

Harman Professional Denmark ApS

Olof Palmes Alle 44. 8200 Aarhus N

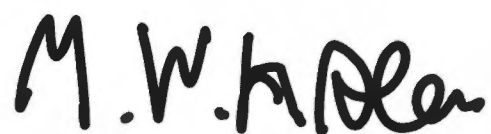
CVR no . 11 80 57 44

Annual report

for the period 1 January 2018 - 31 December 2018

Approved at the Company's annual general meeting on 8 July 2019

Chairman:

A handwritten signature in black ink, appearing to read "M. W. K. Olsen". The signature is written in a cursive, somewhat stylized font.

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Harman Professional Denmark ApS for the financial year 1 January 2018 - 31 December 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations and cash flows for the financial year 1 January 2018 - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend the annual report to be approved at the annual general meeting.

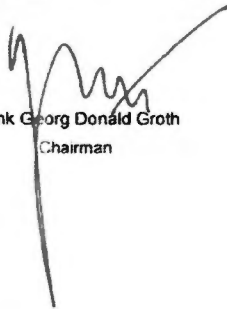
8 July 2019

Executive Board:



Marcus W. Kendrick Allen
CEO

Board of Directors:



Frank Georg Donald Groth
Chairman

John Stacey

Sandra Ehret Rowland

Independent Auditor's Report

To the Shareholders of Harman Professional Denmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Harman Professional Denmark APS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements. We did not identify any material misstatements in Management's Review. In connection with our reading, however, we have found that the Management's Review is missing a complete presentation of the Company's CSR report, which is contrary to the Danish Financial Statements Act.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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 about 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 the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

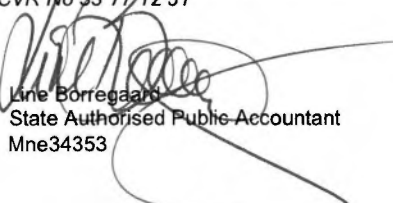
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Reporting obligations under section 7(2) of the Danish Executive Order on Approved Auditors' Reports

Non-compliance with the Danish accounting legislation

Contrary to section 12 of the Danish Bookkeeping Act, the Company keeps its accounting records abroad for which Management may incur liability.

Aalborg, 8 July 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31


Line Borregaard
State Authorised Public Accountant
Mne34353

Management's review

Company details

Name	Harman Professional Denmark ApS
Address, Postal code, City	Olof Palmes Allé 44, 8200 Aarhus N
CVR no.	11 80 57 44
Established	1 July 1987
Registered office	Aarhus
Financial year	1 January 2018 - 31 December 2018
Website	www.harman.com
E-mail	info@harman.dk
Telephone	+45 87 40 00 00
Board of Directors	Frank Georg Donald Groth, Chairman John Stacey Sandra Ehret Rowland
Executive Board	Marcus W. Kendrick Allen, CEO
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Skelagervej 1A DK-9000 Aalborg CVR No 33 77 12 31

Management's review

Financial highlights

DKK'000	2018 12 months	2016/17* 18 months	2015/16 12 months	2014/15 12 months	2013/14** 12 months
Key figures					
Revenue	1,037,350	1,716,416	1,302,493	1,095,759	876,597
Operating profit/loss	12,658	-59,579	109,753	196,181	102,175
Value adjustments of investments in group enterprises	2,266	-31,444	54,064	-14,159	40,854
Net financials	-72,040	16,319	-4,058	20	-3,114
Profit/loss before tax	-57,116	-76,801	138,249	182,042	139,915
Profit/loss for the year	-48,928	-70,518	121,269	135,189	115,938
Assets and liabilities					
Fixed assets	84,058	166,954	315,391	253,961	270,406
Non-fixed assets	387,385	362,820	798,809	952,107	531,707
Total assets	471,443	529,774	1,114,200	1,206,068	802,113
Equity	213,613	251,161	770,730	649,461	514,272
Provisions	14,082	14,731	26,159	26,231	21,901
Current liabilities other than provisions	243,748	263,881	317,311	530,376	265,940
Cash flows					
Cash flows from operating activities	-6,546	402,094	224,487	-247,035	196,321
Net cash flows from investing activities	10,267	58,316	-48,040	-57,402	-60,971
Investment in property, plant and equipment	-14,559	-32,535	-7,272	-15,757	-11,768
Cash flows from financing activities	11,380	-503,888	0	0	0
Financial ratios					
Operating margin	1.2%	-3.5%	8.4%	17.9%	11.7%
Solvency ratio	45.3%	47.4%	69.2%	53.8%	64.1%
Return on equity	-22.9%	-56.0%	17.1%	23.2%	25.4%
Average number of employees					
Average number of employees	155	228	272	341	380

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

*) The comparative figures for 2016/17 have been restated following the merger with Harman Consumer Division Nordic ApS. The key figures for the previous years remain unchanged.

