

Notice to Nasdaq Copenhagen

## Interim financial report for Arkil Holding A/S for Q1 2017

### Significantly improved profits in winter quarter

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 31 March 2017

#### Key points

- Revenue in Q1 2017 amounted to DKK 518.3 million compared to DKK 464.9 million the previous year, corresponding to an increase of 11.5%.
- The earnings before interest and taxes (EBIT) for the period have been realised at DKK -32.0 million, compared to DKK -67.5 million the previous year. EBIT in 2016 was negatively affected by depreciation on troubled projects by DKK 13.6 million.
- The result before taxes has been realised at DKK -32.7 million compared to -67.5 million last year.

#### Expectations for 2017 remain the same

- The Group's revenue for 2017 is expected to be capitalised at a level of DKK 3,000 million.
- Profit before tax in 2017 is expected to amount to DKK 60-90 million.

*Jesper Arkil, CEO, states:*

"The first quarter has benefited from mild weather conditions, which particularly in Denmark have resulted in a higher level of activity and earnings. This has contributed to the already improved profit growth, which is the result of focused efforts on the core activities across business areas. Activity and earnings abroad is in line with expectations. It is still too early in the year to draw conclusions for the entire financial year, but the drop in state investments in infrastructure is expected to continue to add pressure on the level of activity, and in Germany there are certain indications that the asphalt activity has become stagnant. All in all, though, we have seen the year get off to a very good start, which underpins the announced expectations of delivering significant improvements to earnings and the profit and loss compared to previous years".

Any questions can be directed to CEO Jesper Arkil by phone on +45 7322 5050.

Haderslev, Denmark - 24 May 2017

Arkil Holding A/S

Agnete Raaschou-Nielsen  
Chairman of the Board of Directors

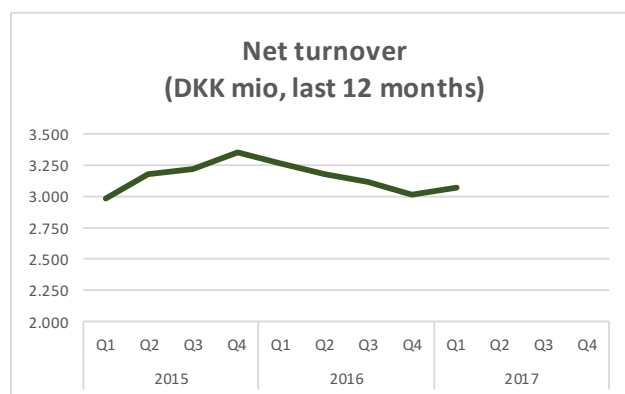
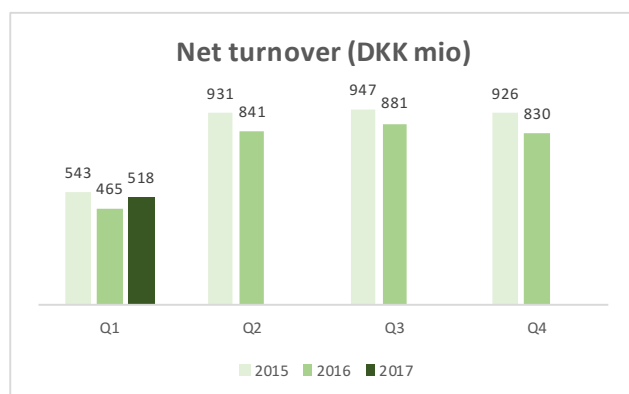
## Interim report for 1 January to 31 March 2017

