

# MULTI • CHECK

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## Multicheck A/S

Egeskovvej 3, 8700 Horsens

CVR no. 25 65 60 67

Annual report 2018

Approved at the Company's annual general meeting on *19. marts 2019*

Chairman:

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The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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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 Multicheck A/S for the financial year 1 January - 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 for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Horsens, 18 March 2019  
Executive Board:



Lars Kramer Antitsch

Board of Directors:



Theo Düppre  
Chairman



Lars Kramer Antitsch



Werner Schmitz

## Independent auditor's report

To the shareholders of Multicheck A/S

### Opinion

We have audited the financial statements of Multicheck A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity 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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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.

Horsens, 18 March 2019  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Frank Therkildsen  
State Authorised Public Accountant  
mne32224

## Management's review

### Company details

<b>Name</b>	Multicheck A/S
<b>Address, Postal code, City</b>	Egeskovvej 3, 8700 Horsens
<b>CVR no.</b>	25 65 60 67
<b>Established</b>	5 October 2000
<b>Registered office</b>	Horsens
<b>Financial year</b>	1 January - 31 December
<b>Website</b>	<a href="http://www.multicheck.dk">www.multicheck.dk</a>
<b>Telephone</b>	+45 75 60 22 22
<b>Board of Directors</b>	Theo Düppre, Chairman Lars Kramer Antitsch Werner Schmitz
<b>Executive Board</b>	Lars Kramer Antitsch
<b>Auditors</b>	Ernst & Young Godkendt Revisionspartnerselskab Holmboes Allé 12, 8700 Horsens, Denmark

## Management's review

### Business review

As in previous years, the principal activities of the Company comprised the sale and servicing of machines for quality control, including X-rays, metal detectors, weights/check weighers and vision systems. The Company operates in domestic as well as foreign markets, however, primarily focussing on Denmark, Sweden and Norway.

### Financial review

The income statement for 2018 shows a profit of DKK 6,294,934 against a profit of DKK 3,488,216 last year, and the balance sheet at 31 December 2018 shows equity of DKK 26,916,009.

### Events after the balance sheet date

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

### Outlook

Activities in the 2019 financial year are expected to be in line with 2018.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	<u>2018</u>	<u>2017</u>
	Gross margin	19,228,177	16,892,096
2	Staff costs	-11,051,930	-10,455,300
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	<u>-787,844</u>	<u>-886,558</u>
	Profit before net financials	7,388,403	5,550,238
	Income from investments in group entities	577,120	-813,282
	Financial income	69,021	49,953
	Financial expenses	<u>-104,327</u>	<u>-69,768</u>
	Profit before tax	7,930,217	4,717,141
3	Tax for the year	<u>-1,635,283</u>	<u>-1,228,925</u>
	Profit for the year	<u>6,294,934</u>	<u>3,488,216</u>
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	2,000,000	2,000,000
	Net revaluation reserve according to the equity method	109,744	161,027
	Retained earnings	<u>4,185,190</u>	<u>1,327,189</u>
		<u>6,294,934</u>	<u>3,488,216</u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2018	2017
	<b>ASSETS</b>		
	Fixed assets		
4	Intangible assets		
	Goodwill	0	0
		<u>0</u>	<u>0</u>
5	Property, plant and equipment		
	Land and buildings	8,758,100	9,121,148
	Other fixtures and fittings, tools and equipment	658,343	1,195,812
		<u>9,416,443</u>	<u>10,316,960</u>
6	Investments		
	Investments in group entities	3,524,703	3,057,327
		<u>3,524,703</u>	<u>3,057,327</u>
	Total fixed assets	<u>12,941,146</u>	<u>13,374,287</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	6,565,655	5,576,910
	Prepayments for goods	107,454	0
		<u>6,673,109</u>	<u>5,576,910</u>
	Receivables		
	Trade receivables	10,675,406	15,290,513
	Receivables from group entities	2,708,116	1,261,169
	Other receivables	247,310	114,169
	Prepayments	318,343	248,717
		<u>13,949,175</u>	<u>16,914,568</u>
	Cash	10,562,899	5,107,822
	Total non-fixed assets	<u>31,185,183</u>	<u>27,599,300</u>
	<b>TOTAL ASSETS</b>	<u>44,126,329</u>	<u>40,973,587</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	Share capital	834,000	834,000
	Share premium account	6,166,000	6,166,000
	Net revaluation reserve according to the equity method	0	0
	Retained earnings	17,916,009	13,730,819
	Dividend proposed for the year	2,000,000	2,000,000
	<b>Total equity</b>	<b>26,916,009</b>	<b>22,730,819</b>
	Provisions		
	Deferred tax	88,246	231,386
	<b>Total provisions</b>	<b>88,246</b>	<b>231,386</b>
	Liabilities other than provisions		
7	Non-current liabilities other than provisions		
	Mortgage debt	4,528,742	4,825,912
		<b>4,528,742</b>	<b>4,825,912</b>
	Current liabilities other than provisions		
7	Current portion of long-term liabilities	298,000	296,000
	Prepayments received from customers	2,765,985	830,864
	Trade payables	2,955,193	4,986,727
	Payables to group entities	339,091	0
	Income taxes payable	1,778,423	1,279,549
	Other payables	4,456,640	5,792,330
		<b>12,593,332</b>	<b>13,185,470</b>
	<b>Total liabilities other than provisions</b>	<b>17,122,074</b>	<b>18,011,382</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>44,126,329</b>	<b>40,973,587</b>

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral
- 10 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Share premium account	Net revaluation reserve according to the equity method	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2017	834,000	6,166,000	0	12,403,630	0	19,403,630
Transfer through appropriation of profit	0	0	161,027	1,327,189	2,000,000	3,488,216
Exchange adjustment	0	0	-161,027	0	0	-161,027
Equity at 1 January 2018	834,000	6,166,000	0	13,730,819	2,000,000	22,730,819
Transfer through appropriation of profit	0	0	109,744	4,185,180	2,000,000	6,294,934
Exchange adjustment	0	0	-109,744	0	0	-109,744
Dividend distributed	0	0	0	0	-2,000,000	-2,000,000
Equity at 31 December 2018	834,000	6,166,000	0	17,915,009	2,000,000	26,915,009

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Multicheck A/S has been presented in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities.