***) The comparative figures have been restated following the merger with Martin Professional Scandinavia ApS

Management's review

Business review

Harman Professional Denmark's main activity consists of development, design, marketing and sales of intelligent lighting for the entertainment and experience industry.

Facts about Harman Professional Denmark

Harman Professional Denmark is based in Aarhus and is the world's largest and leading developer of computer-controlled power light. The Company also has significant business activity in video surveillance screens, controllers and smokers.

The company is part of the American Harman Group, and the ultimate group parent company Samsung Electronics Co. Ltd.

Harman Professional Denmark is the Harman Center of Competence in Dynamic Lighting Solutions, dedicated to the entertainment and entertainment industry across most of the globe.

Primary markets in North America, Europe and Asia.

Group overview



Harman Professional Denmark ApS has branches in Sweden and Norway

Management's review

Financial review

The financial reporting period comprises 1 January 2018 to 31 December 2018, corresponding to 12 months as opposed to the previous 18 month reporting period due to the change in reporting date following the acquisition of the Harman Group by Samsung on 11 March 2017.

As mentioned in the previous year's management report the business had undergone a large re-organisation in the past period which was completed in this period with the positive move of Harman Professional Denmark ApS into new offices from the Olof Palmes Alle 18 to Olof Palmes Alle 44. During the year there was the merger of the Consumer business into the company – this took place on 30th November 2018 and so will further improve revenues in the coming years. The company successfully completed a project to move to a new Group wide ERP system which went live in January 2019.

In 2018 the Company reported revenue of 1,013 DKK million (reporting period Jan to Dec) and 1,716 DKK million last year (financial reporting period 1 July 2016 - 31 December 2017, corresponding to 18 months).

The income statement for 2018 shows a loss of 48,9 DKK million against a loss of 70,5 DKK million last year and on the balance sheet at 31 December 2018 shows an equity of 213,6 DKK million and 251,1 DKK million last year. The 2018 loss is due mostly due to the alignment to the Samsung policy accounting policy for the capitalization of Research and development activities costs, which resulted in to an aggressive acceleration of the capitalization of the R&D costs for 47 DKK million.

Management considers the Company's financial performance in the year to be satisfactory compared to the expectation in the Annual report for 2016/17.

Significant change in operations and financial matters

Harman Professional Denmark ApS merged with Harman Consumer Division Nordic ApS as of 1 January 2018, with Harman Professional Denmark ApS as the continuing company.

Unusual conditions that effect recognition and measurement

There are no unusual factors that have affected recognition and measurement of the company's results and status.

External environment

As we are a development and trading company, we believe that we do not directly affect the external environment.

Special risks

Due to its operation and investment, the company is exposed to changes in exchange rates and general operating risks in the industry.

Research and development activities

Harman Professional Denmark wants to be the leader in the market with new innovative products and therefore invests significant amounts in research and development with the aim of maintaining its strong range of products and keeping a competitive advantage compared to other lighting manufacturers. In order to achieve this goal, the company requires a highly skilled workforce. Therefore, an agreement has been entered into at group level regarding development of products.

During the financial year 2018, the company has conducted research and development activities that focus on research on new product technologies as well as the development of new products and maintenance of existing products. Research and development activities mainly concern LED products as well as multimedia solutions.

A high level of activity in research and development is also expected in the future in order to maintain the brands position.

Management's review

Statutory CSR report

Harman Professional Denmark, as part of the Harman Group, have policies for social responsibility, including human rights and the impact on the climate of the company's activities and the environment. The company adopted the Harman Group's corporate social responsibility policies and on all the Harman Group companies must at least comply with the relevant laws and regulations in the countries where companies operate.

Account of the gender composition of Management

The Board of Directors consist of 3 non-employee elected members. The proportion of women on the board is currently 1 person corresponding to 33% which is consistent with the 2017 position. The number of female executives in Harman Professional was 1 for top management in the board of Directors and 1 for other manager corresponding to 2 women for Harman Professional Denmark ApS as of 31st December 2018.

Harman Professional Denmark and the Harman Group has developed a policy to ensure that the proportion of women at senior management is increased. When implanting the policy a framework has been established for the individual management's career development, mentoring and networking. The proportion of women in management is currently lower than hoped for due to the impact of the prior year's restructuring activity and we expect this to improve in the future.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

For 2019 the Company expects to report revenue of approx. 1.5 DKK billion and an increase in earnings in the EBIT level of 48 DKK million due to the end of one-off charges. The Samsung Group, if required, will provide the credit facilities required for the realisation of the budgeted activities.

Significant assumptions and uncertainties

There are no material conditions and uncertainties to affect the company's results and balance sheet.