Group key figures (DKK million)	1 Jan to 31 March 2017	1 Jan to 31 March 2016	31 Dec, 2016
<b>Income statement</b>			
Net turnover	518.3	464.9	3,017.0
Primary operating profit (EBIT)	-32.0	-67.5	6.4
Net financial items	-0.7	0.0	-1.3
Profit/loss before tax	-32.7	-67.5	5.0
Profit/loss after tax	-24.7	-51.2	5.6
<b>Balance Sheet</b>			
Intangible assets	148.2	149.3	148.4
Tangible assets	577.4	538.3	568.3
Other long-term assets	46.9	50.3	53.6
Short-term assets	819.8	813.5	1,046.7
<b>Total assets</b>	<b>1,592.3</b>	<b>1,551.4</b>	<b>1,817.0</b>
<b>Equity</b>	<b>734.6</b>	<b>717.8</b>	<b>759.2</b>
Long-term obligations	335.4	348.1	340.8
Short-term obligations	522.3	485.5	717.0
<b>Total obligations</b>	<b>857.7</b>	<b>833.6</b>	<b>1,057.8</b>
<b>Total liabilities</b>	<b>1,592.3</b>	<b>1,551.4</b>	<b>1,817.0</b>
<b>Cash flow statement</b>			
Cash flows from operating activities	85.2	23.6	68.7
Cash flows from investing activities	-16.9	15.5	-19.8
Acquisition of companies and new activities	0.0	0.0	0.0
Cash flows from financing activities	-13.4	-1.9	-62.0
<b>Changes in cash flow for the period</b>	<b>54.9</b>	<b>37.2</b>	<b>-13.1</b>
<b>Key ratios for the Group</b>			
Profit ratio	-6.2	-14.5	0.2
Return on net assets (ROIC) incl. goodwill	-3.4	-7.2	0.6
Return on net assets (ROIC) excl. goodwill	-4.1	-8.5	0.7
Liquidity ratio	157.0	167.6	146.0
Equity ratio	46.1	46.3	41.8
Return on equity	-3.3	-6.8	0.7
<b>Earnings per share (DKK)</b>			
Earnings per DKK 100 share	-49.5	-106.0	-2.5
Diluted earnings per share at DKK 100	-49.5	-106.0	-2.5
Average number of employees	1,726	1,746	1,862

## CONSOLIDATED ACCOUNTS

### The financial performance of the Arkil Group

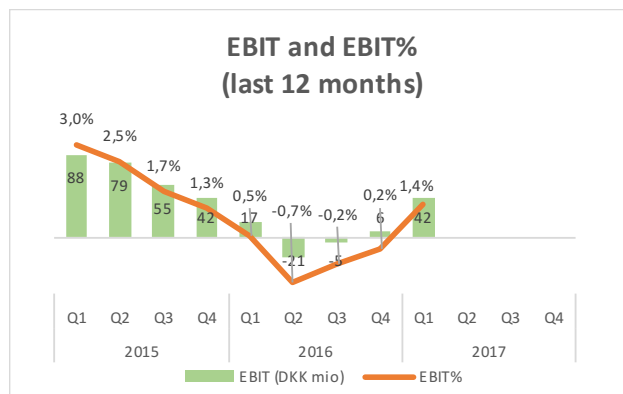
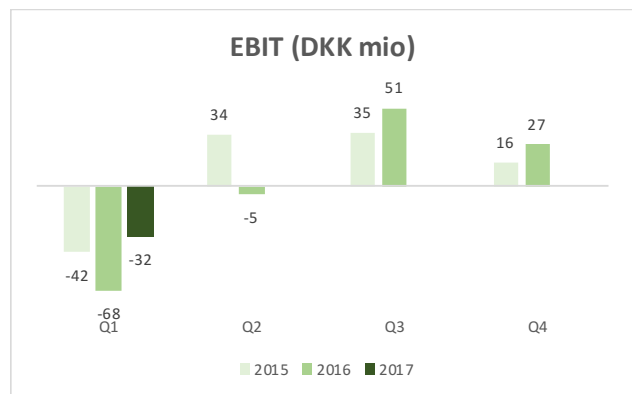
In Q1 2017 the Group realised a revenue of DKK 518.3 million compared to DKK 464.9 million last year, corresponding to an increase of 11.5%. The increase in revenue was realised in the Danish activities and is the result of a mild winter quarter that has enabled a higher level of activity than normal.



The Group's gross returns in Q1 2017 have been realised at DKK 35.7 million compared to DKK -1.8 million in the same quarter last year, corresponding to a gross profit of 6.9% and -0.4% for the same period last year. The improved gross profit is due to an adaptation and the better use of the fixed production costs as a result of higher activity, 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 total depreciation applied in Q1 2016 amounted to DKK 13.6 million.

