Thorsen A/S's financial reporting.

## SHAREHOLDER INFORMATION

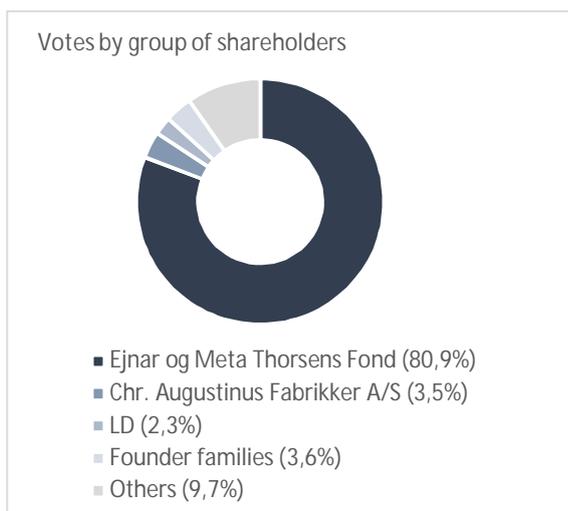
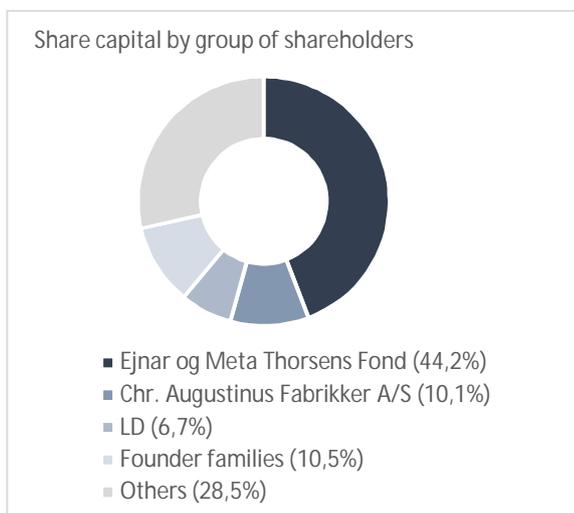
### OWNERSHIP

The company has approximately 1,600 registered shareholders.

Shareholders according to Section 55 of the Danish Companies Act:

- Ejnar og Meta Thorsens Fond, Brøndby
- Chr. Augustinus Fabrikker A/S, Copenhagen
- LD, Copenhagen

Ejnar og Meta Thorsens Fond holds all the company's A shares, which account for approximately 21% of the total share capital, and approximately 23% of the B shares, and consequently holds approximately 81% of the total number of votes.



Ejnar og Meta Thorsens Fond is a commercial foundation, the sole object of which is to work for the furtherance of socially beneficial objectives in Denmark or abroad. There are no constraints in the foundation instrument in relation to ownership of shares in Monberg & Thorsen A/S or its companies. The foundation has advised the Board of Directors that it wants to be a stable shareholder in the company and does not wish to relinquish its voting rights.

The Board of Directors considers the ownership structure to be appropriate in view of the company's present size and market value, with the stable ownership structure securing the long-term value generation. The ownership structure does not prevent continued development of the companies.

In connection with the establishment of MT Højgaard A/S in 2001, the two parties, Monberg & Thorsen A/S and Højgaard Holding A/S, entered into a shareholders' agreement. Besides regulating the parties' shareholdings and the associated powers in MT Højgaard A/S, the agreement affords non-controlling interests protection, stipulating that a number of material decisions require unanimity between the parties. In addition, in connection with the completion of a takeover bid, if any, for Monberg & Thorsen A/S, the shareholders' agreement may result in changes in ownership and other terms and conditions for Monberg & Thorsen's shareholding in MT Højgaard A/S.

### MANAGEMENT'S SHAREHOLDINGS

At 31 December 2017, the Board of Directors' and the Executive Board's shareholdings in the company totalled 7,316 shares, equivalent to 0.2% of the share capital and a market value of DKK 1.2 million.

The members of the Board of Directors and Executive Board do not hold either options or warrants.

According to the internal code of conduct relating to trading in securities issued by the company, management may buy and sell such securities only for a period of up to four weeks following the publication of the annual report and interim financial reports.

### ANNUAL GENERAL MEETING

Will be held on 5 April 2018 at 17:00 CET at Radisson Blu Royal Hotel, Hammerichsgade 1, 1611 Copenhagen V, Denmark. According to the Articles of Association, the Annual General Meeting must be convened with not less than three and not more than five weeks' notice.

## SHAREHOLDER INFORMATION

### ARTICLES OF ASSOCIATION

The company's Articles of Association can be viewed at [www.monthor.com](http://www.monthor.com).

According to the Articles of Association, the A shares are non-negotiable instruments. No restrictions apply to the negotiability of the B shares. All B shares are listed on Nasdaq Copenhagen.

The Articles of Association also stipulate that the members of the Board of Directors elected by the shareholders in general meeting retire by rotation each year.

The Board of Directors has authority to buy back up to 10% of the share capital. The authorisation expires on 9 April 2020.

### DIVIDENDS

Dividends on shares registered with VP Securities A/S are paid automatically three banking days after the Annual General Meeting.

At the Annual General Meeting, the Board of Directors will propose that a dividend of DKK 2 per DKK 20 share be paid.

### SHARE CAPITAL

The company's share capital amounts to DKK 71,700,000 divided into:

- A shares: 768,000 shares of DKK 20 each DKK 15,360,000
- B shares: 2,817,000 shares of DKK 20 each DKK 56,340,000

Each A share with a nominal value of DKK 20 entitles the holder to ten votes, and each B share with a nominal value of DKK 20 entitles the holder to one vote.

