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HLC Holding A/S

Slotsalléen 3
DK-2930 Klampenborg
Central Business Registration
No 17268309

Annual report 2017

The Annual General Meeting adopted the annual report on 23.05.2018

Chairman of the General Meeting

Name: Kjeld Kornum

Contents

Entity details

Entity
HLC Holding A/S
Slotsalléen 3
DK-2930 Klampenborg

Central Business Registration No: 17268309
Registered in: Gentofte
Financial year: 01.01.2017 - 31.12.2017

Board of Directors
Hans Erik Lautrup
Jonas Paaschburg Lautrup
Joachim Lautrup

Executive Board
Hans Erik Lautrup, Chief Executive Officer

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of HLC Holding A/S for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the consolidated financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2017 and of the results of their operations and cash flows for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Klampenborg, 23.05.2018

Executive Board

Hans Erik Lautrup
Chief Executive Officer

Board of Directors

Hans Erik Lautrup | Jonas Paaschburg Lautrup | Joachim Lautrup

Independent auditor's report

To the shareholder of HLC Holding A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of HLC Holding A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2017, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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

Independent auditor's report

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 consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity'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 consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent auditor's report

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 23.05.2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Claus Jorch Andersen
State Authorised Public Accountant
Identification number (MNE) mne33712

Management commentary

	2017 DKK'000	2016 DKK'000	2015 DKK'000	2014 DKK'000	2013 DKK'000
Financial highlights					
Key figures					
Gross profit	1.459	1.821	10.425	4.057	4.447
Operating profit/loss	1.145	1.479	9.623	2.829	3.232
Net financials	(832)	(82)	4.557	(2.346)	(1.479)
Profit/loss for the year	271	1.347	13.244	1.985	1.452
Total assets	32.089	32.985	41.771	72.772	85.446
Investments in property, plant and equipment	0	0	0	215	0
Equity incl minority interests	19.562	19.291	17.944	4.288	3.256
Cash flows from (used in) operating activities	(9.584)	(1.034)	10.025	12.723	(8.671)
Cash flows from (used in) investing activities	0	0	54.614	1.085	5.396
Cash flows from (used in) financing activities	489	1.456	(53.465)	(2.392)	(1.597)
Ratios					
Return on equity (%)	1,4	7,2	119,1	52,6	44,6
Equity ratio (%)	61,0	58,5	43,0	5,9	3,8
Return on capital employed (%)	3,6	4,5	23,0	3,8	3,8

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	**Calculation formula**	**Ratios**
Return on equity (%)	Profit/loss for the year x 100 / Average equity incl minority interests	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	Equity incl minority interests x 100 / Total assets	The financial strength of the entity.
Return on capital employed (%)	Operating profit/loss x 100 / Balance sheet total	The Entity's ability to generate profits, compared to how much money is invested in total assets.

Management commentary

Primary activities

The purpose of the Company is to generate income from return on investments and securities.

Development in activities and finances

Profit for the year amounts to DKK 271 thousand, which is not in accordance with Management's expectations.

Outlook

In 2018, Management expects to realise an earnings improvement due to expected improvements in earnings in the Company's group enterprises.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2017

	Notes	2017 DKK	2016 DKK'000
Gross profit		**1.459.143**	**1.821**
Depreciation, amortisation and impairment losses	1	(313.946)	(342)
Operating profit/loss		**1.145.197**	**1.479**
Other financial income	2	252.057	241
Other financial expenses	3	(1.084.253)	(323)
Profit/loss before tax		**313.001**	**1.397**
Tax on profit/loss for the year	4	(42.501)	(50)
Profit/loss for the year		**270.500**	**1.347**
Proposed distribution of profit/loss			
Retained earnings		270.500	1.347
		270.500	**1.347**

Consolidated balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK'000
Acquired rights		787.500	1.050
Intangible assets	5	**787.500**	**1.050**
Other fixtures and fittings, tools and equipment		41.906	93
Property, plant and equipment	6	**41.906**	**93**
Fixed assets		**829.406**	**1.143**
Manufactured goods and goods for resale		17.993.956	13.827
Inventories		**17.993.956**	**13.827**
Trade receivables		9.535.710	6.177
Receivables from group enterprises		142.520	158
Other receivables		0	75
Receivables		**9.678.230**	**6.410**
Other investments		1.584.548	1.898
Other investments		**1.584.548**	**1.898**
Cash		**2.002.763**	**9.707**
Current assets		**31.259.497**	**31.842**
Assets		**32.088.903**	**32.985**

