

Notice to Nasdaq Copenhagen

Interim financial report for Arkil Holding A/S for Q3 2017

Positive developments result in upward adjustment

The Board of Directors of Arkil Holding A/S has today discussed and approved the consolidated interim financial report for the period 1 January to 30 September 2017.

Highlights for Q3 2017

- Revenue in Q3 2017 amounted to DKK 913.8 million compared to DKK 881.4 million in the previous year.
- In the first 9 months of 2017, revenue amounted to DKK 2,243.0 million compared to DKK 2,187.2 million in the previous year.
- The Group realised earnings before interest and taxes (EBIT) of DKK 83.6 million in Q3 2017 compared to DKK 51.0 million in the previous year.
- Earnings before interest and taxes (EBIT) for the first 9 months of 2017 amounted to DKK 116.1 million, compared to DKK -21.1 million in the previous year. EBIT in 2016 was negatively affected by depreciation on ailing projects of DKK 67.1 million.
- Earnings before tax for the first 9 months of 2017 amounted to DKK 114.0 million compared to DKK -22.1 million in the previous year.

Upward adjustment of 2017 forecast

- The Group's revenue for 2017 is expected to be in the region of DKK 3,100 million.
- Based on the actual results in the first nine months, the 2017 result before tax is now expected to be in the region of DKK 120 - 150 million, as stated in the preliminary results announcement on 23 November 2017.

Jesper Arkil, CEO, said:

"As expected, there has been a drop in the number of tenders particularly in relation to the state road infrastructure, but we have managed to offset the decline in activity in other areas. Q3 has shown a continued improvement in the profitability of completed projects with an operating margin of 9.1% for the quarter on a slight increase in activity. Profitability is somewhat higher than usual and expected across the Group's professional and geographic areas of activity, both in Denmark and abroad, which is the reason for the reported upward adjustment of expectations for the full year."

Any questions can be directed to CEO Jesper Arkil by phone on +45 2066 9308.

Haderslev, 29 November 2017

Arkil Holding A/S

Agnete Raaschou-Nielsen
Chairman of the Board of Directors

Interim report for 1 January to 30 September 2017

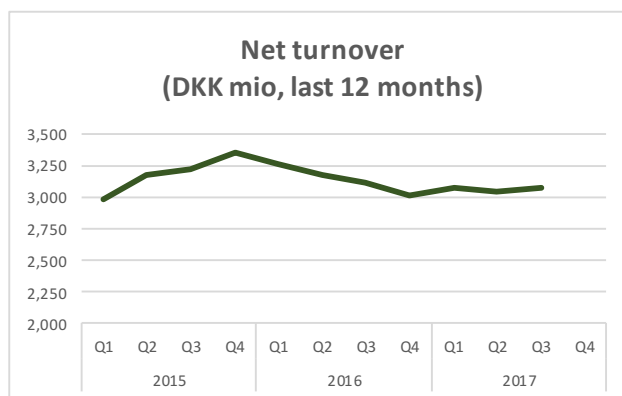
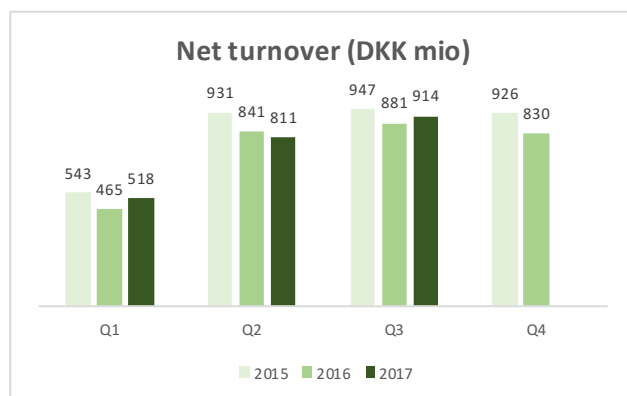
Group key figures (DKK million)	1 July to 30 Sept. 2017	1 July to 30 Sept. 2016	1 Jan to 30 Sept. 2017	1 Jan to 30 Sept. 2016	31 Dec, 2016
Income statement					
Net turnover	913.8	881.4	2,243.0	2,187.2	3,017.0
Primary operating profit (EBIT)	83.6	51.0	116.1	-21.1	6.4
Net financial items	-1.0	-0.6	-2.1	-1.0	-1.3
Profit/loss before tax	82.6	50.4	114.0	-22.1	5.0
Profit/loss after tax	61.9	37.0	85.1	-19.4	5.6
Balance Sheet					
Intangible assets			147.9	148.9	148.4
Tangible assets			591.6	561.1	568.3
Other long-term assets			39.8	58.2	53.6
Short-term assets			1,150.6	1,027.8	1,046.7
Total assets			1,929.9	1,796.0	1,817.0
Equity			846.8	732.2	759.2
Long-term obligations			364.0	371.0	340.8
Short-term obligations			719.1	692.8	717.0
Total obligations			1,083.1	1,063.8	1,057.8
Total liabilities			1,929.9	1,796.0	1,817.0
Cash flow statement					
Cash flows from operating activities	159.9	20.9	110.6	-74.9	68.7
Cash flows from investing activities	-14.7	-12.4	-31.2	-19.6	-19.8
Acquisition of companies and new activities	0.0	0.0	0.0	0.0	0.0
Cash flows from financing activities	-13.5	-9.5	-43.7	-33.6	-62.0
Changes in cash flow for the period	131.7	-1.0	35.7	-128.1	-13.1
Key ratios for the Group					
Profit ratio	9.1	5.8	5.2	-1.0	0.2
Return on net assets (ROIC) incl. goodwill	7.6	4.5	10.6	-1.9	0.6
Return on net assets (ROIC) excl. goodwill	8.7	5.2	12.1	-2.1	0.7
Liquidity ratio			160.0	148.4	146.0
Equity ratio			43.9	40.8	41.8
Return on equity			10.6	-2.6	0.7
Earnings per share (DKK)					
Earnings per DKK 100 share	122.9	71.5	169.9	-48.5	-2.5
Diluted earnings per share at DKK 100	122.9	71.5	169.9	-48.5	-2.5
Average number of employees			1,817	1,859	1,862