The accounting policies applied by the Company 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.

#### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of 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

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

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.

Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

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, cost of sales, 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.

#### Other 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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 and impairment

The item comprises depreciation and impairment of property, plant and equipment.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Buildings	25 years
Other fixtures and fittings, tools and equipment	3-5 years

Land is not depreciated.

##### Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

##### 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.

The Company and its Danish group entities are jointly taxed. The Danish income tax charge is allocated between profit making and loss making Danish entities in proportion to their taxable income.

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments.

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

##### 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.

##### Investments in subsidiaries

On initial recognition, investments in subsidiaries are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Subsidiaries with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the entity's deficit. Net revaluations of investments in subsidiaries are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Gains or losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### 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.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct labour and direct production overheads. Indirect production overheads and borrowing costs are not included in the cost.

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.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### 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)

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Equity

###### *Reserve for net revaluation according to the equity method*

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

###### *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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	<u>2018</u>	<u>2017</u>	
<b>2 Staff costs</b>			
Wages/salaries	9,933,553	9,261,026	
Pensions	659,543	622,889	
Other social security costs	118,914	169,429	
Other staff costs	339,920	401,956	
	<u>11,051,930</u>	<u>10,455,300</u>	
 Average number of full-time employees	 <u>18</u>	 <u>17</u>	
 <b>3 Tax for the year</b>			
Estimated tax charge for the year	1,778,423	1,279,549	
Deferred tax adjustments in the year	-143,140	-50,624	
	<u>1,635,283</u>	<u>1,228,925</u>	
 <b>4 Intangible assets</b>			
DKK		<u>Goodwill</u>	
Cost at 1 January 2018		266,860	
Additions in the year		0	
Disposals in the year		0	
Cost at 31 December 2018		<u>266,860</u>	
Impairment losses and amortisation at 1 January 2018		266,860	
Amortisation in the year		0	
Impairment losses and amortisation at 31 December 2018		<u>266,860</u>	
Carrying amount at 31 December 2018		<u>0</u>	
 <b>5 Property, plant and equipment</b>			
DKK	<u>Land and buildings</u>	<u>Other fixtures and fittings, tools and equipment</u>	<u>Total</u>
Cost at 1 January 2018	10,573,340	2,871,409	13,444,749
Additions in the year	0	31,000	31,000
Disposals in the year	0	-785,810	-785,810
Cost at 31 December 2018	<u>10,573,340</u>	<u>2,116,599</u>	<u>12,689,939</u>
Impairment losses and depreciation at 1 January 2018	1,452,192	1,675,597	3,127,789
Depreciation in the year	363,048	424,796	787,844
Reversal of depreciation and impairment of disposals	0	-642,137	-642,137
Impairment losses and depreciation at 31 December 2018	<u>1,815,240</u>	<u>1,458,256</u>	<u>3,273,496</u>
Carrying amount at 31 December 2018	<u>8,758,100</u>	<u>658,343</u>	<u>9,416,443</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 6 Investments

DKK	Investments in group entities
Cost at 1 January 2018	6,620,459
Additions in the year	0
Disposals in the year	0
Cost at 31 December 2018	<u>6,620,459</u>
Value adjustments at 1 January 2018	-3,563,132
Exchange adjustment	-109,744
Share of the profit/loss for the year	723,120
Amortisation of goodwill	-146,000
Value adjustments at 31 December 2018	<u>-3,095,756</u>
Carrying amount at 31 December 2018	<u>3,524,703</u>

Name	Domicile	Interest
<b>Subsidiaries</b>		
Multicheck AB	Sweden	100.00%
Multicheck AS	Norway	100.00%

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

Of long-term liabilities, DKK 3,337 thousand falls due for payment after more than five years after the balance sheet date.

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

##### Contingent liabilities

The Company has provided a guarantee for the subsidiary's bank loan.

##### Other contingent liabilities

The Company is jointly taxed with its parent, Macchiato A/S, which acts as management company, and together with other jointly taxed companies, the Company has joint and several liability for the payment of income taxes for the income year 2013 and onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

##### Other financial obligations

Lease liabilities comprise obligations regarding operating car lease in the amount of DKK 969 thousand. The remaining contract term is 8-46 months.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 9 Collateral

The Company has provided a company charge at a nominal amount of DKK 2,000 thousand as collateral for amounts owed to a credit institution. The company charge comprises the below assets with the following carrying amounts at the balance sheet date:

Inventories,	DKK 6,566 thousand
Trade receivables,	DKK 10,675 thousand

The Company has provided collateral for mortgage debt secured on properties.

The Company has pledged its deposit of securities at a value of DKK 0 as collateral for amounts owed to credit institution.

#### 10 Related parties

Multicheck A/S' related parties comprise the following:

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Macchiato ApS	Egeskovvej 3, 8700 Horsens	Participating interest

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Macchiato ApS	Egeskovvej 3, 8700 Horsens, Denmark
OCS Wipotec GmbH	Kaiserslautern, Germany