Consolidated balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK'000
Contributed capital		500.000	500
Retained earnings		19.061.576	18.791
Equity		**19.561.576**	**19.291**
Deferred tax		58.000	87
Provisions		**58.000**	**87**
Bank loans		1.076.639	0
Trade payables		7.185.570	9.521
Payables to group enterprises		473.074	0
Income tax payable		75.699	182
Other payables		3.658.345	3.904
Current liabilities other than provisions		**12.469.327**	**13.607**
Liabilities other than provisions		**12.469.327**	**13.607**
Equity and liabilities		**32.088.903**	**32.985**
Contingent liabilities	8		
Mortgages and securities	9		

Consolidated statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	18.791.076	19.291.076
Profit/loss for the year	0	270.500	270.500
Equity end of year	**500.000**	**19.061.576**	**19.561.576**

Consolidated cash flow statement for 2017

	Notes	2017 DKK	2016 DKK'000
Operating profit/loss		1.145.197	1.479
Amortisation, depreciation and impairment losses		313.946	342
Working capital changes	7	(10.039.066)	(2.893)
Cash flow from ordinary operating activities		**(8.579.923)**	**(1.072)**
Financial income received		252.057	242
Financial income paid		(1.084.253)	(323)
Income taxes refunded/(paid)		(171.469)	119
Cash flows from operating activities		**(9.583.588)**	**(1.034)**
Incurrence of debt to group enterprises		489.015	1.456
Cash flows from financing activities		**489.015**	**1.456**
Increase/decrease in cash and cash equivalents		**(9.094.573)**	**422**
Cash and cash equivalents beginning of year		11.605.245	11.183
Cash and cash equivalents end of year		**2.510.672**	**11.605**
Cash and cash equivalents at year-end are composed of:			
Cash		2.002.763	9.707
Securities		1.584.548	1.898
Short-term debt to banks		(1.076.639)	0
Cash and cash equivalents end of year		**2.510.672**	**11.605**

Notes to consolidated financial statements

	2017 DKK	2016 DKK'000
1. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	262.500	263
Depreciation of property, plant and equipment	51.446	79
	313.946	**342**

	2017 DKK	2016 DKK'000
2. Other financial income		
Financial income arising from group enterprises	218.368	109
Fair value adjustments	0	58
Other financial income	33.689	74
	252.057	**241**

	2017 DKK	2016 DKK'000
3. Other financial expenses		
Financial expenses from group enterprises	218.227	65
Fair value adjustments	293.840	0
Other financial expenses	572.186	258
	1.084.253	**323**

	2017 DKK	2016 DKK'000
4. Tax on profit/loss for the year		
Tax on current year taxable income	81.764	261
Change in deferred tax for the year	(29.000)	16
Adjustment concerning previous years	(10.263)	(227)
	42.501	**50**

	Acquired rights DKK
5. Intangible assets	
Cost beginning of year	2.625.000
Cost end of year	**2.625.000**
Amortisation and impairment losses beginning of year	(1.575.000)
Amortisation for the year	(262.500)
Amortisation and impairment losses end of year	**(1.837.500)**
Carrying amount end of year	**787.500**

Notes to consolidated financial statements

	Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment	
Cost beginning of year	310.067
Cost end of year	**310.067**
Depreciation and impairment losses beginning of the year	(216.715)
Depreciation for the year	(51.446)
Depreciation and impairment losses end of the year	**(268.161)**
Carrying amount end of year	**41.906**

	2017 DKK	2016 DKK'000
7. Change in working capital		
Increase/decrease in inventories	(4.167.034)	(742)
Increase/decrease in receivables	(3.289.509)	6.391
Increase/decrease in trade payables etc	(2.582.523)	(8.542)
	(10.039.066)	**(2.893)**

8. Contingent liabilities

The Group participates in a Danish joint taxation arrangement with other Danish consolidated companies. According to the joint taxation provisions of the Danish Corporation Tax Act, the Group is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

9. Mortgages and securities

The Group has pledged a company charge of DKK 10 million to unsecured claims, inventories, operating equipment, fixtures and fittings as security for bank debt and bank guarantees submitted. The book value of the company charge was DKK 28 million on the balance sheet date.

