



CHRISTENSEN
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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KLARSØ A/S

Søholm Park 1, 2900 Hellerup

Company reg. no. 11 15 83 90

Annual report

1 January - 31 December 2016

The annual report have been submitted and approved by the general meeting on the 23.02.2017

Peter Adser

Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.



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Management's report

The board of directors and the managing director have today presented the annual report of KLARSØ A/S for the financial year 1 January to 31 December 2016.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

The annual report is recommended for approval by the general meeting.

Hellerup, 16 February 2017

Managing Director

Jacob Johansen
Managing Director

Board of directors

Peter Adser
Chairman

Svend Christian Rimestad

Claus Adser

Lars Rønsholt



Independent auditor's report

To the shareholder of KLARSØ A/S

Opinion

We have audited the annual accounts of KLARSØ A/S for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.



Independent auditor's report

Auditor's responsibilities for the audit of the annual accounts

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

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the 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 annual accounts 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.



Independent auditor's report

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 the internal control that we identify during our audit.

Copenhagen, 16 February 2017

Christensen Kjærulff

Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41


John Mikkelsen
State Authorised Public Accountant



Company data

The company	KLARSØ A/S Søholm Park 1 2900 Hellerup Company reg. no. 11 15 83 90 Established: 31 August 1987 Domicile: Gentofte Financial year: 1 January - 31 December
Board of directors	Peter Adser, Chairman Svend Christian Rimestad Claus Adser Lars Rønsholt
Managing Director	Jacob Johansen, Managing Director
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab



Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Gross profit	12.358.688	12.329.012
2 Staff costs	-2.332.724	-2.264.573
Depreciation and writedown relating to tangible fixed assets	-71.708	-116.103
Operating profit	9.954.256	9.948.336
Financial income	0	1.987
Results before tax	9.954.256	9.950.323
Tax on the results for the year	-2.192.305	-2.340.433
Results from ordinary activities after tax	7.761.951	7.609.890
Results for the year	7.761.951	7.609.890
Proposed distribution of the results:		
Dividend for the financial year	7.000.000	7.000.000
Retained earnings	761.951	609.890
Distribution in total	7.761.951	7.609.890



Balance sheet 31 December

All amounts in DKK.

Assets

<u>Note</u>	<u>2016</u>	<u>2015</u>
Fixed assets		
3 Operating assets and other equipment	190.560	261.152
Tangible fixed assets in total	<u>190.560</u>	<u>261.152</u>
Other debtors	4.769	-10.967
Financial fixed assets in total	<u>4.769</u>	<u>-10.967</u>
Fixed assets in total	<u>195.329</u>	<u>250.185</u>
Current assets		
Rawmaterials	1.798.926	3.751.815
Inventories in total	<u>1.798.926</u>	<u>3.751.815</u>
Trade debtors	870.455	1.977.211
	478.361	0
Deferred tax assets	1.326	0
Receivable corporate tax	72.336	478.361
Other debtors	61.672	79.265
Accrued income and deferred expenses	14.758	14.896
Debtors in total	<u>1.498.908</u>	<u>2.549.733</u>
Cash funds	<u>18.687.968</u>	<u>13.632.830</u>
Current assets in total	<u>21.985.802</u>	<u>19.934.378</u>
Assets in total	<u>22.181.131</u>	<u>20.184.563</u>



Balance sheet 31 December

All amounts in DKK.

Equity and liabilities

<u>Note</u>	<u>2016</u>	<u>2015</u>
Equity		
4 Share capital	500.000	500.000
5 Retained earnings	11.678.623	10.916.672
6 Proposed dividend for the financial year	7.000.000	7.000.000
Equity in total	<u>19.178.623</u>	<u>18.416.672</u>
 Provisions		
Provisions for deferred tax	0	33
Provisions in total	<u>0</u>	<u>33</u>
 Liabilities		
Trade accounts payables	1.829.065	1.596.168
Other Liabilities	1.173.443	171.690
Short-term liabilities in total	<u>3.002.508</u>	<u>1.767.858</u>
Liabilities in total	<u>3.002.508</u>	<u>1.767.858</u>
 Equity and liabilities in total	 <u>22.181.131</u>	 <u>20.184.563</u>

1 The significant activities of the enterprise



Notes

All amounts in DKK.

1. The significant activities of the enterprise

The significant activities of the enterprise consist of manufacturing and sale of pesticides and biocides.

	<u>2016</u>	<u>2015</u>
2. Staff costs		
Salaries and wages	2.303.716	2.239.819
Other costs for social security	17.606	22.852
Other staff costs	11.402	1.902
	<u>2.332.724</u>	<u>2.264.573</u>
3. Operating assets and other equipment		
Cost 1 January 2016	614.725	657.705
Additions during the year	1.115	22.020
Disposals during the year	0	-65.000
Cost 31 December 2016	<u>615.840</u>	<u>614.725</u>
Depreciation and writedown 1 January 2016	-353.573	-287.370
Depreciation and writedown for the year	-71.707	-86.837
Depreciation and writedown, assets disposed of	0	20.634
Depreciation and writedown 31 December 2016	<u>-425.280</u>	<u>-353.573</u>
Book value 31 December 2016	<u>190.560</u>	<u>261.152</u>
4. Share capital		
Share capital 1 January 2016	500.000	500.000
	<u>500.000</u>	<u>500.000</u>

The share capital of 500 shares, each with a nominal value of DKK 1.000. No shares hold particular rights.



Notes

All amounts in DKK.

	<u>31/12 2016</u>	<u>31/12 2015</u>
5. Retained earnings		
Retained earnings 1 January 2016	10.916.672	10.306.782
Retained earnings for the year	<u>761.951</u>	<u>609.890</u>
	<u>11.678.623</u>	<u>10.916.672</u>
6. Proposed dividend for the financial year		
Dividend 1 January 2016	7.000.000	3.000.000
Distributed dividend	-7.000.000	-3.000.000
Dividend for the financial year	<u>7.000.000</u>	<u>7.000.000</u>
	<u>7.000.000</u>	<u>7.000.000</u>



Accounting policies used

The annual report for KLARSØ A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.



Accounting policies used

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts that concerns the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.



Accounting policies used

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture 3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises costs for materials, components, deliveries from sub suppliers, direct wages expenditure, and indirect production costs.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Equity

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, KLARSØ A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.



Accounting policies used

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.