Financial statements 1 January 2018 - 31 December 2018

Income statement		2018	2016/17*
		12 months	18 months
Note	DKK'000		
4	Revenue	1,037,350	1,716,416
18	Production costs	-622,441	-1,240,620
	Gross margin	414,909	475,796
18	Distribution costs	-310,148	-359,728
18	Administrative expenses	-92,103	-175,647
	Operating profit/loss	12,658	-59,579
5	Other operating expenses	0	-2,097
	Profit/loss before net financials	12,658	-61,676
	Income/loss from investments in group enterprises	2,266	-31,444
6	Financial income	3,256	41,644
7	Financial expenses	-75,296	-25,325
	Profit/loss before tax	-57,116	-76,801
8	Tax for the year	8,188	6,283
	Profit/loss for the year	-48,928	-70,518

*The comparative figures have been restated following the merger with Harman Consumer Division Nordic ApS

Financial statements 1 January 2018 - 31 December 2018

Balance sheet

Note	DKK'000	2018	2016/17*
	ASSETS		
	Fixed assets		
9	Intangible assets		
	Completed development projects	19,686	32,909
	Acquired licenses	2,349	4,975
	Other intangible assets	0	2,090
	Development projects in progress and prepayments for intangible assets	16,265	40,017
		<u>38,300</u>	<u>79,991</u>
10	Property, plant and equipment		
	Plant and machinery	9,243	8,954
	Fixtures and fittings, other plant and equipment	29,650	34,578
	Leasehold improvements	1,120	1,082
	Fixed assets under construction	0	8,039
		<u>40,013</u>	<u>52,653</u>
11	Investments		
	Investments in group enterprises	5,030	33,596
	Investments in associates	503	503
	Deposits	211	211
		<u>5,744</u>	<u>34,310</u>
	Total fixed assets	<u>84,057</u>	<u>166,954</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	150,211	217,756
		<u>150,211</u>	<u>217,756</u>
13	Receivables		
	Trade receivables	746	2,056
	Receivables from group enterprises	131,837	93,793
15	Deferred tax assets	11,059	7,472
	Other receivables	50,576	13,365
	Short-term income tax receivable	1,051	114
12	Prepayments	3,037	4,497
		<u>198,306</u>	<u>121,297</u>
	Cash	<u>38,868</u>	<u>23,767</u>
	Total non-fixed assets	<u>387,385</u>	<u>362,820</u>
	TOTAL ASSETS	<u>471,442</u>	<u>529,774</u>

*The comparative figures have been restated following the merger with Harman Consumer Division Nordic ApS

Financial statements 1 January 2018 - 31 December 2018

Balance sheet

Note	DKK'000	2018	2016/17*
	EQUITY AND LIABILITIES		
	Equity		
14	Share capital	260,000	260,000
14	Reserve for development cost	12,112	28,644
	Retained earnings	-58,499	-37,483
	Total equity	213,613	251,161
	Provisions		
16	Other provisions	14,082	14,731
	Total provisions	14,082	14,731
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	38,514	64,495
	Payables to group enterprises	156,124	141,890
17	Corporation tax payable	3,855	7,988
	Other payables	44,500	48,474
	Deferred income	754	1,035
		243,747	263,882
	Total liabilities other than provisions	243,747	263,882
	TOTAL EQUITY AND LIABILITIES	471,442	529,774

- 1 Accounting policies
- 2 Recognition and measurement uncertainties
- 3 Special items
- 19 Contractual obligations and contingencies, etc.
- 20 Collateral
- 21 Related parties
- 22 Fee to the auditors appointed by the Company in general meeting
- 23 Appropriation of profit/Loss

*The comparative figures have been restated following the merger with Harman Consumer Division Nordic ApS

Financial statements 1 January 2018 - 31 December 2018

Statement of changes in equity

	Share Capital	Reserve for development costs	Retained earnings	Total
DKK'000				
Adjusted 1. January 2018	260,000	0	-8,839	251,161
Regulation to 1. January 2018	0	28,644	-28,644	0
Regulated 1. January	260,000	28,644	-37,483	251,161
Development costs for the year	0	8,060	-8,060	0
Sale of development costs	0	-67	67	0
Amortisation for the year	0	-24,525	24,525	0
Grants	0	0	11,380	11,380
Net profit/loss for the year	0	0	-48,928	-48,928
Equity 31 December 2018	260,000	12,112	-58,449	213,613