Administration costs in Q1 2017 have been realised at DKK 64.7 million compared to DKK 62.6 million the previous year. Administration costs amounted to 12.5% compared to 13.5% the previous year.

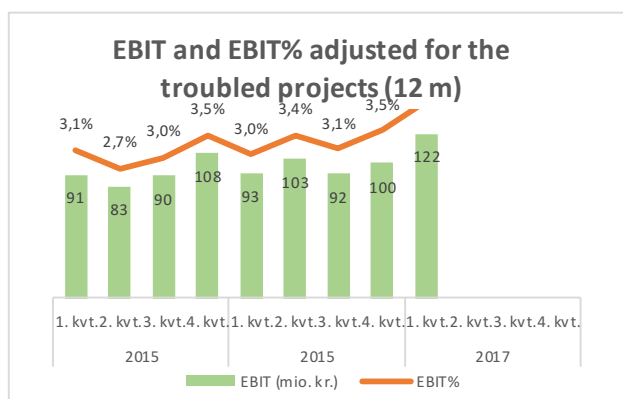
The Group's earnings before interest and taxes (EBIT) in Q1 2017 have been realised at DKK -32.0 million compared to DKK -67.5 million last year.



Compared to previous years, it must be taken into account that the Group's primary earnings before interest and taxes (EBIT) for Q1 2016 were affected by depreciation of DKK 13.6 million.

In Q1 2017, net financial items have been realised at DKK -0.7 million compared to DKK 0.0 million in the same period last year.

The Group's return before tax in Q1 2017 has been realised at DKK -32.7 million compared to DKK -67.5 million last year.



The table below shows the quarterly effects of depreciation on profits in 2016 on 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
<b>2016</b>			
-67.5	-5	50.4	27.1
-13.6	-49.5	-4	-26.4
<b>-53.9</b>	<b>44.5</b>	<b>54.4</b>	<b>53.5</b>
<b>2017</b>			
-32.7			

In Q1 2017, the Group recorded a loss of DKK -32.7 million compared to DKK -53.9 million in 2016 (adjusted).

Please note that, as usual, activity and financial performance will vary over the year as a consequence of seasonal fluctuations.

**Balance sheet and cash flow**

As of 31 March 2017, the balance sheet sum was DKK 1,592.3 million compared to DKK 1,817.0 million at the start of the financial year. Tangible fixed assets have increased by DKK 9.1 million to DKK 577.4 million since the start of the financial year. Construction contracts have increased by DKK 75.6 million since the end of 2016.

Receivables on the balance sheet date amounted to DKK 343.6 million compared to DKK 637.5 million at the start of the year. Supplier debt and other liabilities amounted to DKK 428.0 million as of 31 March 2017, compared to DKK 542.1 million at the end of 2016. Overall, the net working capital amounted to DKK 165.1 million as of 31 March 2017 compared to DKK 270.2 million at the end of 2016.

On the balance sheet date, equity amounted to DKK 734.6 million, corresponding to an equity ratio of 46.1%. Interest-bearing debt amounted to DKK 195.4 million at the end of March 2017. When deducted from the cash and cash equivalents and securities of DKK 169.4 million, the interest-bearing net debt amounted to DKK 26.0 million.

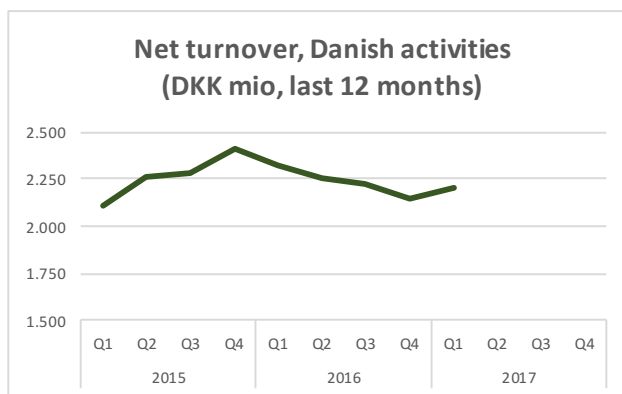
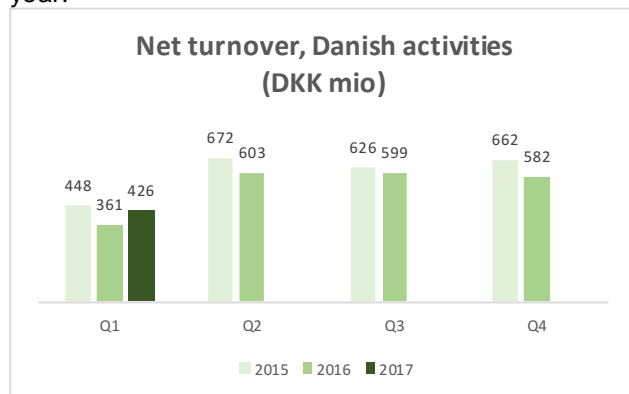
Cash flow from operations amounted to DKK 85.2 million in Q1 2017, compared to DKK 23.6 million for the same period last year.