CONSOLIDATED ACCOUNTS

Financial performance of the Arkil Group

In Q3 2017, the Group recorded revenue of DKK 913.8 million compared to DKK 881.4 million in the same quarter in the previous year, corresponding to an increase of 3.7%.

In the first 9 months of 2017, the Group recorded revenue of DKK 2,243.0 million compared to DKK 2,187.2 million in the previous year, corresponding to an increase of 2.6%.

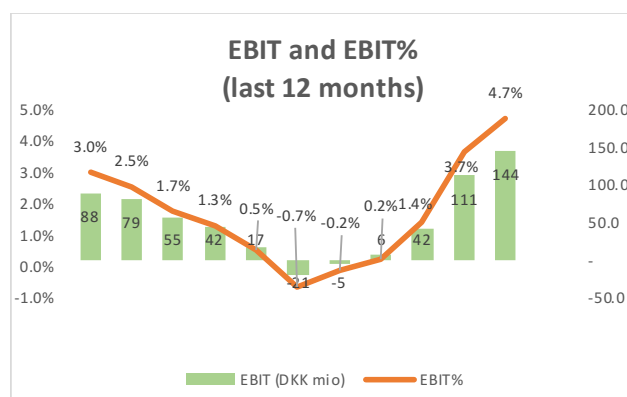
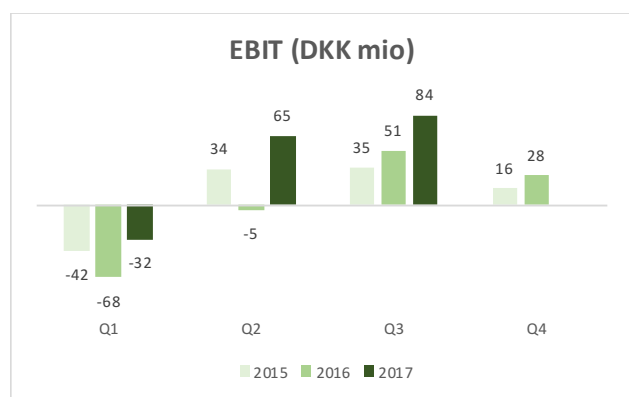


The Group recorded gross profit of DKK 143.3 million in Q3 2017 compared to DKK 110.2 million in the same quarter in the previous year. The Group recorded gross profit of DKK 307.3 million in the first 9 months of 2017 compared to DKK 170.0 million in the same period in the previous year, corresponding to a trading margin of 13.7% and 7.8%, for the same period in the previous year. The improved trading margin is due to adaptation and better utilisation of fixed production costs, improved performance as well as to the fact that the gross profit in 2017 has not been affected by the depreciation of specific, large-scale projects, which was the case in 2016. The write-downs applied in the first 9 months of 2016 amounted to DKK 67.1 million.

Administrative costs amounted to DKK 59.3 million in Q3 2017 compared to DKK 59.3 million in the previous year. Administrative costs amounted to DKK 187.4 million in the first 9 months of 2017 compared to DKK 188.0 million in the previous year. Administrative costs amounted to 8.4% compared to 8.6% in the previous year.

The Group recorded earnings before interest and taxes (EBIT) of DKK 83.6 million in Q3 2017 compared to DKK 51.0 million in the previous year. Despite extremely wet weather, the results for Q3 were significantly better than expected within all the Group's main business areas.