### TREASURY SHARES

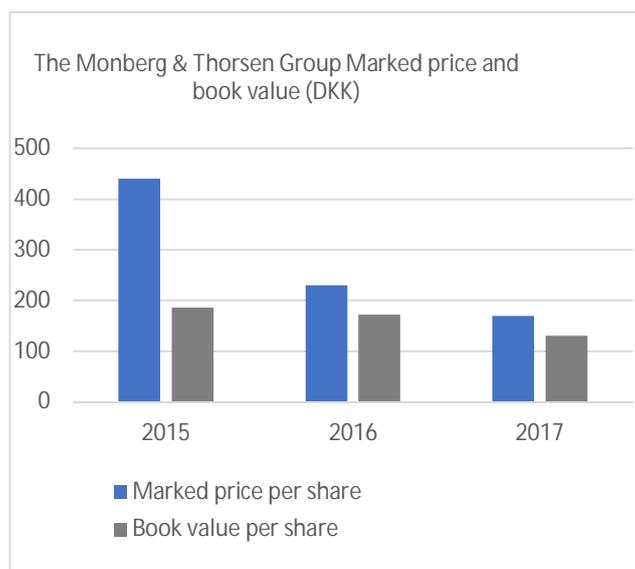
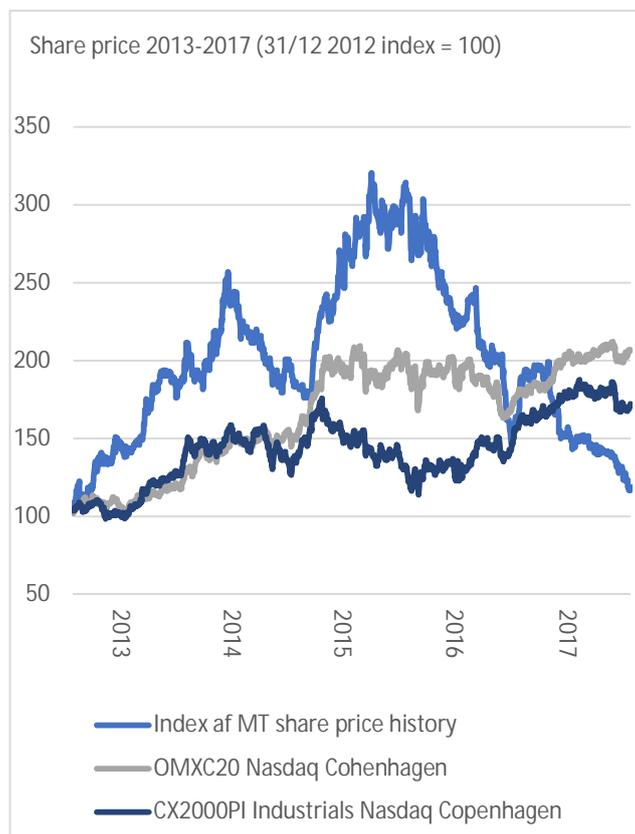
At 31 December 2017, the company's holding of treasury shares totalled 2,948 shares.

The company did not buy or sell any treasury shares in 2017.

According to the company's rules for buying and selling treasury shares, the company may not buy or sell treasury shares in the three weeks preceding the publication of the annual report and interim financial reports.

### THE MONBERG & THORSEN SHARE

At the end of 2017, the share price was 169, 26.5% lower than the previous year. Approximately 0.5 million shares were traded in 2017, compared with approximately 0.8 million in 2016.



## SHAREHOLDER INFORMATION

### INFORMATION POLICY

As a company listed on Nasdaq Copenhagen, Monberg & Thorsen A/S is under obligation:

- to make public, as quickly as possible, adequate information on decisions and other factors and circumstances relating to Monberg & Thorsen A/S that are likely, as inside information, to have a significant effect on the pricing of Monberg & Thorsen A/S's A shares and B shares, and to ensure that all market participants have equal access to such information
- to comply with 'Rules for issuers of shares', including 'Disclosure requirements for issuers of shares'.

It is Monberg & Thorsen A/S's information policy to have a high, uniform information level to ensure that all stakeholders receive all price-relevant information on the various companies in the Group in a timely and efficient manner. Such information is mainly communicated in the form of the publication of company announcements.

Information on new contracts entered into by MTH GROUP will be made public as inside information if the order:

- is of such a magnitude that it will have a significant effect on the Group's expected financial results and financial performance, and, consequently, the pricing of the share.

Information on other significant orders may be published via press releases.

Information on material legal disputes etc. will be published if they are expected to give rise to changes to already published expectations concerning financial results or financial performance.

Procedures have been established in MTH GROUP that are designed to ensure that Monberg & Thorsen A/S is provided with the information required in order for it to be able to meet its disclosure obligations to the market and its stakeholders.

Company announcements, including annual reports and interim financial reports are available on Monberg & Thorsen A/S's website immediately following their publication. It is possible to receive such news by mail, by subscribing to an email service on the company's website.

Anders Heine Jensen, Chairman of the Board, is responsible for communications relating to Monberg & Thorsen A/S.

For a period of three weeks before planned annual and interim financial reports, representatives of Monberg & Thorsen A/S (including MTH GROUP):

- will not comment on analyst reports
- will not discuss financial issues with investors and analysts
- will not participate in meetings with investors and financial analysts.

Periodic meetings with analysts and investors in continuation of the quarterly financial reporting are taken care of by mainly the management of MT Højgaard A/S, which is Monberg & Thorsen A/S's core activity. If MT Højgaard A/S participates in any other major meetings with analysts and investors, the presentation material will be published on Monberg & Thorsen A/S's website.

Monberg & Thorsen A/S urges all shareholders to have their shares registered in the company's register of shareholders. The company communicates with its shareholders electronically. Company announcements and annual and interim financial reports can be downloaded from the company's website.

### FINANCIAL CALENDAR FOR 2018

- Annual General Meeting 5 April 2018
- Payment of dividend 10 April 2018

Expected dates of announcement of interim financial reports:

- Q1 2018 9 May 2018
- Q2 2018 16 August 2018
- Q3 2018 8 November 2018

## SHAREHOLDER INFORMATION

### ANNOUNCEMENTS TO NASDAQ COPENHAGEN

The following Stock Exchange announcements were issued in 2017:

16-02-2017	MT Højgaard A/S – Annual report 2016
16-02-2017	Monberg & Thorsen A/S – Annual report 2016
09-03-2017	Agenda Annual General Meeting on 6th April 2017
16-03-2017	MT Højgaard announces new board member
07-04-2017	Monberg & Thorsen – Business transacted at the Annual General Meeting
10-05-2017	MT Højgaard A/S – Q1 2017
10-05-2017	Monberg & Thorsen A/S – Quarterly announcement – First quarter 2017
09-06-2017	Enemærke & Petersen selected to refurbish historic building in Copenhagen
23-06-2017	MT Højgaard A/S selected as design and build contractor for the urban development of Vinge close to Frederikssund
23-06-2017	MT Højgaard A/S transfers contract regarding Metro Cityringen
03-08-2017	MT Højgaard A/S found responsible in offshore case
17-08-2017	MT Højgaard A/S's interim financial report for the first half of 2017
17-08-2017	Monberg & Thorsen A/S – Interim financial report – First half 2017
09-11-2017	MT Højgaard A/S – Interim financial report – Third quarter 2017
09-11-2017	Monberg & Thorsen A/S – Quarterly announcement – Third quarter 2017
09-11-2017	Financial calendar 2018

## STATEMENT BY THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS

The Board of Directors and the Executive Board have today discussed and approved the annual report of Monberg & Thorsen A/S for the financial year 1 January – 31 December 2017.