Financial statements 1 January 2018 - 31 December 2018

Cash flow statement

Note	DKK'000	2018	2016/17*
		12 months	18 months
	Profit/loss for the year	-48,928	-70,518
24	Adjustments	133,098	107,811
	Cash generated from operations (operating activities)	84,170	37,293
25	Changes in working capital	-20,942	360,880
	Cash generated from operations (operating activities)	63,228	398,173
	Income from investment	2,266	
	Interest received, etc .	3,256	53,521
	Interest paid, etc.	-75,296	-37,203
	Income taxes paid	0	-12,397
	Cash flows from operating activities	-6,546	402,094
	Additions of intangible assets	-10,333	-55,745
	Disposals of intangible assets	85	0
	Additions of property, plant and equipment	-14,559	-32,535
	Disposals of property, plant and equipment	6,508	11,384
	Disposals of financial assets	28,566	135,212
	Cash flows to investing activities	10,267	58,316
	Dividends paid	0	-503,888
	Grants received	11,380	0
	Cash flows from financing activities	11,380	-503,888
	Net cash flow	15,101	-43,478
	Cash and cash equivalents at beginning of fiscal year	23,767	67,245
26	Cash and cash equivalents at 31 December	38,868	23,767

*The comparative figures have been restated following the merger with Harman Consumer Division Nordic ApS

Financial statements 1 January - 31 December 2018

Notes to the financial statements

1 Accounting policies

The annual report of Harman Professional Denmark ApS for 2018 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

In accordance with the exemption clause, Harman Professional Denmark ApS does not prepare any consolidated financial statements for sub groups. The consolidated financial statements of Samsung Electronics Co. Ltd. can be obtained at

https://images.samsung.com/is/content/samsung/p5/global/ir/docs/2018_con_quarter04_all.pdf

Harman Professional Denmark ApS is merged with Harman Consumer Division Nordic ApS as of 1 January 2018, with Harman Professional Denmark ApS as the continuing company. Please refer to the Business Combination, the aggregation method section. Comparative figures in the income statement, balance sheet and notes and financial highlights have been adjusted.

With effect from 1 January 2016, it is a requirement that a reserve for development costs under equity to be established. This Reserve was not included in the approved annual report for 2016/2017, which has a correction of the comparative figures of DKK 28,644 thousand between the Reserve for development costs and Retained earnings under equity. The correction of the comparative figures for 2016/2017 has no effect on the result for the period or the balance sheet total.

Otherwise, the accounting policies applied remain unchanged from last year.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates amounts that have previously been recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Reporting currency

The financial statements are presented in thousand Danish kroner (DKK'000).

Business Combination

Harman Professional Denmark ApS is effective as of 1st January 2018 merged with Harman Consumer Division Nordic ApS.

The aggregation method is issued when merging associated companies. When using the aggregation method, no action is taken to adjustment to fair values in the discounting company, as well as there is no goodwill being calculated. The assets and liabilities of the merged companies are added as a starting point for accounting values line by line, corrected by any difference in accounting policy. Internal balances have been eliminated.

The comparative figures have been adjusted. The adjustment of comparative figures for 2016/2017 has affected the income statement in Harman Professional Denmark ApS by DKK 1,684 thousand and the balance sheet by DKK 77,116 thousand.

Financial statements 1 January - 31 December 2018

Notes to the financial statements

1 Accounting policies (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the date of the statement of financial position and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as net financials.

Leases

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

Revenue

Revenue from the sale of finished goods and goods for resale is recognised in the income statement providing that transfer of risk to the buyer has taken place before year-end and that the income can be reliably measured and is expected to be received. Revenue is recognised exclusive of VAT and duties.

All discounts granted are recognised in revenue.

Production costs

Production costs comprise costs used to generate the revenue for the year. Such production costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases, and depreciation and impairment losses regarding production plant.

Production costs also comprise development costs that do not qualify for capitalization and impairment losses and amortisation in respect of capitalised development costs.

Distribution costs

Costs incurred in distributing goods sold during the year and in conducting sales campaigns, etc., during the year are recognised as distribution costs. Also, costs relating to sales staff, advertising, exhibitions as well as depreciation and impairment losses are recognised as distribution costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation and impairment losses.

Administrative expenses also include write-downs for bad debts.

Other operating income and expenses

Other operating income and expenses comprise items secondary to the principal activities of the enterprise, including gains and losses on disposal of intangible assets and property, plant and equipment. Gains and losses on disposal of intangible assets and property, plant and equipment are determined as the sales price less selling costs and the carrying amount at the selling date.

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation/depreciation and impairment

The item comprises amortization/depreciation and impairment of intangible assets and property, plant and equipment.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows :

Plant and machinery	3-20	years
Fixtures and fittings, other plant and equipment	3-5	years
Leasehold improvements	10	years
Software	5	years
Customer data base, etc	5	years
Development projects	2	years

Depreciation is calculated on the basis of the residual value and impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and the depreciation period is reassessed annually.

In case of changes in the depreciation period, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement under 'Production costs', 'Distribution costs' and 'Administrative expenses', respectively.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial income and charges in respect of finance leases, realised and unrealised gains, losses and impairments on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividend from investments in subsidiaries and associates is recognised in the income statement in the year of adoption.

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

1 Accounting policies (continued)

Tax

Samsung Electronics acts as administration company for the Harman Group's Danish activities and consequently settles all corporate income tax payments with the tax authorities.