During the period, DKK 16.9 million was invested in assets and the acquisition of activities, compared to DKK - 15.5 million last year, while cash flow from financing activities, including deductions for long-term liabilities, amounted to a net withdrawal of DKK 13.4 million.

## DEVELOPMENT OF DANISH ACTIVITIES

In Q1 2017, the Group's Danish activities realised a revenue of DKK 425.7 million compared to DKK 360.6 million last year, corresponding to an increase of 18.0%.

The order backlog's share of the year's expected revenue on the balance sheet date was slightly lower than last year.



## Increased revenue and improved earnings in the Danish activities

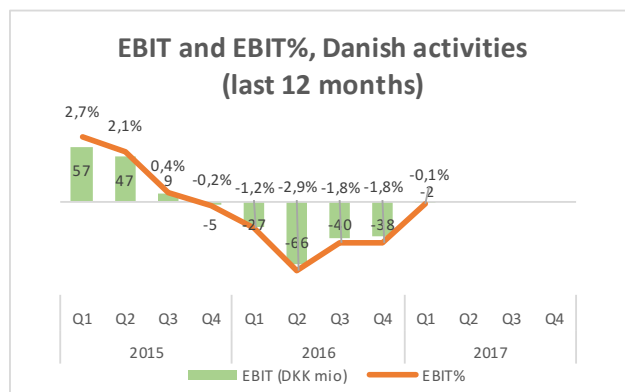
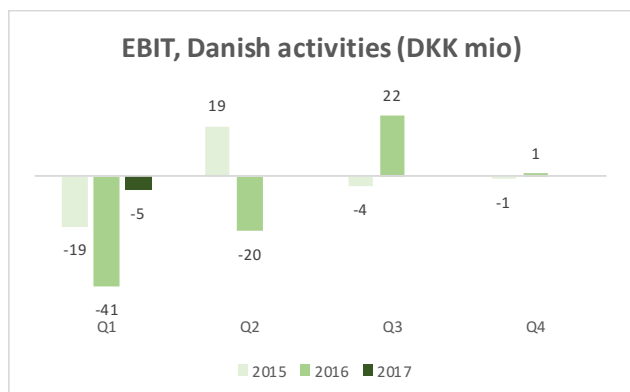
Thanks to a mild winter and a healthy order backlog, revenue in the Danish activities at the start of the year was higher than expected before the year began.

Major projects under development include tunnelling work for the Damhus line sewer project, the Tvis-Aulum motorway contract, the Amagerværket expansion project, and the upgrades and renovation of the quays at Frederikshavn Flådestation. Also in the works 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.

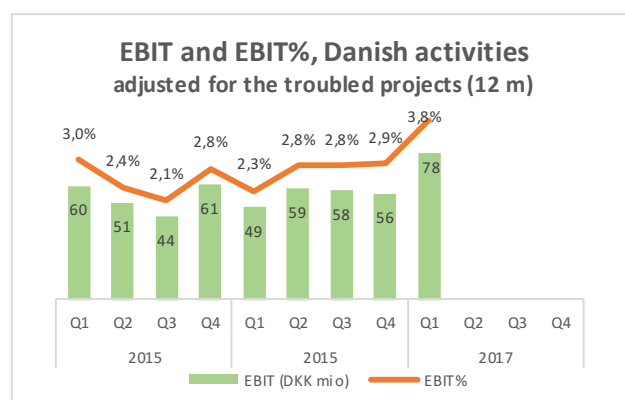
There is also a satisfactory level of activity within the area for local and regional construction projects. The supply of new projects within the area remains at a high level, and Arkil has achieved a steady intake of new projects within the area.