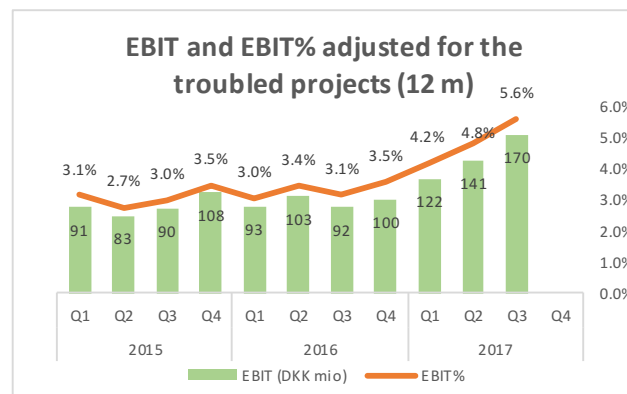
The Group recorded earnings before interest and taxes (EBIT) of DKK 116.1 million in the first 9 months of 2017 compared to DKK -21.1 million in the previous year.



With regard to the comparison with the previous year, it must taken into account that the Group's earnings before interest and taxes (EBIT) for the first 9 months of 2016 were affected by write-downs of DKK 67.1 million, of which DKK 13.6 million was allocated to Q1, DKK 49.5 million to Q2 and DKK 4.0 million to Q3 2016.

In the first 9 months of 2017, net financial items amounted to DKK -1.0 million compared to DKK -0.6 million for the same period in the previous year.

The Group recorded pre-tax profits of DKK 82.6 million in Q3 2017 compared to DKK 50.4 million in the previous year.



The Group recorded pre-tax profits of DKK 114.0 million in the first 9 months of 2017 compared to a loss of DKK -22.1 million in the previous year.

The table below shows the quarterly effects of write-downs on profits in 2016 for specific projects.

(DKK mio)

Profit/loss before tax

Hereof depreciation on the troubled projects

Adjusted profit/loss before tax

Profit/loss before tax

Q1	Q2	Q3	Q4
2016			
-67.5	-5.0	50.4	27.1
-13.6	-49.5	-4.0	-26.4
-53.9	44.5	54.4	53.5
2017			
-32.7	64.1	82.6	

In the first 9 months of 2017, the Group recorded pre-tax profits of DKK 114.0 million compared to DKK 45.0 million in 2016 (adjusted).

Please note that activity and financial performance may vary significantly over the year as a consequence of seasonal fluctuations, including the weather.

Balance sheet and cash flow

As of 30 September 2017, the balance sheet total was DKK 1,929.9 million compared to DKK 1,817.0 million at the start of the financial year. Tangible fixed assets have increased by DKK 23.3 million to DKK 591.6 million since the start of the financial year. Construction contracts have increased by DKK 254.2 million since the end of 2016.

Receivables on the balance sheet date amounted to DKK 530.4 million compared to DKK 637.5 million at the start of the year. Trade creditors and other liabilities amounted to DKK 638.2 million as of 30 September 2017, compared to DKK 542.1 million at the end of 2016. Overall, net working capital amounted to DKK 333.4 million as of 30 September 2017 compared to DKK 270.2 million at the end of 2016.

On the balance sheet date, equity amounted to DKK 846.8 million, corresponding to an equity ratio of 43.9%. Interest-bearing debt amounted to DKK 220.4 million at the end of September 2017. After deduction of cash and cash equivalents and securities of DKK 158.9 million, interest-bearing net debt amounted to DKK 61.5 million.

Cash flow from operations in the first 9 months of 2017 amounted to DKK 110.6 million compared to DKK -74.9 million for the same period in the previous year.

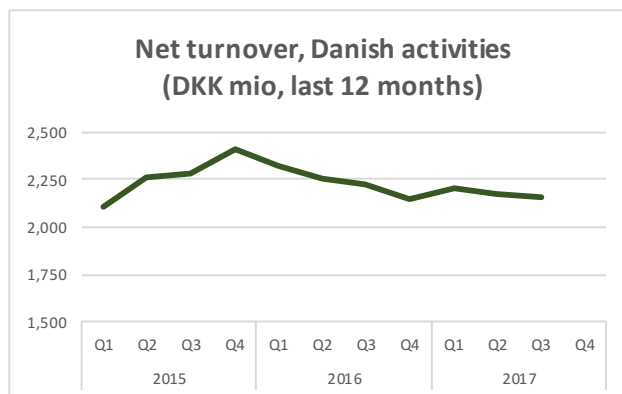
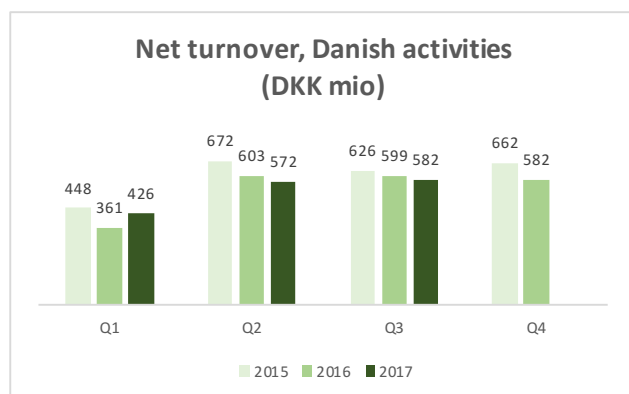
During the period, DKK 31.2 million was invested in assets and the acquisition of activities, compared to DKK 19.6 million in the previous year, while cash flow from financing activities, including deductions for long-term debts, amounted to a net withdrawal of DKK 43.7 million.