The current Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Companies that use tax losses in other companies pay the joint tax contribution to the administrative company at an amount corresponding to the tax value of the tax losses used. Companies whose tax losses are used by other companies receive joint tax contributions from the administrative company corresponding to the tax value of the losses used (full absorption). The jointly taxed companies are taxed under the on-account tax scheme.

The tax expense for the year, which comprises the year's current tax charge, joint taxation contributions and changes in the deferred tax charge - including changes arising from changes in tax rate - is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Intangible assets

Other intangible assets:

Other intangible assets, including intangible assets acquired in business combinations, are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised on a straight-line basis over the expected useful lives.

However, intangible assets with an indefinite useful life are not amortised but are tested for impairment annually.

Development projects, patents and licenses etc. including software:

Recognised development costs are measured at cost less accumulated amortisation and impairment losses. Development costs comprise salaries, amortisation and other costs directly or indirectly attributable to the Company's development activities.

Development projects are clearly defined and identifiable. Each project is reviewed for the technical degree of utilisation, sufficient resources and a potential future market or development opportunities are demonstrated, only then are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings or the net selling price can cover production costs, distribution costs, administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

On completion of development work, development projects are amortised on a straight-line basis over the estimated useful life. The estimated useful life has changed from the usually 3-5 year as per prior year to 2 years to ensure a more accurate picture.

The changed estimate has resulted in a more cost of DKK24 million in 2018.

The amortization period is 2 years as per Samsung Policy. The basis of amortisation is calculated less any impairment.

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

1 Accounting policies (continued)

Property, plant and equipment

Leasehold improvements, plant and machinery and fixtures and fittings, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages. Where individual components of an item of property, plant and equipment have substantially different useful lives, they are accounted for as separate items, which are depreciated separately.

Interest incurred for the construction of a new asset is recognised as costs.

Subsequent costs, e.g. in connection with the exchange of components of an item of property, plant and equipment are recognised in the carrying amount of the asset in question. Components exchanged are derecognised in the balance sheet, and the carrying amount is transferred to the income statement. All other costs incurred for ordinary repairs and maintenance are recognised in profit or loss as incurred.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. In case of evidence of impairment, an impairment test is conducted. Investments are written down to the lower of the carrying amount and the recoverable amount.

Upon distribution of reserves other than retained earnings in subsidiaries, the distribution reduces the cost of the investments, when the distribution resembles repayment of the parent company's investment.

Impairment of fixed assets

Ongoing and completed development projects are tested for indications of impairment annually, initially before the end of the acquisition year.

The carrying amount of other fixed current assets is tested annually for indication of impairment. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit, respectively, exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement under production costs, distribution costs and administrative expenses, respectively. Impairment of investments in subsidiaries and associates is, however, recognised in a separate line item in the income statement.

Impairment losses recognised in respect of assets are reversed in so far as the assumptions and estimates underlying the impairment losses have changed. Impairment is only reversed to the extent that the asset's increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

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

Receivables

Receivables are measured at amortised cost. Write-down is made for expected bad debt losses according to an individual assessment.

Prepayments

Prepayments comprise prepaid costs concerning subsequent financial years and are measured at cost.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation.

On measurement of provisions, the costs required to settle the liability are discounted. Changes to the present value during the year are recognised as financial expenses.

Warranty commitments include expenses for remedial action in respect of the product within the warranty period of 2 years. Warranty provisions are recognised as the underlying goods are sold based on historical warranty costs experience.

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

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

Joint taxation contributions payable and receivable are recognised in the balance sheet.

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

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised under "Receivables" at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date, when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Amounts owed to credit institutions and group entities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement under net financials over the term of the loan.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received concerning income in subsequent years.

Cash flow statement

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

The cash flow effect of acquisitions and disposals of entities is shown separately in "Cash flows from investing activities".

Cash flows from operating activities:

Cash flows from operating activities are calculated according to the indirect method as profit/loss before tax adjusted for non-cash operating items, changes in working capital, interest received and paid, corporation tax paid and dividends from subsidiaries and associates classified as dividend from operating activities.

Cash flows from investing activities:

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of businesses and of intangible assets, property, plant and equipment and other non-current assets as well as capital injections and capital reductions and dividends in subsidiaries and associates.

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

1 Accounting policies (continued)

Cash flows from financing activities:

Cash flows from financing activities comprise payments to and from shareholders and costs relating to the raising of loans as well as repayment of interest bearing debt and changes in current liabilities to credit institutions.

Cash and cash equivalents:

Cash and cash equivalents comprise cash at bank and short-term bank loans.

Segment information

Information is given on geographical markets, which follows the Company's internal management control. The Company is deemed not to have any independent business segments.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

2 Recognition and measurement uncertainties

The calculation of the carrying amount of certain assets and liabilities requires assessments, estimates and assumptions concerning future events.