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

In our opinion, the individual financial statements and the separate financial statements give a true and fair view of the company's financial position at 31 December 2017 and of the results of the company's operations and cash flows for the financial year 1 January – 31 December 2017.

In our opinion, the Management's review gives a fair review of the development in the company's operations and financial matters, the results for the year, cash flows and financial position as well as a description of the significant risks and uncertainty factors pertaining to the company.

We recommend that the annual report be approved at the Annual General Meeting.

Brøndby, 22 February 2018

Executive Board

.....  
Lars Goldschmidt  
CEO

Board of Directors

.....  
Anders Heine Jensen  
Chairman

.....  
Henriette H. Thorsen

.....  
Christine Thorsen

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF MONBERG & THORSEN A/S

#### OPINION

We have audited the individual financial statements and the separate financial statements of Monberg & Thorsen A/S for the financial year 1 January – 31 December 2017, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The individual financial statements and the separate financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the individual financial statements and the separate financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2017 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the individual financial statements and the separate financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### INDEPENDENCE

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

#### APPOINTMENT OF AUDITOR

We were initially appointed as auditor of Monberg & Thorsen A/S before 1995 and consequently must rotate off as auditor of the Company at the Annual General Meeting in 2021 at the

latest. We have been reappointed annually by resolution of the general meeting for a total consecutive period of more than 23 years up to and including the financial year 2017.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2017. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

##### *Investments in jointly controlled entity (joint venture)*

Investments in jointly controlled entities is a material item in both the individual financial statements and the separate financial statements, with management estimates being made in connection with the measurement of such investments. These estimates mainly relate to: 1) measurement of construction contracts, 2) measurement of disputes and legal and arbitration proceedings, 3) provisions for guarantee obligations, and 4) recovery of deferred tax assets.

For these reasons, in our opinion, measurement of the investments in the jointly controlled entity MT Højgaard A/S was a key part of the audit of both the individual financial statements and the separate financial statements for 2017. Further information on measurement of the investments in the jointly controlled entity and the related estimates is provided in notes 2 and 9.

As part of our audit of the individual financial statements, in which the investments in the jointly controlled entity are measured at net asset value, we have assessed, in particular, the estimates made by management for use in determining the net asset value (the consolidated financial statements of the jointly controlled entity).

In this connection, our audit included reviewing the measurement of selected major construction contracts, including estimated measurement of revenue and contribution margin, the measurement of significant disputes and legal and arbitration as well as the basis for the determination of guarantee obligations. In addition, we have assessed the determination of deferred tax assets. Our audit in this

## INDEPENDENT AUDITOR'S REPORT

connection comprised an assessment of the assumptions used by management in making those estimates.

For the separate financial statements, in which investments in the jointly controlled entity are measured at cost, our audit included assessing the impairment test at 31 December 2017 prepared by management, including verifying that the assumptions defined by management comprising budget and projections, growth in the terminal period and discount rate, were applied in making this determination. Our audit in this connection comprised an assessment of the assumptions used by management in making those estimates.

Our audit also comprised an assessment of whether the disclosures on investments in jointly controlled entities meet the requirements in financial reporting standards.

### STATEMENT ON THE MANAGEMENT'S REVIEW

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

### MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a

going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### INDEPENDENT AUDITOR'S REPORT

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Copenhagen, 22 February 2018

ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR 30 70 02 28

Torben Bender  
State Authorised Public Accountant  
MNE no: mne21332

## INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

### INCOME STATEMENT

SEPARATE FINANCIAL STATEMENTS (DKK million)		Note	INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
2016	2017		2017	2016
		9		
0.0	0.0		-38.7	-5.9
-7.0	-3.0	3, 7	-3.0	-7.0
-7.0	-3.0		-41.7	-12.9
8.4	4.1	4	4.1	8.4
-4.0	-0.4	5	-0.4	-4.0
-2.6	0.7		-38.0	-8.5
0.0	0.0	6	0.0	0.0
-2.6	0.7		-38.0	-8.5
		8	-10.6	-2.4

Net profit/(loss) for the year will be taken to equity  
The Board of Directors will recommend a dividend of DKK 2 per share for 2017 for approval at the Annual General Meeting on 5 April 2018.

### STATEMENT OF COMPREHENSIVE INCOME

SEPARATE FINANCIAL STATEMENTS (DKK million)		Note	INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
2016	2017		2017	2016
-2.6	0.7		-38.0	-8.5
			0.0	-2.6
			0.0	-2.6
-2.6	0.7		-38.0	-11.1





## STATEMENT OF CASH FLOWS

### CASH FLOWS

SEPARATE FINANCIAL STATEMENTS (DKK million)		Note	INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
2016	2017		2017	2016
		Operating activities		
-7.0	-3.0	Operating profit/(loss)	-41.7	-12.9
		Profit/(loss) from jointly controlled entities, MT Højgaard A/S	38.7	5.9
		Cash flows from operating activities before working capital changes	-3.0	-7.0
		Working capital changes		
1.3	2.3	Receivables	2.3	1.3
-0.8	-0.8	Trade and other current payables	-0.8	-0.8
		Cash flows from operations (operating activities)	-1.5	-6.5
8.4	4.0	Finance income	4.0	8.4
-0.1	-0.1	Finance costs	-0.1	-0.1
		Cash flows from operations (ordinary activities)	2.4	1.8
-2.0	0.0	Income taxes paid	0.0	-2.0
		Operating cash flow	2.4	-0.2
		Investing activities		
0.0	0.0	Dividends from MT Højgaard A/S		
29.7	97.0	Purchase/sale of securities	97.0	29.7
		Cash flows to/from investing activities	97.0	29.7
		Cash flows before financing activities	99.4	29.5
		Financing activities		
-0.1	0.0	Purchase of treasury shares	0.0	-0.1
-35.8	-107.5	Dividends paid	-107.5	-35.8
		Cash flows to/from financing activities	-107.5	-35.9
		Net increase/decrease in cash and cash equivalents	-8.1	-6.4
20.7	14.3	Cash and cash equivalents at 01.01.	14.3	20.7
		Cash and cash equivalents at 31.12.	6.2	14.3
		consisting of:		
14.3	6.2	15 Cash and cash equivalents	6.2	14.3