As the result of a mild winter, asphalt and road service activities are higher than last year.

Danish activities in Q1 2017 have realised an EBIT of DKK -5.0 million, compared to DKK -40.7 million last year. The improved EBIT is the result of an adaptation and the improved use of the fixed production costs as a result of the revenue increase as well as an improved performance on completed production, and it is also due to the fact that 2017 has not been negatively affected by depreciation on troubled projects. The depreciation applied to the 2016 EBIT amounted to DKK 13.6 million.



In Q1 2017, EBIT excluding depreciation has been realised better than in Q1 2016.



#### EBIT adjusted for depreciation on the troubled projects (DKK mio)

##### EBIT, Denmark

Hereof depreciation on the troubled projects

##### Adjusted 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
<b>-27.1</b>	<b>29.2</b>	<b>26.4</b>	<b>27.4</b>
2017			
-5.0			

**2017 expectations**

Based on the developments in Q1 and the current order backlog and market situation, the Danish activities are expected to result in a revenue that is in line with that of 2016. Earnings are expected to be realised significantly better in relation to 2016, based on the fact that 2016 was significantly affected by depreciation on specific projects.

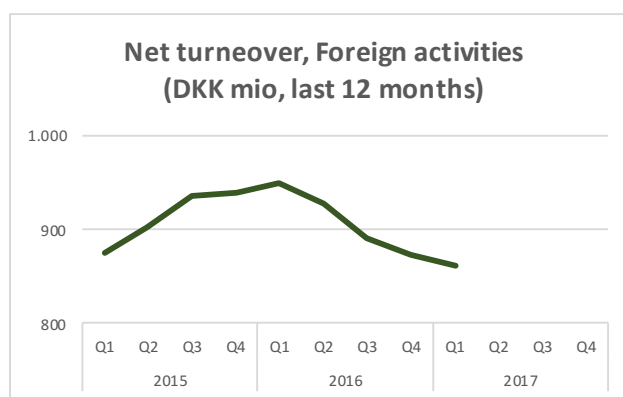
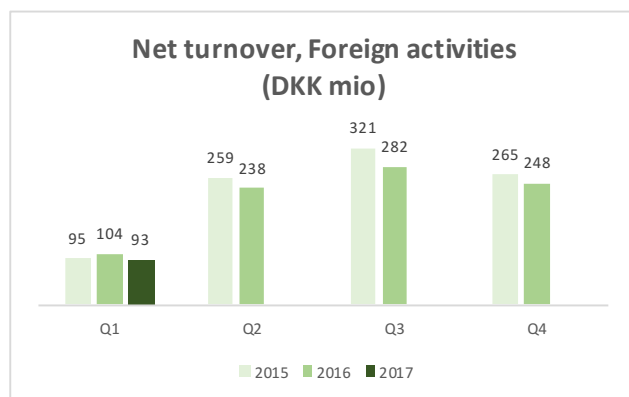
As previously announced in the 2016 annual report, Arkil is an involved party in mid-scale arbitration procedures related to the aforementioned projects. The outcome of the cases may have a positive or negative impact on the returns, but the proceedings are not expected to be concluded in this financial year.



## DEVELOPMENTS IN INTERNATIONAL ACTIVITIES

In Q1 2017, international activities realised a revenue of DKK 92.6 million compared to DKK 104.3 million last year, corresponding to a decline of 11.2%.

The order backlog on the balance sheet date was slightly lower than last year.



### German activities characterised by relative stability

In Germany, the market conditions for the construction of roads, sewerage and foundations have remained stable, as expected. In Q1 2017, Arkil has had a somewhat lower level of activity than normal due to the order composition.