The estimates and assumptions made are among other things based on historical experience and other factors that Management finds reasonable in the circumstances but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events may arise. Furthermore, the Company is subject to risks and uncertainties which may result in the fact that actual results may differ from these estimates.

It may be necessary to change previously made estimates due to changes in the facts on which these estimates were based or due to new knowledge or subsequent events.

Estimates that are material to the financial reporting are among others made in connection with the statement of impairment losses, provisions and contingent liabilities and contingent assets.

Impairment tests of development projects:

Ongoing and completed development projects are tested for indications of impairment annually, initially before the end of the acquisition year. To the extent that the test shows indications of impairment, the asset is written down.

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

3 Special items

The profit for the year 2016/17 was affected by special items, which Management assessed not to relate to primary activities.

Special items for the year were specified below just as are the items under which they are recognised in the income statement.

DKK'000	2018 12 months	2016/17 18 months
Income		
Exchange gain related to loan	0	39,798
	<u>0</u>	<u>39,798</u>
Expenses		
Exchange loss related to loan	0	0
Provision regarding vacated premises	0	0
Restructuring regarding employees	0	-17,054
Investment in new sales and marketing functions	0	-120,000
Impairment development projects	0	-19,851
Impairment in subsidiaries	0	-28,986
Loss in connection with liquidation of subsidiary	0	-2,458
	<u>0</u>	<u>-188,349</u>
Special items are recognised in the below items of the financial statements		
Production costs	0	-19,851
Distribution costs	0	-137,054
Financial income	0	39,798
Income/loss from investment in group enterprises	0	-31,444
Net profit/loss on special items	<u>0</u>	<u>-148,551</u>

4 Segment information

DKK'000	2018 12 months	2016/17 18 months
Breakdown of revenue by geographical segment:		
Denmark	0	16,429
Europe, Other	622,098	699,970
Other	415,252	1,000,017
	<u>1,037,350</u>	<u>1,716,416</u>

All the revenues are driven by our Professional Business in Denmark for 1,034 Million DKK and 3,130 thousand DKK in Norway. The Harman Professional Denmark business products are LED lights, moving and fixture headlights, strobes and smoking machines

5 Other operating expenses

Other operating expenses for 2018 DKK 0 (2016/17; DKK 2,097 thousand) included losses on the sale of fixed assets.

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

6 DKK'000 Financial income	2018	2016/2017
Interest receivable, group entities	3,077	19,078
Exchange gain	0	22,561
Other financial income	179	5
	<u>3,256</u>	<u>41,644</u>

DKK'000 7 Financial expenses	2018	2016/2017
Bank interest	114	729
Interest expenses, group entities	8,688	24,113
Exchange losses	66,182	0
Other financial expenses	<u>312</u>	<u>483</u>
	<u>75,296</u>	<u>25,325</u>

During the year, borrowing costs have not been recognised in cost of assets.

8 Tax for the year		
Estimated tax charge for the year	-142	13,777
Deferred tax adjustments in the year	-3,587	-21,590
Tax adjustments, prior years	<u>-4,459</u>	<u>1,530</u>
	<u>-8,188</u>	<u>-6,283</u>
Specified as follows:		
Tax for the year	<u>-8,188</u>	<u>-6,283</u>
	<u>-8,188</u>	<u>-6,283</u>

Tax on the profit/loss for the year is explained as follows:

Computed 22 % tax on profit/loss before tax	-12,566	-16,896
The tax effect of:		
Income/loss from investments in group enterprises	499	7,614
Non-deductible costs and non-deductible taxable income	131	376
Interest limitation rule	9,513	0
Adjustments regarding previous years	-4,013	768
Other tax adjustments	<u>-1,752</u>	<u>1,855</u>
	<u>-8,188</u>	<u>-6,283</u>

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

9 Intangible assets

DKK'000	Completed	Acquired	Other	Development	Total
	development	licenses	intangible	projects in	
	projects		assets	progress and	
				prepayments	
				for	
				intangible	
				Assets	
Cost at 1 January 2018	225,589	13,634	17,868	42,624	299,715
Additions	0	0	0	10,333	10,333
Disposals	0	0	0	-85	-85
Transferred	36,607	0	0	-36,607	0
Cost at 31 December 2018	262,196	13,634	17,868	16,265	309,963
Impairment losses and amortisation at 1 January 2018	192,680	8,659	15,778	2,607	219,724
Amortisation for the year	47,223	2,626	2,090	0	51,939
Transferred	2,607	0	0	-2,607	0
Impairment losses and amortisation at 31 December 2018	242,510	11,285	17,868	0	271,663
Carrying amount at 31 December 2018	19,686	2,349	0	16,265	38,300

Amortised over 2 years 5 years 5 years

Development projects

Development projects comprise development of lightning products within the Harman brand. Investments are made in the development of physical products or product platforms based on a set of technologies.