Parent income statement for 2017

	Notes	2017 DKK	2016 DKK'000
Gross loss		**(200.898)**	**(230)**
Income from investments in group enterprises		576.172	1.541
Other financial income	1	211.771	163
Other financial expenses	2	(402.760)	(191)
Profit/loss before tax		**184.285**	**1.283**
Tax on profit/loss for the year	3	86.215	64
Profit/loss for the year		**270.500**	**1.347**
Proposed distribution of profit/loss			
Transferred to reserve for net revaluation according to the equity method		(423.828)	(1.459)
Retained earnings		694.328	2.806
		270.500	**1.347**

Parent balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK'000
Investments in group enterprises		16.382.346	16.807
Fixed asset investments	4	**16.382.346**	**16.807**
Fixed assets		**16.382.346**	**16.807**
Receivables from group enterprises		3.649.770	2.494
Income tax receivable		92.280	148
Receivables		**3.742.050**	**2.642**
Other investments		1.499.540	1.793
Other investments		**1.499.540**	**1.793**
Cash		**65.602**	**44**
Current assets		**5.307.192**	**4.479**
Assets		**21.689.538**	**21.286**

Parent balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK'000
Contributed capital	5	500.000	500
Reserve for net revaluation according to the equity method		9.075.702	9.500
Retained earnings		9.985.874	9.291
Equity		**19.561.576**	**19.291**
Trade payables		253.430	222
Payables to group enterprises		1.874.532	1.773
Current liabilities other than provisions		**2.127.962**	**1.995**
Liabilities other than provisions		**2.127.962**	**1.995**
Equity and liabilities		**21.689.538**	**21.286**
Contingent liabilities	6		
Mortgages and securities	7		
Related parties with controlling interest	8		

Parent statement of changes in equity for 2017

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	9.499.530	9.291.546	19.291.076
Profit/loss for the year	0	(423.828)	694.328	270.500
Equity end of year	**500.000**	**9.075.702**	**9.985.874**	**19.561.576**

Notes to parent financial statements

	2017 DKK	2016 DKK'000
1. Other financial income		
Financial income arising from group enterprises	183.242	108
Fair value adjustments	0	55
Other financial income	28.529	0
	211.771	**163**

	2017 DKK	2016 DKK'000
2. Other financial expenses		
Financial expenses from group enterprises	108.649	191
Interest expenses	271	0
Fair value adjustments	293.840	0
	402.760	**191**

	2017 DKK	2016 DKK'000
3. Tax on profit/loss for the year		
Tax on current year taxable income	0	(69)
Change in deferred tax for the year	0	5
Refund in joint taxation arrangement	(86.215)	0
	(86.215)	**(64)**

	Investments in group enterprises DKK
4. Fixed asset investments	
Cost beginning of year	7.306.644
Cost end of year	**7.306.644**
Revaluations beginning of year	9.499.530
Share of profit/loss for the year	576.172
Dividend	(1.000.000)
Revaluations end of year	**9.075.702**
Carrying amount end of year	**16.382.346**

Notes to parent financial statements

	Registered in	Corporate form	Equity interest %
Investments in associates comprise:			
HLC-Lautrup Scandinavian Chemicals A/S	Copenhagen	A/S	100,0
Via Stresa ApS	Copenhagen	ApS	100,0

	Number	Par value DKK	Nominal value DKK
5. Contributed capital			
Ordinary shares	500	1000	500.000
	500		**500.000**

6. Contingent liabilities

The Company participates in a Danish joint taxation arrangement with other Danish consolidated companies. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

7. Mortgages and securities

The Entity has guaranteed the subsidiary HLC-Lautrup Scandinavian Chemicals A/S' bank balance. There is no maximum limit of the guarantee.

8. Related parties with controlling interest

Related parties with a controlling interest regarding the HLC Holding A/S Group:

- Lautrup Swiss SA, Rue de Hesse 12, 1204 Geneva, Switzerland.

Other related parties with whom the HLC Holding A/S Group has had transactions in 2017:

- Enterprises in which Lautrup Swiss SA has controlling interest as well as the Company's Executive Board and Board of Directors.

Transactions between related parties and the HLC Holding A/S Group in 2017:

- The Group has balances with enterprises in which Lautrup Swiss SA has controlling interest. Balances carry interest equal to the market rate.

Transactions with related parties have been carried out at arm's length.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for this consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Accounting policies

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Profits or losses from divestment of equity investments
Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement
Gross profit or loss
Gross profit or loss comprises revenue, cost of sales and external expenses.

Revenue
Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Cost of sales
Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Depreciation, amortisation and impairment losses
Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet
Intellectual property rights etc
Intellectual property rights etc comprise acquired intellectual property rights.

Acquired intellectual property rights are measured at cost less accumulated amortisation. The amortisation period for rights exceeds five years, as the rights are amortised over their remaining duration which normally represents 10 years.

Accounting policies

Acquired intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Land and buildings, as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10-50 years
Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories
Inventories are measured at the lower of cost using weighted average prices and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Accounting policies

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Other investments
Securities recognised under current assets comprise unlisted bonds and investments measured at fair value (market price) at the balance sheet date.

Cash
Cash comprises cash in hand and bank deposits.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognised based on a specific assessment of the purpose of the individual subsidiary.

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

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

Income tax receivable or payable
Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Accounting policies

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank debt.