### Activities in Ireland as expected

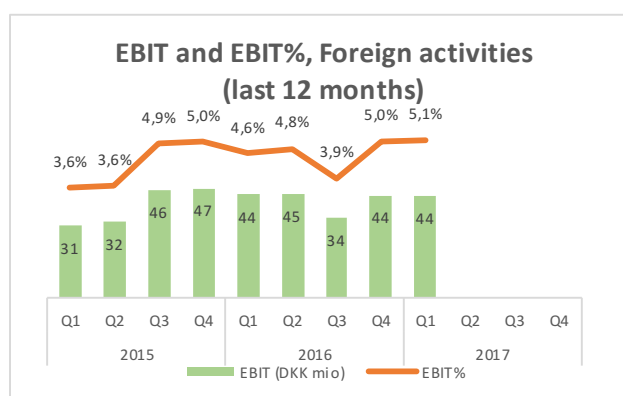
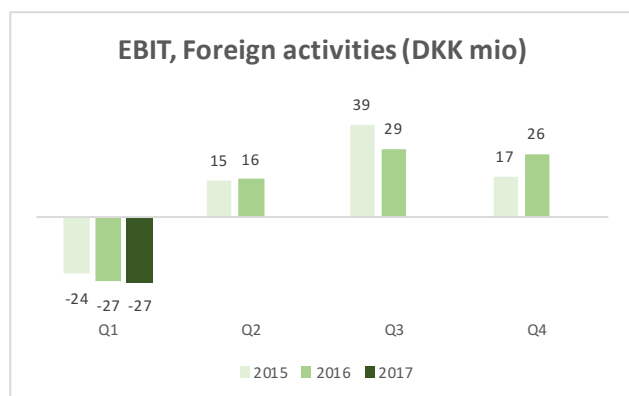
In Q1 2017, activities in Ireland have been somewhat lower when compared to 2016.

### Growth in Sweden

In Q1 2017, the Swedish piping activities have increased.

### Operating profits in line with expectations

In Q1 2017, foreign activities realised an EBIT of DKK -27.0 million compared to DKK -26.8 million last year. EBIT performance is as expected



### 2017 expectations

Due to the market conditions and the current order situation in Germany, Ireland and Sweden, projected revenue remains in line with 2016, and slightly lower earnings compared to 2016 are expected. There is a healthy level of activity in the construction area, particularly in the west half of Germany, while falling demand and excess capacity in the asphalt area is giving rise to intensified price pressure.

## RECONCILIATION OF PROFIT BEFORE TAX FOR THE PERIOD

(DKK mio)	1 Jan to 31 March 2017	1 Jan to 31 March 2016
<b>Primary operating profit</b>		
Denmark segment	-5.0	-40.7
Abroad segment	-27.0	-26.8
<b>Primary operating profit</b>	<b>-32.0</b>	<b>-67.5</b>
Net financial items	-0.7	0.0
<b>Profit/loss before tax</b>	<b>-32.7</b>	<b>-67.5</b>

## 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 maintains its expectations of a revenue of around DKK 3,000 million and a return before tax in the range of DKK 60 million to DKK 90 million, as announced in the 2016 annual report.

As previously announced in the 2016 annual report, Arkil is an involved party in mid-scale arbitration procedures related to the aforementioned projects. The outcome of the cases may have a positive or negative impact on the returns, but the proceedings are not expected to be concluded 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 result in the achieved returns 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 supply of assignments within the Group's business areas, weather and climate conditions in the Group's markets, and the acquisition and sale of activities and companies.

## MANAGEMENT REVIEW

The Board of Directors and Executive Management have today discussed and approved the interim financial report for the period 1 January – 31 March 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 gives a true and fair view of the Group's assets, liabilities and financial position as of 31 March 2017, as well as of the profits from the Group's activities and cash flows for the period 1 January – 31 March 2017.

It is also our view that the management report provides a true and fair report of developments in the Group's activities and financial matters, profit for the period and the Group's financial position as a whole, as well as a description of the principal risks and uncertainty factors that the Group faces.