A development project is initiated based on an assessment of the business potential described in a business case consisting of a description of the concept and an analysis describing market conditions (demand, price etc.). Having decided to go through with the project the Company uses a progress based model ensuring ongoing follow-up of the development projects.

Recognition and measurement in the financial statements

It is a prerequisite for capitalization that:

- an explicit sales evaluation exists describing whether the asset in itself or in a modified form may form the basis of repeated sales to one or more customers
- the technological challenges are described and that resource requirements of the development projects are described

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

9 Intangible assets (continued)

Development projects are valued at cost less accumulated amortization and write-downs, or recoverable amount if this is lower.

Capitalized development costs are amortised concurrently with the sale of the developed products and platforms or on a straight-line basis over the estimated useful life.

The amortization profile is determined based on a business case, and the amortization base comprises both existing and expected orders. An estimated useful life of usually no more than 2 years is attached to the amortization profile, adjusted to the investment amount. The amortization profile is revalued on an annual basis.

10 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, other	Leasehold improvements	Fixed assets under construction	Total
Cost at 1 January 2018	48,843	68,308	5,435	8,039	130,625
Additions	6,130	1,287	119	7,023	14,559
Disposals	-61	0	0	-6,447	-6,508
Transferred	8,615	0	0	-8,615	0
Cost at 31 December 2018	63,527	69,595	5,554	0	138,676
Impairment losses and depreciation at 1 January 2018	39,889	33,730	4,353	0	77,972
Depreciation	14,395	6,215	81	0	20,691
Depreciation and impairment of disposals	0	0	0	0	0
Impairment losses and depreciation at 31 December 2018	54,284	39,945	4,434	0	98,663
					0
Carrying amount at 31 December 2018	9,243	29,650	1,120	0	40,013
Depreciated over	3-20 years	3-5 years	10 years		

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

11 Investments

DKK'000	Investments in			Total
	group enterprises	Investments in associates	Deposits	
Cost at 1 January 2018	98,335	503	211	99,049
Additions	0	0	0	0
Disposals	-87,719	0	0	-87,719
Cost at 31 December 2018	10,616	503	211	11,330
Value adjustments at 1 January 2018	-64,739	0	0	-64,739
Value adjustments for the year	0	0	0	0
Reversal of prior year revaluations	0	0	0	0
Disposals	59,153	0	0	59,153
Value adjustments at 31 December 2018	-5,586	0	0	-5,586
Carrying amount at 31 December 2018	5,030	503	211	5,744

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries				
Martin Professional France S.A .	France	100.00%	21,613	1,807
Martin Professional Pte. Ltd.	Singapore	100.00%	25,161	254
Associates				
Martin Professional Japan Ltd.	Japan	40.00%	34,493	1,021

12 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including prepaid insurance DKK 881 thousand (2016/17 DKK 0 thousand), intercompany prepayments DKK 912 thousand (2016/17 DKK 540 thousand) and other prepaid expenses DKK 1,244 thousand (DKK 2,966 thousand).

13 Receivables

Out of the Company's trade receivables totaling DKK 746 thousand (2016/17 DKK 2,056 thousand) and other receivables totaling DKK 50,576 thousand (2016/17 DKK 13,365 thousand), no receivables fall due for payment after more than one year after the balance sheet date.

Financial statements 1 January - 31 December 2018

Notes to the financial statements

14 Share capital DKK'000

	<u>2018</u>	<u>2016/2017</u>
Analysis of the share capital: 13,000,000 shares of DKK 20.00 nominal value each	260,000	260,000
	<u>260,000</u>	<u>260,000</u>

No shares carry special rights.

Analysis of changes in the share capital over the past 5 years:

DKK'000	<u>2018</u>	<u>2016/17</u>	<u>2015/16</u>	<u>2014/15</u>	<u>2013/14</u>
Share capital	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>
Total	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>

15 Deferred tax

DKK'000	<u>2018</u>	<u>2016/2017</u>
Deferred tax at 1 July	-7,472	14,118
Adjustment regarding previous years	0	0
Deferred tax for the year recognised in profit for the year	-3,587	-21,590
Deferred tax at 31 December	<u>-11,059</u>	<u>-7,472</u>

Deferred tax relates to:

Intangible assets	7,095	15,174
Property, plant and equipment	-8,785	-7,493
Investments	0	-1,336
Inventories	-6,119	-6,652
Other	462	-2,641
Tax loss	-3,712	-4,524
	<u>-11,059</u>	<u>-7,472</u>

Analysis of the deferred tax

Deferred tax assets	-11,059	-7,472
Deferred tax liabilities	0	0
	<u>-11,059</u>	<u>-7,472</u>

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

16 Other provisions

Provisions include warranty provisions. As to certain products, the Company is under a contractual obligation to provide 1-2 years of warranty and thereby the Company is under an obligation to replace or repair the products that do not function satisfactorily.