DEVELOPMENTS IN DANISH ACTIVITIES

In Q3 2017, the Group's Danish activities generated revenue of DKK 582.1 million compared to DKK 599.2 million in the previous year, corresponding to a decline of 2.9%.

In the first 9 months of 2017, the Group realised a revenue of DKK 1,579.6 million compared to DKK 1,562.4 million in the previous year, corresponding to an increase of 1.1%.

The order book's share of the expected revenue for the year on the balance sheet date was slightly lower than in the previous year.



Increased revenue and significantly improved earnings in Danish activities

Thanks to a healthy level of activity in Q1, revenue from Danish activities was higher than expected at the start of the year.

In spite of a reduced number of tenders for new, large-scale infrastructure projects, the Group has been able to maintain the same level of activity as in 2016, thanks to a significantly higher level of activity within the segment of local and regional construction projects.

Ongoing major projects include tunnelling work for the Damhus line sewer project, the Tvis-Aulum motorway contract, the Amagerværket expansion project, the Museum of Danish Resistance in Copenhagen and the upgrade and renovation of the quays at Frederikshavn Naval Station, and cable installation projects for Energinet. Also in the pipeline is a multi-year partnership in the area of sewage management in Aarhus and Åbenrå, as well as operational assignments on the state's road network for the Danish Road Directorate.

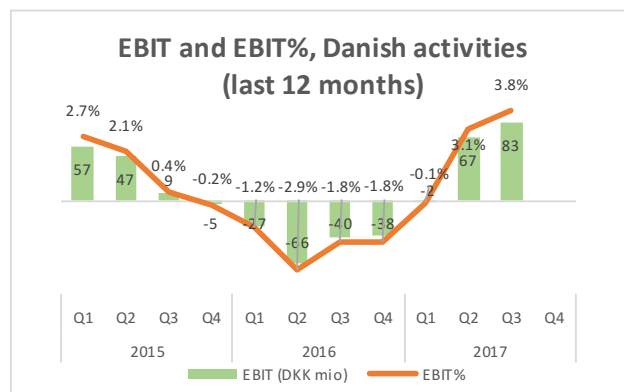
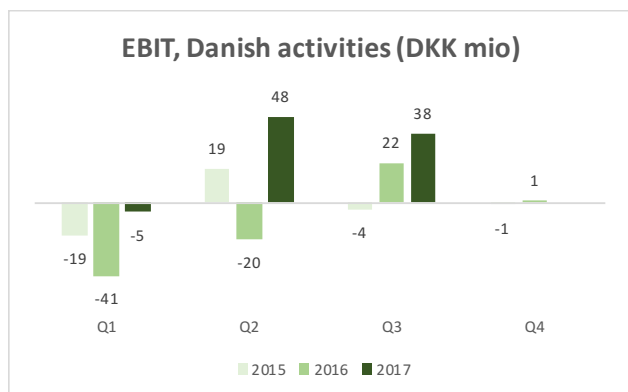
The market situation in terms of local and regional construction projects has also improved. The volume of tenders for new projects within this area remains at a high level, and Arkil has achieved a steady intake of new projects.

There was a slightly higher volume of asphalt and road service activities than in the previous year.

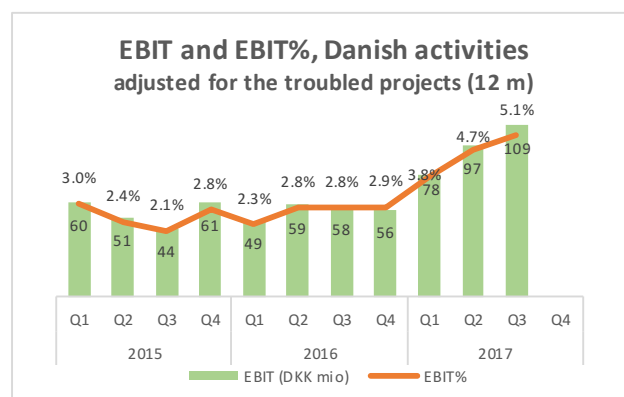
Danish activities in Q3 2017 generated EBIT of DKK 38.4 million, compared to DKK 22.4 million in the previous year.

In the first 9 months of 2017, EBIT amounted to DKK 81.7 million compared to DKK -38.6 million in the previous year.

The improved EBIT is the result of adaptation and improved utilisation of fixed production costs as well as an improved performance on completed production, and is also due to the fact that 2017 has not been negatively affected by write-downs on ailing projects. The write-downs applied to the 2016 EBIT amounted to DKK 67.1 million.



In the first 9 months of 2017, EBIT excluding write-downs was better than in the first 9 months of 2016.