Haderslev, Denmark - 24 May 2017

### Corporate 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 Jan to 31 March 2017	1 Jan to 31 March 2016
Turnover	518.3	464.9
Production costs	-482.6	-466.7
<b>Gross profit</b>	<b>35.7</b>	<b>-1.8</b>
Administration costs	-64.7	-62.6
Share of profit after tax in affiliated companies	-3.0	-3.1
<b>Primary operating profit</b>	<b>-32.0</b>	<b>-67.5</b>
Net financial items	-0.7	0.0
<b>Profit/loss before tax</b>	<b>-32.7</b>	<b>-67.5</b>
Tax on profit/loss for the period	8.0	16.3
<b>Profit/loss for the period</b>	<b>-24.7</b>	<b>-51.2</b>
Earnings per DKK 100 share	-49.5	-106.0
Diluted earnings per share at DKK 100	-49.5	-106.0

# Statement of comprehensive income

Amounts in DKK millions

	1 Jan to 31 March 2017	1 Jan to 31 March 2016
<b>Profit/loss for the period</b>	<b>-24.7</b>	<b>-51.2</b>
<b>Other comprehensive income:</b>		
<b>Items which cannot be reclassified for the income statement:</b>		
Value adjustment of derivatives	4.6	-14.9
Tax on other comprehensive income	-1.4	4.5
	<b>3.2</b>	<b>-10.4</b>
<b>Items which may be reclassified for the income statement:</b>		
Exchange-rate adjustment for conversion of foreign entities	0.0	0.1
Value adjustment of derivatives:		
Value adjustment for the period	0.0	0.0
Tax on other comprehensive income	0.0	0.0
	<b>0.0</b>	<b>0.1</b>
<b>Total comprehensive income</b>	<b>-21.5</b>	<b>-61.5</b>
<b>Distribution:</b>		
Shareholders of Arkil Holding A/S	-20.7	-59.1
Minority interests	-0.8	-2.4
<b>Total</b>	<b>-21.5</b>	<b>-61.5</b>

## Group balance

Amounts in DKK millions

	Note	31 March 2017	31 March 2016	31 Dec 2016
<b>Assets</b>				
Goodwill	2	139.7	139.9	139.7
Intangible assets		8.5	9.4	8.7
Tangible assets		577.4	538.3	568.3
Deferred tax assets		25.7	27.8	27.6
Investment in affiliated companies and joint ventures		16.9	14.0	21.4
Other long-term assets		4.3	8.5	4.6
<b>Total long-term assets</b>		<b>772.5</b>	<b>737.9</b>	<b>770.3</b>
Stock on hand		99.8	95.2	92.3
Contract works		207.0	195.7	131.4
Accounts receivable		343.6	358.7	637.5
Tangible assets earmarked for sale		25.1	26.0	26.2
Securities	3	144.3	137.9	159.3
Liquid assets		0.0	0.0	0.0
<b>Total short-term assets</b>		<b>819.8</b>	<b>813.5</b>	<b>1,046.7</b>
<b>Total assets</b>		<b>1,592.3</b>	<b>1,551.4</b>	<b>1,817.0</b>
<b>Equity</b>		<b>734.6</b>	<b>717.8</b>	<b>759.2</b>
Provisions for obligations		177.0	209.8	193.9
Credit institutions		158.4	138.3	146.9
Employee's bonds		0.0	0.0	0.0
<b>Total long-term obligations</b>		<b>335.4</b>	<b>348.1</b>	<b>340.8</b>
Credit institutions		37.0	41.3	115.3
Contract works		57.3	41.1	59.6
Accounts payable and other debts		428.0	403.1	542.1
<b>Total short-term obligations</b>		<b>522.3</b>	<b>485.5</b>	<b>717.0</b>
<b>Total obligations</b>		<b>857.7</b>	<b>833.6</b>	<b>1,057.8</b>
<b>Total liabilities</b>		<b>1,592.3</b>	<b>1,551.4</b>	<b>1,817.0</b>