## STATEMENT OF CHANGES IN EQUITY

### SEPARATE FINANCIAL STATEMENTS (PREVIOUSLY REFERRED TO AS PARENT COMPANY FINANCIAL STATEMENTS) (DKK MILLION)

	Share capital	Retained earnings	Proposed dividends	Total
Equity at 01.01.16	71.7	679.1	35.8	786.6
Net profit/(loss) for the year		-2.6		-2.6
Purchase of treasury shares		-0.1		-0.1
Proposed dividends		-107.5	107.5	0.0
Dividends paid			-35.8	-35.8
Total changes in equity	<u>0.0</u>	<u>-110.2</u>	<u>71.7</u>	<u>-38.5</u>
Equity at 01.01.17	71.7	568.9	107.5	748.1
Net profit/(loss) for the year		0.7		0.7
Proposed dividends		-7.2	7.2	0.0
Dividends paid			-107.5	-107.5
Total changes in equity	<u>0.0</u>	<u>-6.5</u>	<u>-100.3</u>	<u>-106.8</u>
Equity at 31.12.17	71.7	562.4	7.2	641.3

### INDIVIDUAL FINANCIAL STATEMENTS (PREVIOUSLY REFERRED TO AS CONSOLIDATED FINANCIAL STATEMENTS) (DKK MILLION)

	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	Total
Equity at 01.01.16	71.7	-15.3	2.8	568.1	35.8	663.1
Net profit/(loss) for the year				-8.5		-8.5
Other comprehensive income:						
Share of other comprehensive income after tax of jointly controlled entities, MT Højgaard A/S		-2.1	-0.5			-2.6
Other				0.0		0.0
Proposed dividends				-107.5	107.5	0.0
Dividends paid					-35.8	-35.8
Total changes in equity	<u>0.0</u>	<u>-2.1</u>	<u>-0.5</u>	<u>-116.0</u>	<u>71.7</u>	<u>-46.9</u>
Equity at 01.01.17	71.7	-17.4	2.3	452.1	107.5	616.2
Net profit/(loss) for the year				-38.0		-38.0
Other comprehensive income:						
Share of other comprehensive income after tax of jointly controlled entities, MT Højgaard A/S		1.7	-1.7			0.0
Other				-0.7		-0.7
Proposed dividends				-7.2	7.2	0.0
Dividends paid					-107.5	-107.5
Total changes in equity	<u>0.0</u>	<u>1.7</u>	<u>-1.7</u>	<u>-45.9</u>	<u>-100.3</u>	<u>-146.2</u>
Equity at 31.12.17	71.7	-15.7	0.6	406.2	7.2	470.0

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## NOTES

### NOTE 1 – ACCOUNTING POLICIES

#### General

Following the divestment of Dyrup A/S at the start of 2012, Monberg & Thorsen A/S and its 46% ownership interest in the jointly controlled entity MT Højgaard A/S are no longer considered to be a group. The financial statements previously referred to as the consolidated financial statements are therefore referred to as individual financial statements and the financial statements previously referred to as the parent company financial statements are referred to as separate financial statements. Content and formalities remain unchanged.

The annual reports have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports of listed companies.

The annual report is presented in Danish kroner.

The accounting policies described below have been applied consistently to the financial year and the comparative figures and are unchanged from the 2016 annual report.

#### IFRS

Monberg & Thorsen A/S has implemented the IFRS standards and IFRIC interpretations that become effective in January 2017. The introduction of these standards and interpretations has not affected recognition and measurement.

#### Basis of consolidation

The individual financial statements only comprise the financial statements of Monberg & Thorsen A/S and the ownership interest in the jointly controlled entity, MT Højgaard A/S, which is a joint venture.

Joint ventures are not consolidated but are recognised using the equity method (one-line consolidation), whereby the investment is measured in the balance sheet at the proportionate share of the company's net asset value.

Individual financial statements are prepared on the basis of the individual enterprises' audited financial statements determined in accordance with the accounting policies.

#### Foreign currency translation

The individual business unit's functional currency is determined as the primary currency in the market in which the business unit operates. The predominant functional currency is Danish kroner.

Transactions denominated in all currencies other than the individual business unit's functional currency are accounted for as transactions in foreign currencies that are translated into the functional currency using the exchange rates at the transaction date. Receivables and payables in foreign currencies are translated using the exchange rates at the balance sheet date.

Foreign exchange differences arising between the exchange rate at the transaction date or the balance sheet date and the date of settlement are recognised in the income statement as finance income and costs.

#### Income statement

Share of profit/(loss) after tax and non-controlling interests in jointly controlled entities (joint ventures)

The proportionate share of profit/(loss) after tax and non-controlling interests in joint ventures is recognised in the income statement in the individual financial statements.

Dividends from investments in the separate financial statements

Dividends from investments in jointly controlled entities (joint ventures) are credited to the income statement in the financial year in which they are declared. Dividends are recognised in operating profit, as Monberg & Thorsen A/S is a holding company.

#### Administrative expenses

Administrative expenses comprise expenses for management, including salaries, office expenses, depreciation, etc.

#### Finance income and costs

Finance income and costs comprise interest income and expense, dividends from other equity investments and realised and unrealised gains and losses on financial assets and transactions denominated in foreign currencies, as well as income tax surcharges and refunds.

#### Income tax

Income tax expense, which consists of current tax and changes in deferred tax, is recognised in net profit/(loss) for the year or other comprehensive income and consequently directly in equity.