EBIT adjusted for depreciation on the troubled projects

(DKK mio)

EBIT, Denmark

Hereof depreciation on the troubled projects

Adjusteret EBIT, Denmark

EBIT, Denmark

Q1	Q2	Q3	Q4
2016			
-40.7	-20.3	22.4	1.0
-13.6	-49.5	-4.0	-26.4
-27.1	29.2	26.4	27.4
2017			
-5.0	48.3	38.4	



Expectations for 2017

Based on the developments in the first 9 months of 2017 and the current order and market situation, Danish activities are expected to generate slightly higher revenue than in 2016. Earnings are expected to be significantly better than in 2016, which is due partly to improved performance, and partly to the fact that 2016 was significantly affected by write-downs on specific projects.

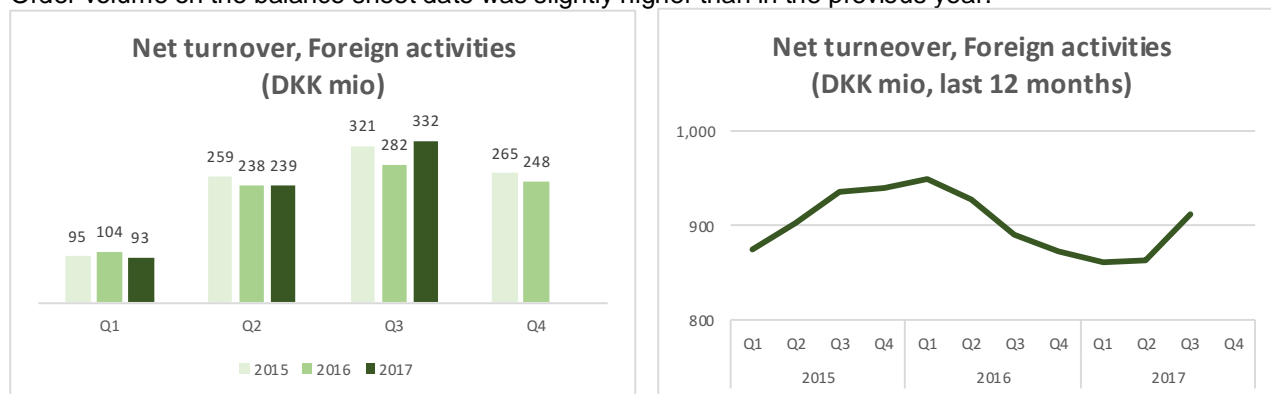
As previously indicated in the 2016 annual report, Arkil is involved in several arbitration proceedings relating to the aforementioned projects. The outcome of these cases may have a positive or negative impact on results, but the proceedings not expected to be completed in this financial year.

DEVELOPMENTS IN INTERNATIONAL ACTIVITIES

In Q3 2017, the Group's international activities generated revenue of DKK 331.7 million compared to DKK 282.2 million in the previous year, corresponding to an increase of 17.5%.

In the first 9 months of 2017, the Group generated revenue of DKK 663.4 million compared to DKK 624.8 million in the previous year, corresponding to an increase of 6.2%.

Order volume on the balance sheet date was slightly higher than in the previous year.



Increased activity in Germany

The market conditions for the construction of roads, sewerage and foundations have remained stable in Germany, as expected. Activity was somewhat higher than expected in Q3 and, on this basis, after the first 9 months of 2017, Arkil has recorded a slightly higher level of activity in comparison with 2016.

Activities in Ireland as expected

Activities in Ireland were somewhat lower than expected in the first 9 months of 2017 in comparison with 2016.

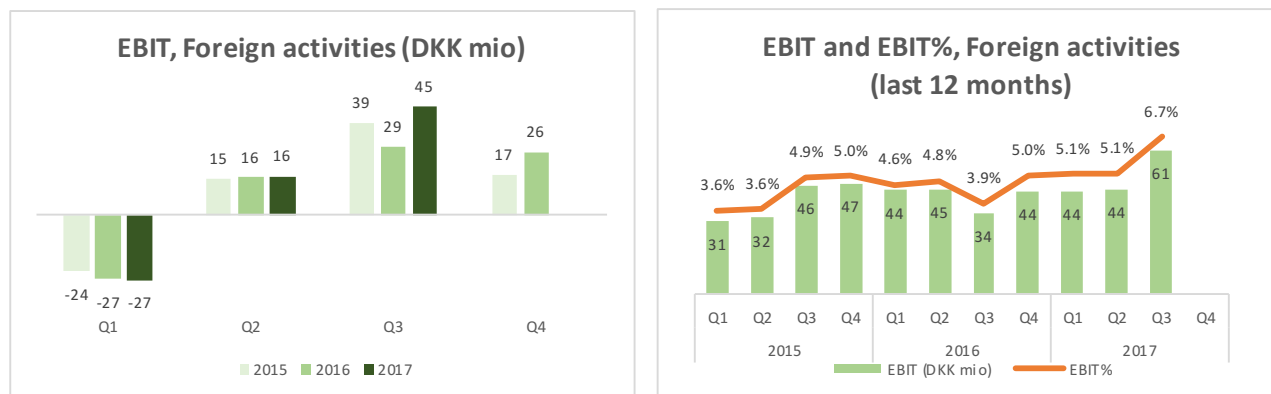
Growth in Sweden

Swedish piping activities increased in the first 9 months of 2017.

