

# Danitech A/S

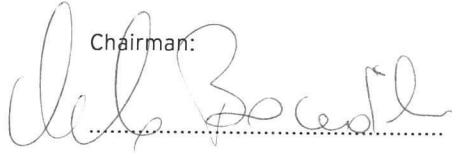
Bredholm 4, 6100 Haderslev

CVR no. 25 25 03 03

## Annual report 2017

Approved at the Company's annual general meeting on 2018-04-23

Chairman:

  
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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 Danitech A/S for the financial year 1 January - 31 December 2017.

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 2017 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2017.

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 that the annual report be approved at the annual general meeting.

Haderslev, 6 April 2018  
Executive Board:

  
Arne Iversen

Board of Directors:

  
Carlo Bondioli  
Chairman  
Arne Iversen  
Mads Haase Iversen  
Rasmus Haase Iversen

## Independent auditor's report

To the shareholders of Danitech A/S

### Opinion

We have audited the financial statements of Danitech A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are 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 2017 and of the results of the Company's operations as well as the cash flows for the financial year 1 January - 31 December 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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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 rules and requirements.

### 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 as to 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 the 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 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.

### Independent auditor's report

- ▶ 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 note 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.

#### Statement on the Management's review

Management is responsible for the Management's review.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Haderslev, 6 April 2018

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Lars Mortensen

State Authorised Public Accountant

MNE no.: mne32743



## Management's review

### Company details

Name	Danitech A/S
Address, Postal code, City	Bredholm 4, 6100 Haderslev
CVR no.	25 25 03 03
Established	22 February 2000
Registered office	Haderslev
Financial year	1 January - 31 December
Website	<a href="http://www.danitech.com">www.danitech.com</a>
E-mail	<a href="mailto:infodk@danitech.com">infodk@danitech.com</a>
Telephone	+45 76 34 23 00
Telefax	+45 76 34 23 01
Board of Directors	Carlo Bondioli, Chairman Arne Iversen Mads Haase Iversen Rasmus Haase Iversen
Executive Board	Arne Iversen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Norgesvej 24 B, 6100 Haderslev, Denmark

## Management's review

### Financial highlights

DKKt	2017	2016	2015	2014	2013
<b>Key figures</b>					
Gross margin	54,357	50,061	49,491	46,251	51,301
Operating profit/loss	22,303	20,596	20,261	17,755	24,628
Net financials	-199	-55	333	-261	-1,240
<b>Profit/loss for the year</b>	<b>17,227</b>	<b>16,025</b>	<b>15,740</b>	<b>13,262</b>	<b>17,647</b>
<b>Balance sheet</b>					
Total assets	132,493	127,302	126,961	121,290	126,585
Investment in property, plant and equipment	-706	-775	-145	-1,889	-2,884
<b>Equity</b>	<b>96,565</b>	<b>95,338</b>	<b>93,312</b>	<b>89,573</b>	<b>91,311</b>
<b>Financial ratios</b>					
Return on assets	17.2%	16.2%	16.3%	14.3%	19.4%
Solvency ratio	72.9%	74.9%	73.5%	73.9%	72.1%
Return on equity	18.0%	17.0%	17.2%	14.7%	19.3%
<b>Operational metrics</b>					
Average number of employees	57	54	53	53	49

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.

## Management's review

### Business review

The Company's activity comprises sale of technical components for agricultural and industrial purposes.

### Financial review

The income statement for 2017 shows a profit of DKK 17,227,061 against a profit of DKK 16,025,109 last year, and the balance sheet at 31 December 2017 shows equity of DKK 96,564,619.

Expectations to 2017 were that the market would finally develop positively and that a demand-driven growth would materialise. Slowly, the market was picking up, and in the second half of 2017, dates of delivery changed dramatically more or less from all our primary suppliers, the reason being a sudden lack of raw materials. This has caused insecurity on the part of the customers, which results in hoarding, and thereby an actual risk of building up an inventory bubble as sales are higher than the customers' revenue growth.

Therefore, we consider the profit for the year satisfactory.

### Knowledge resources

The staff's thorough knowledge of product properties and product application and prices is of crucial importance to the Company's position in the market and to future earnings.

### Special risks

The Company is not exposed to any particular business or financial risks other than those which are normal within the line of business.

### Impact on the external environment

Only the heating of the Company's premises and the transportation of goods, etc have an impact on the external environment.

### Foreign branches

Dani-tech A/S has a sales branch in Sweden.