Current tax comprises both Danish and foreign income taxes as well as adjustments relating to prior year taxes.

#### Balance sheet

Investments in jointly controlled entities (joint ventures) in the individual financial statements

Investments in joint ventures are measured using the equity method. Accordingly, investments are measured at the proportionate share of the entities' net assets, determined applying the accounting policies.

Joint ventures with a negative carrying amount are recognised at nil. If the owner company has a legal or constructive obligation to cover the entity's negative balance, the negative balance is offset against receivables from the entity. Any balance is recognised in provisions.

## NOTES

Investments in the separate financial statements  
Investments in jointly controlled entities (joint ventures) are measured at cost. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

### Other investments

Other non-current receivables are measured at amortised cost less impairment losses.

Other equity investments are measured at fair value at the reporting date.

### Receivables

Receivables are measured at amortised cost. An impairment loss is recognised if there is an objective indication of impairment of a receivable.

### Prepayments and deferred income

Prepayments are recognised as receivables, and deferred income is recognised as current liabilities. Prepayments and deferred income include costs incurred or income received during the year in respect of subsequent financial years.

### Securities

Listed securities, which are monitored, measured and reported at fair value on an ongoing basis in accordance with Monberg & Thorsen A/S's investment practice, are recognised at the trade date at fair value within current assets and subsequently measured at fair value. Changes in fair value are recognised in the income statement as finance income or costs in the period in which they occur.

### Equity

#### *Dividends*

Dividends are recognised as a liability at the date of their adoption at the Annual General Meeting. Proposed dividends are disclosed as a separate item in equity.

#### *Hedging reserve*

The hedging reserve comprises the accumulated net change in the fair value of hedging transactions that qualify for designation as cash flow hedges, and where the hedged transaction has yet to be realised.

The reserve is dissolved on realisation of the hedged transaction, if the hedged cash flows are no longer expected to be realised or the hedging relationship is no longer effective.

#### *Translation reserve*

The translation reserve comprises foreign exchange differences that have arisen from the translation of foreign entities from their functional currencies to Danish kroner and foreign exchange adjustments of balances with foreign entities that are accounted for as part of the overall net investment in the entity in question.

On full or partial realisation of net investments, the foreign exchange adjustments are recognised in the income statement.

#### *Current tax and deferred tax*

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for taxes paid on account, etc.

Deferred tax liabilities and deferred tax assets are measured using the balance sheet liability method, providing for all temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The measurement is based on the planned use of the asset or settlement of the liability, and on the relevant tax rules.

Deferred tax assets, including the value represented by tax loss carryforwards, are recognised at the value at which it is expected that they can be utilised.

Deferred tax is measured on the basis of the tax rules and the tax rates effective according to the legislation at the time the deferred tax is expected to crystallise as current tax. The effect of changes in deferred tax due to changed tax rates is recognised in comprehensive income for the year.

#### *Financial liabilities*

Bank loans, etc., are recognised at inception at fair value net of transaction costs incurred. Subsequent to initial recognition, financial liabilities are measured at amortised cost, equivalent 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.

Other liabilities, comprising trade payables, payables to jointly controlled entities and other payables, are measured at amortised cost.

## NOTES

### Statement of cash flows

The statement of cash flows shows cash flows for the year, broken down by operating, investing and financing activities, and the effects of these cash flows on cash and cash equivalents.

#### *Cash flows from operating activities*

Cash flows from operating activities are determined using the indirect method, whereby operating profit/(loss) is adjusted for the effects of non-cash operating items, changes in working capital, net financials, and income taxes paid.

#### *Cash flows for investing activities*

Cash flows for investing activities comprise payments in connection with acquisition and disposal of non-current assets and purchase and sale of securities that are not recognised as cash and cash equivalents.

#### *Cash flows from financing activities*

Cash flows from financing activities comprise payments to and from shareholders, including payment of dividends and increases and decreases in non-current borrowings.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash and cash equivalents less current portion of bank loans, etc.

### Segment information

Following the divestment of Dyrup A/S at the start of 2012, the activities of Monberg & Thorsen A/S consist solely of the ownership interest in the jointly controlled entity MT Højgaard A/S, in which the ownership interest is 46%. From 2014 onwards, the ownership interest is recognised using the equity method (one-line consolidation), and a separate segment overview has consequently not been prepared.

### Definitions of financial ratios used

#### *Return on invested capital (ROIC)*

(Operating profit/(loss) (EBIT)/Average invested capital) x 100

#### *Return on equity (ROE)*

(Net profit/(loss) for the year/Average equity) x 100

#### *Invested capital*

Invested capital represents the capital invested in operating activities, i.e. the assets that generate income. Invested capital is measured as the sum of equity and net interest-bearing deposit/debt

#### *Equity ratio*

(Equity year end/Liabilities year end) x 100

#### *Earnings per share (EPS)*

Net profit/(loss) for the year/Average number of shares

#### *Price/earnings (P/E)*

Market price year end/earnings per share

#### *Payout ratio*

(Total dividends/Earnings per share) x 100

#### *Financial ratios*

Financial ratios have been calculated in accordance with 'Recommendations & Financial Ratios 2015' published by the Danish Finance Society.

## NOTES

### NOTE 2 – ACCOUNTING ESTIMATES AND JUDGEMENTS

#### Estimation uncertainty

Determining the carrying amount of some assets and liabilities requires estimation of the effects of future events on those assets and liabilities at the balance sheet date. The estimates applied are based on assumptions which are sound, in management's opinion, but which, by their nature, are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur. Moreover, the company is subject to risks and uncertainties that may cause the actual results to differ from these estimates.

Estimates material to the financial reporting relate to the measurement of the investment in the jointly controlled entity MT Højgaard A/S. In the separate financial statements (previously referred to as the parent company financial statements), this investment is measured at cost, and an impairment test is carried out if there is any indication of impairment. In the individual financial statements (previously referred to as the consolidated financial statements), the investment is measured at net asset value, and this value is therefore affected by the estimates made in the annual report of the jointly controlled entity. The estimates made in the jointly controlled entity MT Højgaard A/S relate mainly to the recognition of construction contracts and the risks associated with the execution of these contracts. The estimates relate to measurement of the selling price of construction contracts in progress, determination of guarantee commitments, assessment of the outcome of disputes, and recovery of deferred tax assets.