The statement of expected maturity dates is based on past experience with repairs and returned goods.

Provisions also include estimated costs for pending litigations. In 2018, the Company has not incurred any costs following these cases exceeding the provisions made.

DKK'000	2018	2016/17
17 Corporation tax payable		
Corporation tax payable at 1 July	7,988	6,875
Tax for the year	0	11,599
Tax adjustment regarding previous years	-4,133	0
Income taxes paid	0	-10,486
Corporation tax payable at 31 December	3,855	7,988
18 Staff costs and incentive programs		
Wages/salaries	102,201	251,339
Pensions	13,011	18,459
Other social security costs	12,093	-40,131
	127,305	229,667
Average number of full-time employees	155	228

Remuneration to the Board of Directors is DKK 1,3 million (2016/17: DKK 2,3 million). The Salary cost to the Board of Directors also included salaries for professions in other group companies. The salary cost are borne by the group.

Incentive programs

The Executive Board and the functional manager are eligible for Samsung cash settled LTIP. Incentives are provided on the basis that certain performance goals are fulfilled.

Pursuant to section 98b (3,2) of the Danish Financial Statements Act, no detailed information is provided on incentive plans.

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

19 Contractual obligations and contingencies, etc.

Other contingent liabilities

Recourse guarantees for loans with credit institutions and mortgage credit institutions totaled DKK 0 thousand at 31 December 2018 (31 December 2017: DKK 0 thousand). The Company guarantees Harman's cash pool scheme.

The Company has a duty of reinstatement in connection with the vacation of the lease before 1 January 2019. Liabilities at 31 December totaled DKK 116 thousand (31 December 2017: DKK 757 thousand).

In one case, the Company has issued a letter of support comprising unlimited financial support for the operations of the Company's subsidiaries.

Credit institutions have provided payment guarantees totaling DKK 0 thousand (2016/17: DKK 558 thousand) vis-a-vis the Company's suppliers.

The Company is jointly taxed with Samsung Electronics, filial at Samsung Electronics Nordic AB, Sverige, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2017 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 11 March 2017. Before the Company was administrative company for the joint taxation including Harman Consumer Division Nordic A/S. The Company is jointly and severally liable for taxes and withholding taxes falling due for payment before 11 March 2017.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2018	2016/17
Rent and lease liabilities	14,615	12,879

Rent and lease liabilities comprise lease liabilities totaling DKK 13,393 thousand (2016/17 DKK 10,387 thousand) for non-terminable leases.

Furthermore, the liability includes operating leases for vehicles totaling DKK 1,222 thousand (2016/17 DKK 2,439 thousand)

20 Collateral

The company collateral included mortgages on fixed assets, operating equipment and goodwill for debt to credit institutions. Debit to credit institutions amount to DKK 0 on 31st December 2018 (2016/17: DKK 0).

Financial statements 1 January 2018 - 31 December 2018

Notes to the financial statements

21 Related parties

Harman Professional Denmark ApS related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
AKG Acoustics GmbH	Austria	Participating interest
Harman International Industries Inc.	USA	Participating interest
Samsung Electronics Co. Ltd.	Korea	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Samsung Electronics Co. Ltd.	Korea	https://images.samsung.com/is/content/samsung/p5/global/ir/docs/2018_con_quarter04_all.pdf
Harman International Industries Inc.	USA	

Related party transactions

The Company has no transactions that are not carried out at arms length basis according with section 98 C (7) of the Danish Financial Statements.

22 Fee to the auditors appointed by the Company in general meeting

DKK'000	2018	2016/17
Total fees to PWC (PWC/EY 2016/17)	644	1,801
Statutory audit	595	675
Assurance engagements	0	14
Tax assistance	0	409
Other assistance	69	703
	644	1,801

23 Appropriation of profit/loss

Recommended appropriation of profit/loss

Extraordinary dividend distributed in the year	0	503,888
Retained earnings/accumulated loss	-48,928	-574,406
	-48,928	-70,518

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Notes to the financial statements

	2018	2016/17
DKK'000	12 months	12 months
24 Adjustments		
Amortisation/depreciation and impairment losses	72,630	99,145
Provisions	-649	2,690
Income from investments in group entities	-2,266	31,444
Financial income	-3,256	-53,522
Financial expenses	75,296	37,203
Tax for the year	-8,188	-6,283
Other adjustments	-469	-2,866
	<u>133,098</u>	<u>107,811</u>
25 Changes in working capital		
Change in inventories	67,545	-43,025
Change in receivables	-72,485	489,114
Change in trade and other payables	-16,002	-85,209
	<u>-20,942</u>	<u>360,880</u>
26 Cash and cash equivalents at year-end		
Cash according to the balance sheet	38,868	23,767
	<u>38,868</u>	<u>23,767</u>