### Events after the balance sheet date

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

### Outlook

The trend continues in 2018, and thereby the supply situation has become more difficult. A growth of 3-4% is expected for 2018 plus price increases of 3-5% globally due to the lack of raw materials followed by an immense price pressure.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2017	2016
	Gross margin	54,357,194	50,060,666
2	Staff costs	-30,194,130	-27,785,201
	Amortisation/depreciation and impairment of property, plant and equipment	-1,860,283	-1,679,901
	<b>Profit before net financials</b>	<b>22,302,781</b>	<b>20,595,564</b>
	Financial income	709,893	670,316
	Financial expenses	-908,417	-725,041
	<b>Profit before tax</b>	<b>22,104,257</b>	<b>20,540,839</b>
3	Tax for the year	-4,877,196	-4,515,730
	<b>Profit for the year</b>	<b>17,227,061</b>	<b>16,025,109</b>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2017	2016
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
4	<b>Property, plant and equipment</b>		
	Land and buildings	38,085,149	38,921,234
	Other fixtures and fittings, tools and equipment	1,357,811	1,675,784
		<u>39,442,960</u>	<u>40,597,018</u>
5	<b>Investments</b>		
	Other securities and investments	300,000	300,000
	Other receivables	5,543,750	0
		<u>5,843,750</u>	<u>300,000</u>
	<b>Total fixed assets</b>	<u>45,286,710</u>	<u>40,897,018</u>
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	42,114,511	35,464,869
		<u>42,114,511</u>	<u>35,464,869</u>
	<b>Receivables</b>		
	Trade receivables	24,211,463	21,710,094
	Income taxes receivable	450,503	321,232
	Other receivables	179,118	338,863
6	<b>Prepayments</b>	587,668	578,708
		<u>25,428,752</u>	<u>22,948,897</u>
	<b>Securities and investments</b>	<u>108,150</u>	<u>91,920</u>
	<b>Cash</b>	<u>19,554,184</u>	<u>27,899,561</u>
	<b>Total non-fixed assets</b>	<u>87,205,597</u>	<u>86,405,247</u>
	<b>TOTAL ASSETS</b>	<u><u>132,492,307</u></u>	<u><u>127,302,265</u></u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2017	2016
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
7	Share capital	5,000,000	5,000,000
	Retained earnings	90,064,619	74,337,558
	Dividend proposed for the year	1,500,000	16,000,000
	<b>Total equity</b>	<u>96,564,619</u>	<u>95,337,558</u>
	<b>Provisions</b>		
9	Deferred tax	1,412,100	1,264,400
	<b>Total provisions</b>	<u>1,412,100</u>	<u>1,264,400</u>
	<b>Liabilities other than provisions</b>		
8	<b>Non-current liabilities other than provisions</b>		
	Mortgage debt	10,405,174	11,500,459
		<u>10,405,174</u>	<u>11,500,459</u>
	<b>Current liabilities other than provisions</b>		
8	Current portion of long-term liabilities	1,095,284	1,095,284
	Bank debt	76,727	103,850
	Trade payables	15,509,101	10,718,330
	Other payables	7,429,302	7,282,384
		<u>24,110,414</u>	<u>19,199,848</u>
	<b>Total liabilities other than provisions</b>	<u>34,515,588</u>	<u>30,700,307</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>132,492,307</u></u>	<u><u>127,302,265</u></u>

- 1 Accounting policies
- 10 Contractual obligations and contingencies, etc.
- 11 Collateral

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2017	5,000,000	74,337,558	16,000,000	95,337,558
12 Transfer, see "Appropriation of profit"	0	15,727,061	1,500,000	17,227,061
Dividend distributed	0	0	-16,000,000	-16,000,000
<b>Equity at 31 December 2017</b>	<b>5,000,000</b>	<b>90,064,619</b>	<b>1,500,000</b>	<b>96,564,619</b>

## Financial statements 1 January - 31 December

### Cash flow statement

Note	DKK	2017	2016
	Profit for the year	17,227,061	16,025,109
13	Adjustments	7,244,000	6,250,356
	Cash generated from operations (operating activities)	24,471,061	22,275,465
14	Changes in working capital	-11,006,288	-3,417,660
	Cash generated from operations (operating activities)	13,464,773	18,857,805
	Interest received, etc.	623,480	670,316
	Interest paid, etc.	-822,004	-725,041
	Income taxes paid	-4,858,764	-4,372,495
	<b>Cash flows from operating activities</b>	<b>8,407,485</b>	<b>14,430,585</b>
	Additions of property, plant and equipment	-706,227	-774,517
	Purchase of financial assets	0	-300,000
	<b>Cash flows to investing activities</b>	<b>-706,227</b>	<b>-1,074,517</b>
	Dividends paid	-16,000,000	-14,000,000
	Repayments, long-term liabilities	-1,095,285	-1,095,285
	<b>Cash flows from financing activities</b>	<b>-17,095,285</b>	<b>-15,095,285</b>
	<b>Net cash flow</b>	<b>-9,394,027</b>	<b>-1,739,217</b>
	Cash and cash equivalents at 1 January	27,887,631	29,626,848
15	<b>Cash and cash equivalents at 31 December</b>	<b>18,493,604</b>	<b>27,887,631</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Danitech A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

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

#### 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### *Foreign group entities*

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at closing rates. Non monetary items are translated at the exchange rate at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date. However, items derived from non monetary items are translated at historical exchange rates for the non monetary item.

#### Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

### Income statement

#### Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

#### Gross margin

The items revenue, change in inventories of finished goods, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

##### External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	25-50 years
Other fixtures and fittings, tools and equipment	5 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Other securities and investments

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

##### Impairment of fixed assets

Property, plant and equipment are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there are indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

##### 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. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

##### Cash

Cash and cash equivalents comprise cash.

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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. Deferred tax assets are recognised 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

##### Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

#### 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:

Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
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 - 31 December

### Notes to the financial statements

DKK	2017	2016
<b>2 Staff costs</b>		
Wages/salaries	25,572,516	23,636,951
Pensions	1,901,593	1,802,557
Other social security costs	353,475	349,006
Other staff costs	2,366,546	1,996,687
	<u>30,194,130</u>	<u>27,785,201</u>
Average number of full-time employees	<u>57</u>	<u>54</u>

By reference to section 98b(3)(ii) of the Danish Financial Statements Act, remuneration to management is not disclosed.

DKK	2017	2016
<b>3 Tax for the year</b>		
Estimated tax charge for the year	4,729,496	4,369,330
Deferred tax adjustments in the year	147,700	146,400
	<u>4,877,196</u>	<u>4,515,730</u>

#### 4 Property, plant and equipment

DKK	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2017	47,084,430	13,670,430	60,754,860
Additions in the year	179,981	526,246	706,227
Cost at 31 December 2017	<u>47,264,411</u>	<u>14,196,676</u>	<u>61,461,087</u>
Impairment losses and depreciation at 1 January 2017	8,163,196	11,994,646	20,157,842
Amortisation/depreciation in the year	1,016,066	844,219	1,860,285
Impairment losses and depreciation at 31 December 2017	<u>9,179,262</u>	<u>12,838,865</u>	<u>22,018,127</u>
Carrying amount at 31 December 2017	<u>38,085,149</u>	<u>1,357,811</u>	<u>39,442,960</u>

#### 5 Investments

DKK	Other securities and investments	Other receivables	Total
Cost at 1 January 2017	300,000	0	300,000
Additions in the year	0	5,543,750	5,543,750
Cost at 31 December 2017	<u>300,000</u>	<u>5,543,750</u>	<u>5,843,750</u>
Carrying amount at 31 December 2017	<u>300,000</u>	<u>5,543,750</u>	<u>5,843,750</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 6 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including software licenses, insurance policies and other prepayments.

DKK	2017	2016
<b>7 Share capital</b>		
Analysis of the share capital:		
5,000 shares of DKK 1,000.00 nominal value each	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>

The Company's share capital has remained DKK 5,000,000 over the past 5 years.

#### 8 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2017	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	11,500,458	1,095,284	10,405,174	6,024,033
	<u>11,500,458</u>	<u>1,095,284</u>	<u>10,405,174</u>	<u>6,024,033</u>

#### 9 Deferred tax

Deferred tax is incumbent on property, plant and equipment, inventories, current asset investments, borrowing costs and prepayments.

#### 10 Contractual obligations and contingencies, etc.

##### Other financial obligations

Other rent and lease liabilities:

DKK	2017	2016
Rent and lease liabilities	176,740	310,600
	<u>176,740</u>	<u>310,600</u>

#### 11 Collateral

Land and buildings with a carrying amount of DKK 33.353713 at 31 December 2017 have been provided as collateral for loans with mortgage credit institutions of DKK 11.500.458.



## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2017	2016
<b>12 Appropriation of profit</b>		
Recommended appropriation of profit		
Proposed dividend recognised under equity	1,500,000	16,000,000
Retained earnings	15,727,061	25,109
	<u>17,227,061</u>	<u>16,025,109</u>
<b>13 Adjustments</b>		
Amortisation/depreciation and impairment losses	1,860,283	1,679,901
Financial income	-623,480	-670,316
Financial expenses	822,004	725,041
Tax for the year	5,037,493	4,369,330
Deferred tax	147,700	146,400
	<u>7,244,000</u>	<u>6,250,356</u>
<b>14 Changes in working capital</b>		
Change in inventories	-6,649,642	586,924
Change in receivables	-7,799,209	-3,271,959
Change in trade and other payables	3,442,563	-732,625
	<u>-11,006,288</u>	<u>-3,417,660</u>
<b>15 Cash and cash equivalents at year-end</b>		
Cash according to the balance sheet	19,554,184	27,899,561
Short-term debt to banks	-76,727	-103,850
Securities included as cash and cash equivalents	108,150	91,920
	<u>19,585,607</u>	<u>27,887,631</u>