#### Measurement of construction contracts, including estimated recognition and measurement of revenue and contribution margin

The measurement of construction contracts in progress is based on an assessment of the stage of each project and expectations concerning the remaining progress towards completion of each contract, including the outcome of disagreements. The assessment of stage, income and expenses, including disagreements, is made jointly by the Executive Board and the project management on a project-by-project basis.

The assessment of disagreements relating to extra work, extensions of time, demands concerning liquidated damages, etc., is based on the nature of the circumstances, knowledge of the client, the stage of negotiations, previous experience and consequently an assessment of the likely outcome of each case. For major disagreements, external legal opinions are a fundamental part of the assessment.

Estimates concerning the remaining progress towards completion depend on a number of factors, and project assumptions may change as the work is being performed. Likewise, the assessment of disagreements may change as the cases proceed. Actual results may therefore differ materially from expectations.

Further information is provided in notes 2 and 19 of the 2017 annual report of MT Højgaard A/S.

#### Disputes, legal and arbitration proceedings and contingent assets and contingent liabilities

Due to the nature of its business, MTH GROUP is naturally involved in various disagreements, disputes and legal and arbitration proceedings. An assessment is made in all instances of the extent to which such cases may result in obligations for the Group, and the probability of this. In some instances, a case may also result in a contingent asset or claims against other parties than the client. Management's estimates are based on available information and legal opinions from advisers. The outcome may be difficult to assess and, depending on the nature of the case, may differ from the Group's judgement. Further information is provided in notes 2, 18 and 22 of the 2017 annual report of MT Højgaard A/S.

#### Provisions for guarantee obligations

Provisions for guarantee obligations are assessed individually for each construction contract and relate to normal one-year and five-year guarantee works and, for a few contracts, longer guarantee periods. The level of provisions is based on experience and the characteristics of each project. By their nature such estimates involve uncertainty, and actual guarantee obligations may consequently differ from those estimated. In view of the Robin Rigg ruling in 2017 and the assessment of ongoing guarantee cases relating to legacy offshore projects, the risk provision for offshore guarantee obligations, which run until 2021, was increased during 2017. Further information is provided in note 18 of the 2017 annual report of MT Højgaard A/S.

#### *Recovery of deferred tax assets*

Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available, in the foreseeable future (3-5 years), against which tax loss carryforwards, etc., can be utilised. The amount to be recognised as deferred tax assets is determined on the basis of an estimate of the probable timing and amount of future taxable profits and taking into account current tax legislation.

The projections of future profits in the enterprises in which the losses can be utilised are updated annually. At the end of the financial year, management assesses the extent to which, under current tax legislation, taxable profits can be realised in the foreseeable future, and the tax rates that will apply at the date of utilisation. The recognition of deferred tax assets is reviewed against this background.

Non-capitalised tax assets in MTH GROUP relate to tax losses that can be carried forward indefinitely. They may be recognised as income when the Group reports the necessary positive results. Deferred tax is calculated using the tax rates effective in the respective countries to which the deferred tax relates. For further details, see notes 2 and 11 of the 2017 annual report of MT Højgaard A/S.

## NOTES

### NOTE 3 – FEES PAID TO AUDITOR APPOINTED AT THE ANNUAL GENERAL MEETING (ERNST & YOUNG)

	SEPARATE FINANCIAL STATEMENTS (DKK million)		INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
	2016	2017	2017	2016
Audit fees	0,3	0,2	0,2	0,3
Other assurance engagements	0,0	0,0	0,0	0,0
Tax and VAT advice	0,3	0,1	0,1	0,3
Non-audit services	0,0	0,0	0,0	0,0
<b>Total remuneration to Ernst &amp; Young</b>	<b>0,6</b>	<b>0,3</b>	<b>0,3</b>	<b>0,6</b>

### NOTE 4 – FINANCE INCOME

	SEPARATE FINANCIAL STATEMENTS (DKK million)		INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
	2016	2017	2017	2016
Capital gains on securities	0,0	0,0	0,0	0,0
Foreign exchange gains	0,0	0,1	0,1	0,0
Interest, cash and securities, etc.	8,4	4,0	4,0	8,4
<b>Total finance income</b>	<b>8,4</b>	<b>4,1</b>	<b>4,1</b>	<b>8,4</b>

Interest, cash and cash equivalents, etc., relate to assets measured at amortised cost.

### NOTE 5 – FINANCE COSTS

	SEPARATE FINANCIAL STATEMENTS (DKK million)		INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
	2016	2017	2017	2016
Capital losses on securities	-3,4	-0,3	-0,3	-3,4
Foreign exchange losses	-0,5	0,0	0,0	-0,5
Interest	-0,1	-0,1	-0,1	-0,1
<b>Total finance costs</b>	<b>-4,0</b>	<b>-0,4</b>	<b>-0,4</b>	<b>-4,0</b>

Interest relates to interest on loans measured at amortised cost.

### NOTE 6 – INCOME TAX

	SEPARATE FINANCIAL STATEMENTS (DKK million)		INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
	2016	2017	2017	2016
Current tax	0,0	0,0	0,0	0,0
Changes in deferred tax	0,0	0,0	0,0	0,0
Prior year adjustments	0,0	0,0	0,0	0,0
<b>Total income tax</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>
Reconciliation of tax rate (%)				
Danish tax rate	22,0	22,0	22,0	22,0
Non-taxable items, etc.	-28,0	-22,0	-22,0	-28,0
Other, including prior year adjustments	6,0	0,0	0,0	6,0
<b>Effective tax rate (%)</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>

## NOTES

### NOTE 7 – EMPLOYEE INFORMATION

	SEPARATE FINANCIAL STATEMENTS (DKK million)		INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
	2016	2017	2017	2016
Wages, salaries and remuneration	1,5	0,9	0,9	1,5
Pension contributions (defined contribution)	0,0	0,0	0,0	0,0
Other social security costs	0,0	0,0	0,0	0,0
<b>Total payroll costs</b>	<b>1,5</b>	<b>0,9</b>	<b>0,9</b>	<b>1,5</b>
<i>Breakdown:</i>				
Board of Directors	1,3	0,7	0,7	1,3
Executive Board	0,2	0,2	0,2	0,2
	1,5	0,9	0,9	1,5
<b>Average number of employees</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

### NOTE 8 – EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

	SEPARATE FINANCIAL STATEMENTS (DKK million)		INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
	2016	2017	2017	2016
Net profit/(loss) for the year			-38,0	-8,5
Average number of shares ('000)			3.585	3.585
Average number of treasury shares ('000)			-3	-3
			3.582	3.582
<b>Earnings per share (EPS) and diluted earnings per share (EPS-D)</b>			<b>-10,6</b>	<b>-2,4</b>

## NOTES

### NOTE 9 – INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

The jointly controlled entity consists of the 46% ownership interest in MT Højgaard A/S, which has its registered office in Søborg. The share capital at 31.12.17 was DKK 520 million.