Operating profits were slightly higher than anticipated.

In Q3 2017, foreign activities generated EBIT of DKK 45.2 million compared to DKK 28.6 million in the previous year.

EBIT of DKK 34.4 million was generated in the first 9 months of 2017 compared to DKK 17.5 million in the previous year. The positive development of EBIT is higher than expected.



Expectations for 2017

Due to the market conditions and the current order situation in Germany, Ireland and Sweden, projected revenue remains in line with 2016 with slightly higher earnings compared to 2016. There is a healthy level of activity in the construction sector, particularly in western Germany, while falling demand and excess capacity in the asphalt sector is giving rise to greater price pressure.

RECONCILIATION OF PROFIT BEFORE TAX FOR THE PERIOD

(DKK mio)	1 July to 30 Sept. 2017	1 July to 30 Sept. 2016	1 Jan to 30 Sept. 2017	1 Jan to 30 Sept. 2016
Primary operating profit				
Denmark segment	38.4	22.4	81.7	-38.6
Abroad segment	45.2	28.6	34.4	17.5
Primary operating profit	83.6	51.0	116.1	-21.1
Net financial items	-1.0	-0.6	-2.1	-1.0
Profit/loss before tax	82.6	50.4	114.0	-22.1

EVENTS AFTER THE END OF THE PERIOD

The Board of Directors and Executive Management are not aware of any events of importance to Arkil's economic or financial position having occurred after the end of the financial period.

EXPECTATIONS FOR THE 2017 FINANCIAL YEAR

The Arkil Group still expects total revenue in the region of DKK 3,100 million.

Based on results in the first 9 months of 2017 and the current order situation, pre-tax profits for 2017 are expected to be in the region of DKK 120 - 150 million, as stated in the preliminary results announcement on 23 November 2017.

As previously indicated in the 2016 annual report, Arkil is involved in several arbitration proceedings relating to the aforementioned projects. The outcome of these cases may have a positive or negative impact on results, but the proceedings not expected to be completed in this financial year.

STATEMENTS CONCERNING FUTURE DEVELOPMENTS

Statements concerning future developments that have been expressed in this interim financial report reflect the management's current expectations for future events and financial results. Naturally, any statements concerning the rest of 2017 are associated with uncertainty, and the results achieved may therefore deviate from expectations.

Factors that may lead to results achieved deviating substantially from expectations include, but are not limited to, developments in economic trends and financial markets, technological development, changes to laws and regulations in Arkil's markets, competition, the volume of tenders within the Group's business areas, weather and climate conditions in the Group's markets, and the acquisition and sale of operations and companies.

MANAGEMENT STATEMENT

The Board of Directors and Executive Management have today discussed and approved the interim financial report for the period 1 January – 30 September 2017 for Arkil Holding A/S.

The interim financial report, which has not been audited or reviewed by the company's auditor, is presented in accordance with IAS 34 'Presentation of interim financial reports', as approved by the EU and additional requirements set forth in the Danish Financial Statements Act.

In our opinion, the interim financial report provides a true and fair picture of the Group's assets, liabilities and financial position as at 30 September 2017, as well as of the profits from the Group's activities and cash flows for the period 1 January – 30 September 2017.

It is also our view that the Annual Report provides a true and fair account of developments in the Group's activities and financial position, profit for the period and the Group's financial position as a whole, as well as a description of the principal risks and uncertainties that the Group faces.

Haderslev, 29 November 2017

Executive Management

Jesper Arkil
(Chief Executive Officer)

Heine Heinsvig
(Chief Financial Officer)

Jens Skjøt-Arkil
(Director, Business Development)

Board of Directors

Agnete Raaschou-Nielsen
(Chairman)

Birgitte Nielsen
(Deputy chairman)

Per Toelstang

Steen Brødbæk

Steffen M. Baungaard

Group statement of profit/loss

Amounts in DKK millions

	1 July to 30 Sept. 2017	1 July to 30 Sept. 2016	1 Jan to 30 Sept. 2017	1 Jan to 30 Sept. 2016
Turnover	913.8	881.4	2,243.0	2,187.2
Production costs	-770.5	-771.2	-1,935.7	-2,017.2
Gross profit	143.3	110.2	307.3	170.0
Administration costs	-59.3	-59.3	-187.4	-188.0
Share of profit after tax in affiliated companies	-0.4	0.1	-3.8	-3.1
Primary operating profit	83.6	51.0	116.1	-21.1
Net financial items	-1.0	-0.6	-2.1	-1.0
Profit/loss before tax	82.6	50.4	114.0	-22.1
Tax on profit/loss for the period	-20.7	-13.4	-28.9	2.7
Profit/loss for the period	61.9	37.0	85.1	-19.4
Earnings per DKK 100 share	122.9	71.5	169.9	-48.5
Diluted earnings per share at DKK 100	122.9	71.5	169.9	-48.5