## Group cash flow analysis

Amounts in DKK millions

	1 Jan to 31 March 2017	1 Jan to 31 March 2016
<b>Operation's effect on liquidity</b>		
Profit/loss before tax	-32.7	-67.5
Depreciation and write-downs	26.1	23.7
Other net operating items	0.9	0.1
Changes in working capital	95.7	71.0
Corporation tax paid	-4.8	-3.7
<b>Cash flows from operating activities</b>	<b>85.2</b>	<b>23.6</b>
<b>Effect of investments on liquidity</b>		
Net investments in tangible and intangible assets	-16.9	15.5
Net investments in subsidiaries	0.0	0.0
<b>Cash flows from investing activities</b>	<b>-16.9</b>	<b>15.5</b>
<b>External financing</b>		
Repayment of long term debt	-10.4	-1.9
Proceeds of long-term debt, etc.	0.0	0.0
Capital contributions from minority shareholders	0.0	0.0
Dividend payments	-3.0	0.0
<b>Cash flows from financing activities</b>	<b>-13.4</b>	<b>-1.9</b>
<b>Cash flows for the year</b>	<b>54.9</b>	<b>37.2</b>
Opening liquid holdings	87.1	100.5
Rate adjustments to liquid holdings	0.0	0.0
<b>Closing liquid holdings</b>	<b>141.9</b>	<b>137.7</b>
Liquid assets	144.3	137.9
Bank loan (bank overdraft)	-2.4	-0.2
<b>Closing liquid holdings</b>	<b>141.9</b>	<b>137.7</b>



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				3.9		3.9	0.7	4.6
Value adjustment of hedging instruments						0.0		0.0
Exchange rate adjustments, foreign companies						0.0		0.0
Tax on other comprehensive income				-1.2		-1.2	-0.2	-1.4
<b>Net gains included directly in equity</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.7</b>	<b>0.0</b>	<b>2.7</b>	<b>0.5</b>	<b>3.2</b>
Profit/loss for the period				-23.5		-23.5	-1.2	-24.7
<b>Total income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-20.7</b>	<b>0.0</b>	<b>-20.7</b>	<b>-0.8</b>	<b>-21.5</b>
<b>Transactions with owners</b>								
Distributed dividend						0.0	-3.0	-3.0
Dividend, own shares						0.0		0.0
<b>Equity as at 31 March 2017</b>	<b>49.1</b>	<b>-0.9</b>	<b>0.0</b>	<b>662.7</b>	<b>4.9</b>	<b>715.8</b>	<b>18.8</b>	<b>734.6</b>





# 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				-12.7		-12.7	-2.2	-14.9
Value adjustment of hedging instruments						0.0		0.0
Exchange rate adjustments, foreign companies		0.1				0.1		0.1
Tax on other comprehensive income				3.8		3.8	0.7	4.5
<b>Net gains included directly in equity</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>-8.9</b>	<b>0.0</b>	<b>-8.8</b>	<b>-1.5</b>	<b>-10.3</b>
Profit/loss for the period				-50.3		-50.3	-0.9	-51.2
<b>Total income</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>-59.2</b>	<b>0.0</b>	<b>-59.1</b>	<b>-2.4</b>	<b>-61.5</b>
<b>Transactions with owners</b>								
Distributed dividend						0.0		0.0
Dividend, own shares						0.0		0.0
<b>Equity as at 31 March 2016</b>	<b>49.1</b>	<b>0.4</b>	<b>0.0</b>	<b>638.3</b>	<b>7.4</b>	<b>695.2</b>	<b>22.6</b>	<b>717.8</b>

**Note 1. Accounting practice 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 below, the accounting policies used remain unchanged in relation to the consolidated accounts and annual accounts for 2016, as referenced.

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

**Changes to the accounting policies used**

Effective from 1 January 2017, Arkil Holding A/S has implemented the following new or amended standards and interpretations:

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

In the Annual Improvements to IFRSs 2014-2016, it is exclusively the change 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 enter into force for the 2017 annual report.

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

**Assumptions and estimates**

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

Key assumptions made by management when applying the Group's accounting policies and the key assumption uncertainties linked thereto 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

	31 March 2017	31 March 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	-0.2
<b>Cost price end of year</b>	<b>139.7</b>	<b>139.9</b>	<b>139.7</b>
<b>Goodwill</b>	<b>139.7</b>	<b>139.9</b>	<b>139.7</b>

## 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	31 March 2017	
	Market value	Book value
<b>Financial assets</b>		
Securities (fair value option) – level 1	25.1	25.1
	<b>25.1</b>	<b>25.1</b>

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.