Financial information for MT Højgaard A/S in accordance with IFRS 12

	SEPARATE FINANCIAL STATEMENTS (DKK million)		INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
	2016	2017	2017	2016
Cost at 01.01	565,0	565,0		
Additions	0,0	0,0		
Cost at 31.12	565,0	565,0		
Statement of comprehensive income				
Revenue			7.648,1	6.796,6
Net profit/(loss) for the year			-58,4	10,2
Other comprehensive income			0,0	-5,6
Total comprehensive income			-58,4	4,6
Dividends received	0,0	0,0		
Balance sheet				
Non-current assets			1.153,0	1.146,7
Current assets			2.522,0	2.521,6
Non-current liabilities			-256,1	-232,7
Current liabilities			-2.535,3	-2.471,9
Equity			883,6	963,7
Equity attributable to Monberg & Thorsen A/S			393,7	433,1

MT Højgaard A/S is a jointly controlled entity under an agreement entered into between the shareholders. MT Højgaard A/S is recognised in the individual financial statements using the equity method (one-line consolidation) and at cost in the separate financial statements.

An impairment test of the carrying amount of the investment in the jointly controlled entity MT Højgaard A/S was carried out at 31 December 2017, using the DCF model. The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the jointly controlled entity. In connection with the test, net cash flows were determined on the basis of the approved budget for 2018 and estimates for the years 2019-22. The growth rate in the terminal period was set at 2%, and a discount rate of 9.2% before tax was used. No impairment charge was deemed necessary as a result of the test.

### NOTE 10 – OTHER SECURITIES AND EQUITY INVESTMENTS

	SEPARATE FINANCIAL STATEMENTS (DKK million)		INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
	2016	2017	2017	2016
Cost at 01.01	0,0	0,0	0,0	0,0
Additions	0,0	0,0	0,0	0,0
Cost at 31.12	0,0	0,0	0,0	0,0

### NOTE 11 – RECEIVABLES

The fair value of receivables is deemed to correspond to the carrying amount. No receivables fall due more than one year after the reporting date.

## NOTES

### NOTE 12 – SECURITIES

	SEPARATE FINANCIAL STATEMENTS (DKK million)		INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
	2016	2017	2017	2016
Corporate bonds	168,3	71,4	71,4	168,3
Carrying amount at 31.12	168,3	71,4	71,4	168,3
Nominal holding	163,5	67,4	67,4	163,5
maturing more than one year from the balance sheet date (market)	98,9	32,5	32,5	98,9
Maturity of bond portfolio (years)	1,2	1,5	1,5	1,2
Effective interest rate on bond portfolio (%)	2,5	3,1	3,1	2,5

The bond portfolio is measured at fair value through the income statement on an ongoing basis in accordance with IAS 39, as the portfolio functions as cash flow reserve in accordance with the financial policy. The bond portfolio consists of listed corporate bonds that are monitored on an ongoing basis and reported at fair value.

### NOTE 13 – SHARE CAPITAL

	Share capital at 31.12 (DKK million)	Number of shares at DKK 20 per share (number)
A shares	15,4	768.000
B shares	56,3	2.817.000
Total	71,7	3.585.000

### NOTE 14 – DEFERRED TAX

	SEPARATE FINANCIAL STATEMENTS (DKK million)		INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
	2016	2017	2017	2016
Deferred tax, net, at 01.01	0,0	0,0	0,0	0,0
Changes through the income statement	0,0	0,0	0,0	0,0
Deferred tax, net, at 31.12	0,0	0,0	0,0	0,0
Deferred tax can be broken down as follows:				
Deferred tax assets				
Tax loss carryforwards	17,6	16,9	16,9	17,6
Non-capitalised tax losses	-17,6	-16,9	-16,9	-17,6
Carrying amount at 31.12	0,0	0,0	0,0	0,0
Deferred tax liabilities				
Carrying amount at 31.12	0,0	0,0	0,0	0,0
Deferred tax, net, at 31.12	0,0	0,0	0,0	0,0

Deferred tax has been calculated using the tax rates expected to be effective at the date of realisation.

The tax loss carryforwards may be carried forward indefinitely and may be utilised against future earnings. The loss is not expected to be used in the coming years due to the current low interest rate level.

## NOTES

### NOTE 15 – SECURITY ARRANGEMENTS

Cash includes an amount of EUR 0.2 million deposited in an escrow account at 31 December 2017 in connection with the divestment of Dyrup A/S to cover guarantees and indemnities provided, see note 16.

### NOTE 16 – CONTINGENT LIABILITIES

#### Indemnities

In relation to the divestment of Dyrup A/S, Monberg & Thorsen A/S has provided normal and customary guarantees to the buyer. The guarantees include a guarantee that Dyrup A/S has operated its business legally in every respect, i.e. that Dyrup A/S has complied with all laws and regulations in relation to, for example, working conditions, competition law, indirect and direct taxes, environment, etc. The principal guarantees relating to tax and environmental aspects have a term of up to seven years, i.e. until 5 January 2019. As collateral for the performance of these guarantees, Monberg & Thorsen A/S has deposited EUR 0.2 million of the sales proceeds in an escrow account at 31 December 2017.

Monberg & Thorsen A/S is not involved in any litigation.

### NOTE 17 – RELATED PARTIES

The company has a controlling related party relationship with Ejnar og Meta Thorsens Fond.

Related parties with significant influence comprise the members of the companies' Board of Directors and Executive Boards.

Monberg & Thorsen A/S's related parties also include jointly controlled entities in which Monberg & Thorsen A/S has control or significant influence.