Statement of comprehensive income

Amounts in DKK millions

	1 July to 30 Sept. 2017	1 July to 30 Sept. 2016	1 Jan to 30 Sept. 2017	1 Jan to 30 Sept. 2016
Profit/loss for the period	61.9	37.0	85.1	-19.4
Other comprehensive income:				
Items which cannot be reclassified for the income statement:				
Value adjustment of derivatives	-0.9	-2.4	14.3	-24.6
Tax on other comprehensive income	0.3	0.7	-4.3	7.4
	-0.6	-1.7	10.0	-17.2
Items which may be reclassified for the income statement:				
Exchange-rate adjustment for conversion of foreign entities	-0.2	0.2	0.0	0.1
Value adjustment of derivatives:				
Value adjustment for the period	0.0	0.0	0.0	-2.4
Tax on other comprehensive income	0.0	0.0	0.0	0.6
	-0.2	0.2	0.0	-1.7
Total comprehensive income	61.1	35.5	95.1	-38.3
Distribution:				
Shareholders of Arkil Holding A/S	57.5	32.7	89.0	-39.3
Minority interests	3.6	2.8	6.1	1.0
Total	61.1	35.5	95.1	-38.3

Group balance

Amounts in DKK millions

	Note	30 Sept. 2017	30 Sept. 2016	31 Dec 2016
Assets				
Goodwill	2	139.7	139.9	139.7
Intangible assets		8.2	9.0	8.7
Tangible assets		591.6	561.1	568.3
Deferred tax assets		19.9	30.2	27.6
Investment in affiliated companies and joint ventures		16.1	21.6	21.4
Other long-term assets		3.8	6.4	4.6
Total long-term assets		779.3	768.2	770.3
Stock on hand		75.7	81.4	92.3
Contract works		385.6	343.6	131.4
Accounts receivable		530.4	491.1	637.5
Securities		26.6	26.3	26.2
Liquid assets	3	132.3	85.4	159.3
Total short-term assets		1,150.6	1,027.8	1,046.7
Total assets		1,929.9	1,796.0	1,817.0
Equity		846.8	732.2	759.2
Provisions for obligations		196.6	219.0	193.9
Credit institutions		167.4	152.0	146.9
Employee's bonds		0.0	0.0	0.0
Total long-term obligations		364.0	371.0	340.8
Credit institutions		53.0	147.8	115.3
Contract works		27.9	30.9	59.6
Accounts payable and other debts		638.2	514.1	542.1
Total short-term obligations		719.1	692.8	717.0
Total obligations		1,083.1	1,063.8	1,057.8
Total liabilities		1,929.9	1,796.0	1,817.0

Group cash flow analysis

Amounts in DKK millions

	1 July to 30 Sept. 2017	1 July to 30 Sept. 2016	1 Jan to 30 Sept. 2017	1 Jan to 30 Sept. 2016
Operation's effect on liquidity				
Profit/loss before tax	82.6	50.4	114.0	-22.1
Depreciation and write-downs	27.3	24.6	80.2	72.6
Other net operating items	-4.1	-7.7	-12.6	-18.7
Changes in working capital	55.4	-41.6	-63.1	-91.1
Corporation tax paid	-1.3	-4.8	-7.9	-15.5
Cash flows from operating activities	159.9	20.9	110.6	-74.9
Effect of investments on liquidity				
Net investments in tangible and intangible assets	-14.7	-12.4	-31.2	-19.6
Net investments in subsidiaries	0.0	0.0	0.0	0.0
Cash flows from investing activities	-14.7	-12.4	-31.2	-19.6
External financing				
Repayment of long term debt	-13.5	-9.5	-36.2	-24.8
Proceeds of long-term debt, etc.	0.0	0.0	0.0	0.0
Capital contributions from minority shareholders	0.0	0.0	1.1	0.0
Dividend payments	0.0	0.0	-8.5	-8.8
Cash flows from financing activities	-13.5	-9.5	-43.7	-33.6
Cash flows for the year	131.7	-1.0	35.7	-128.1
Opening liquid holdings	-8.9	-26.6	87.1	100.5
Rate adjustments to liquid holdings	0.0	0.0	0.0	0.0
Closing liquid holdings	122.8	-27.6	122.8	-27.6
Liquid assets	132.3	85.4	132.3	85.4
Bank loan (bank overdraft)	-9.5	-113.1	-9.5	-113.1
Closing liquid holdings	122.8	-27.6	122.8	-27.6