All related party transactions during the year were entered into in the ordinary course of business and based on arm's length terms.

Management remuneration is disclosed in note 7.

Monberg & Thorsen A/S did not have any balances with jointly controlled entities at 31 December 2017.

Monberg & Thorsen A/S's dividends from jointly controlled entities are disclosed in the income statement.

### NOTE 18 – FINANCIAL RISKS

Monberg & Thorsen A/S's only assets are its investment in the jointly controlled entity MT Højgaard A/S and its portfolio of listed corporate bonds and cash and cash equivalents.

#### Interest rate risks

Interest rate risks relate to cash and cash equivalents and securities.

Cash and cash equivalents and securities stood at DKK 77.6 million at the end of 2017 and were mainly placed on bank accounts and in bonds with a maturity of less than two years at the end of 2017.

Changes in fair value: All other conditions being equal, the hypothetical effect on net profit/(loss) for the year and equity at 31 December 2017 of a one percentage point increase in relation to the interest rate level at the reporting date would have been a DKK 0.6 million increase (2016: increase of DKK 1.4 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

Changes in cash flows: All other conditions being equal, the hypothetical positive effect on net profit/(loss) for the year and equity at 31 December 2017 of a one percentage point increase in relation to the interest rate level realised for the year on floating-rate cash and cash equivalents and securities would have been a DKK 1.0 million increase (2016: increase of DKK 1.6 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

#### Currency risks

Part of cash and cash equivalents and the bond portfolio is denominated in EUR. At 31 December 2017, 67.5% of the total securities portfolio was denominated in EUR.

Changes in EUR exchange rate: All other conditions being equal, the hypothetical positive effect on net profit/(loss) for the year and equity at 31 December 2017 of a one percentage point increase in the EUR-DKK exchange rate would have been an increase of DKK 0.7 million (2016: increase of DKK 1.2 million). A one percentage point decrease in the exchange rate would have had a corresponding negative effect.

## NOTES

### Liquidity risks

Financial resources consist of cash and securities. At the end of 2017, financial resources stood at DKK 75.9 million, excluding the amount deposited as collateral in respect of indemnities and guarantees in connection with the divestment of Dyrup A/S. At 31 December 2016, the corresponding financial resources were DKK 180.8 million.

Based on the expectations concerning the future operations and the current cash resources, no material liquidity risks have been identified. Monberg & Thorsen A/S has no interest-bearing debt.

Trade payables can be broken down as follows:

	SEPARATE FINANCIAL STATEMENTS (DKK million)		INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
	2016	2017	2017	2016
Trade payables	0,5	0,5	0,5	0,5
Total carrying amount	0,5	0,5	0,5	0,5

All due within one year.

### Categories of financial instruments

Carrying amount by category:

	SEPARATE FINANCIAL STATEMENTS (DKK million)		INDIVIDUAL FINANCIAL STATEMENTS (DKK million)	
	2016	2017	2017	2016
Financial assets measured at fair value through profit or loss	168,3	71,4	71,4	168,3
Loans, receivables and cash	17,9	7,6	7,6	17,9
Financial liabilities measured at fair value through profit or loss	0,0	0,0	0,0	0,0
Financial liabilities measured at amortised cost	3,1	2,7	2,7	3,1

Fair value hierarchy for financial instruments measured at fair value in the balance sheet

Listed corporate bonds are valued based on quoted prices (Level 1).

## NOTES

### NOTE 19 – CAPITAL MANAGEMENT

The need for alignment of the capital structure is reviewed on an ongoing basis to ensure that the capital position complies with current regulations and is aligned to the business concept and the level of activity. According to the internal policy, as a rule equity must cover total non-current assets and provide an adequate equity ratio. The equity ratio was 99% at the end of 2017, compared with 99% at the end of 2016.

### NOTE 20 – NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS AND IFRIC INTERPRETATIONS

The IASB has issued a number of standards and interpretations that are not mandatory for Monberg & Thorsen A/S at the time of the publication of the Group's annual report 2017.

The new standards and interpretations will be implemented as they become mandatory for Monberg & Thorsen A/S.

IFRS 9 'Financial Instruments', which replaces IAS 39, changes the classification and resulting measurement of financial assets and liabilities. At the same time, simpler provisions on hedge accounting are introduced, and a new model for writing down loans and receivables. This may have an effect on the financial statements, as IFRS 9 requires expected credit losses to be recognised on initial recognition instead of, as now, on indication of impairment. This does not have a material effect on Monberg & Thorsen A/S. IFRS 9 is effective for financial years beginning on or after 1 January 2018.

IFRS 15 'Revenue from Contracts with Customers' replaces the existing revenue standards (IAS 11 and IAS 18) and interpretations and is effective for financial years beginning on or after 1 January 2018. The management of MT Højgaard A/S has assessed the effect of the standard (see the MT Højgaard Group's annual report, note 27). Based on the above analysis and the composition of work in progress at 31 December 2017, management of MT Højgaard A/S estimates that revenue of DKK 41 million and operating profit totalling DKK 4 million should have been recognised in 2017 if the new standard had been effective. The Group's management has decided to use the 'modified' retrospective transition option whereby the DKK 4 million (Monberg & Thorsen A/S's share DKK 2 million) is recognised in equity at 1 January 2018, with no restatement of comparative figures. The standard is not expected to have any effect on Monberg & Thorsen A/S apart from the effect on MT Højgaard A/S.

IFRS 16 'Leases', effective for financial years beginning on or after 1 January 2019, considerably changes the accounting treatment of operating leases. With the current level of activity, the effect of the standard on Monberg & Thorsen A/S is expected to be immaterial.

### NOTE 21 – EVENTS AFTER THE REPORTING DATE

So far as management is aware, no events have occurred between 31 December 2017 and the date of signing of the annual report that will have a material effect on the assessment of Monberg & Thorsen A/S's financial position at 31 December 2017, other than the effects recognised and referred to in the annual report.

### NOTE 22 – SEGMENT INFORMATION

Monberg & Thorsen A/S is a listed Danish holding company. Its sole activity is its ownership interest in the jointly controlled entity MT Højgaard A/S. The ownership interest is 46%.

## THE COMPANY'S FOUNDERS



Axel Monberg

1893 - 1971



Ejnar Thorsen

1890 - 1965



MONBERG & THORSEN A/S

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