Group statement of changes in equity

Amounts in DKK millions

	Share capital	Reserve for exchange rate adjustments	Reserve for hedging- transactions	Retained earnings	Suggested dividends	Total	Minority interests	Total
Equity as at 1 January 2017	49.1	-0.9	0.0	683.4	4.9	736.5	22.6	759.1
Revaluation of pension liabilities				12.1		12.1	2.1	14.3
Value adjustment of hedging instruments						0.0		0.0
Exchange rate adjustments, foreign companies		0.0				0.0		0.0
Tax on other comprehensive income				-3.6		-3.6	-0.6	-4.3
Net gains included directly in equity	0.0	0.0	0.0	8.5	0.0	8.5	1.5	10.0
Profit/loss for the period				80.5		80.5	4.6	85.1
Total income	0.0	0.0	0.0	89.0	0.0	89.0	6.1	95.1
Transactions with owners								
Capital contribution						0.0	1.1	1.1
Distributed dividend					-4.9	-4.9	-3.7	-8.6
Dividend, own shares				0.1		0.1		0.1
Equity as at 30 September 2017	49.1	-0.9	0.0	772.5	0.0	820.7	26.1	846.8

Group statement of changes in equity

Amounts in DKK millions

	Share capital	Reserve for exchange rate adjustments	Reserve for hedging- transactions	Retained earnings	Suggested dividends	Total	Minority interests	Total
Equity as at 1 January 2016	49.1	0.3	0.0	697.5	7.4	754.3	25.0	779.3
Revaluation of pension liabilities				-20.9		-20.9	-3.7	-24.6
Value adjustment of hedging instruments			-2.4			-2.4		-2.4
Exchange rate adjustments, foreign companies		0.1				0.1		0.1
Tax on other comprehensive income			0.6	6.3		6.9	1.1	8.0
Net gains included directly in equity	0.0	0.1	-1.8	-14.6	0.0	-16.3	-2.6	-18.9
Profit/loss for the period				-23.0		-23.0	3.6	-19.4
Total income	0.0	0.1	-1.8	-37.6	0.0	-39.3	1.0	-38.3
Transactions with owners								
Distributed dividend					-7.4	-7.4	-1.6	-9.0
Dividend, own shares				0.2		0.2		0.2
Equity as at 30 September 2016	49.1	0.4	-1.8	660.1	0.0	707.8	24.4	732.2

Note 1. Accounting policies used

The interim financial report is presented in accordance with IAS 34 'Presentation of interim financial report', as approved by the EU and in accordance with Danish disclosure requirements for listed companies.

With the exception of the following, the accounting policies used remain unchanged in relation to the consolidated accounts and annual accounts for 2016 to which reference is made.

The consolidated accounts and annual accounts for 2016 contain a full description of the accounting policies used.

Changes to the accounting policies used

Arkil Holding A/S implemented the following new or amended standards and interpretations with effect from 1 January 2017:

- Amendments to IAS 7 regarding reporting requirements for cash flows.
- Amendments to IAS 12 regarding accounting of deferred taxable assets for unrealised losses.
- Part of the Annual Improvements to IFRSs 2014-2016.

In the Annual Improvements to IFRSs 2014-2016, a change has only been made to IFRS 12. Information regarding interests in other companies with specification of the scope of the reporting requirements in IFRS 12, which entered into force on 1 January 2017. The other parts of the Annual Improvements to IFRSs 2014-2016 enter into force on 1 January 2018.

The new reporting requirements in IAS 7 are not obligatory for interim annual reports and thereby only enter into force for the 2017 annual report.

None of the aforementioned changes have affected calculations and measurements in the interim financial report.

Assumptions and estimates

The preparation of interim financial reports requires management to make accounting estimates and assumptions that affect the application of accounting policies and calculated assets, liabilities, earnings and costs. Actual results may deviate from these assumptions.

Key assumptions made by management when applying the Group's accounting policies and the significant uncertainties associated with this are the same for the preparation of the summarised interim financial report as they were during the preparation of the consolidated and annual accounts of 31 December 2016.

Note 2. Goodwill

Amounts in DKK millions

	30 Sept. 2017	30 Sept. 2016	31 Dec 2016
Cost price beginning of year	139.7	139.9	139.9
Additions through acquisition	0.0	0.0	0.0
Exchange rate adjustment	0.0	0.0	0.0
Cost price end of year	139.7	139.9	139.9
Goodwill	139.7	139.9	139.9

Depreciation test

The annual depreciation test for goodwill is performed following the completion of budgets and strategy plans for the coming five-year period. The management finds that there are no indications of devaluation of the accounting values for goodwill.

Note 3. Market value measurement of financial instruments

Relevant disclosure requirements in relation to the Arkil Holding A/S Group's securities portfolio are listed below.

Amounts in DKK million	30 September 2017	
	Market value	Book value
Financial assets		
Securities (fair value option) – level 1	26.6	26.6
	26.6	26.6

The Group's policy is to recognise transfers between the different categories from the time at which an event or change in circumstances results in a change of classification. There have been no transfers between individual levels in 2016.