KLIFO Holding A/S

Smedeland 36, 2600 Glostrup

CVR no. 31 15 30 77

Annual report 2018

Approved at the Company's annual general meeting on 26 March 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.

Contents

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 KLIFO Holding 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.

Glostrup, 26 March 2019
Executive Board:

Alejandra Mørk

Board of Directors:

Mette Kristine Agger Chairman	Karin Absalonsen	Alejandra Mørk

Independent auditor's report

To the shareholders of KLIFO Holding A/S

Opinion

We have audited the financial statements of KLIFO Holding 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.

Copenhagen, 26 March 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Christian Schwenn Johansen State Authorised Public Accountant mne33234	Allan Nørgaard State Authorised Public Accountant mne35501

Management's review

Company details

Name	KLIFO Holding A/S
Address, Postal code, City	Smedeland 36, 2600 Glostrup
CVR no.	31 15 30 77
Established	14 December 2007
Registered office	Albertslund
Financial year	1 January - 31 December
Board of Directors	Mette Kristine Agger, Chairman Karin Absalonsen Alejandra Mørk
Executive Board	Alejandra Mørk
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

The primary activity of the company is to own shares in other companies.

Financial review

The income statement for 2018 shows a profit of DKK 6,543,008 against a profit of DKK 6,442,989 last year, and the balance sheet at 31 December 2018 shows equity of DKK 26,814,819. Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

Through its subsidiary, KLIFO A/S, the German entity medicomp GmbH has been acquired. The acquisition does not affect the financial statement of 2018.

Financial statements 1 January - 31 December

Income statement

Note		2018 DKK	2017 DKK'000
	Gross margin	-11,572	-20
	Income from investments in group enterprises	6,556,977	6,463
2	Financial expenses	-6,337	-6
	Profit before tax	6,539,068	6,437
3	Tax for the year	3,940	6
	Profit for the year	6,543,008	6,443

Recommended appropriation of profit		
Proposed dividend recognised under equity	3,700,000	3,700
Retained earnings	2,843,008	2,743
	6,543,008	6,443

Financial statements 1 January - 31 December

Balance sheet

Note		2018 DKK	2017 DKK'000
	ASSETS		
	Fixed assets		
4	Investments		
	Investments in group enterprises	26,847,969	23,991
		26,847,969	23,991
	Total fixed assets	26,847,969	23,991
	Non-fixed assets		
	Cash	138,825	141
	Total non-fixed assets	138,825	141
	TOTAL ASSETS	26,986,794	24,132
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	10,000,000	10,000
	Retained earnings	13,114,819	10,272
	Dividend proposed	3,700,000	3,700
	Total equity	26,814,819	23,972
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	12,500	6
	Payables to group enterprises	159,475	154
		171,975	160
	Total liabilities other than provisions	171,975	160
	TOTAL EQUITY AND LIABILITIES	26,986,794	24,132

1 Accounting policies
5 Contractual obligations and contingencies, etc.
6 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2018	10,000,000	10,271,811	3,700,000	23,971,811
Transfer through appropriation of profit	0	2,843,008	3,700,000	6,543,008
Dividend distributed	0	0	-3,700,000	-3,700,000
Equity at 31 December 2018	10,000,000	13,114,819	3,700,000	26,814,819

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of KLIFO Holding A/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration etc.

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 expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest 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 total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

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.

Balance sheet

Investments in subsidiaries

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Goodwill recognised when acquiring the subsidiary is amortised over a usefull life of 20 years as the investment is a strategic investment in a company with a strong market position and strong long term potential.

Investments in subsidiaries measured according to the equity method is impairment tested if indications of impairment is present.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Financial statements 1 January - 31 December

Notes to the financial statements

		2018 DKK	2017 DKK'000
2	Financial expenses		
	Interest expenses, group entities	6,337	6
		6,337	6
3	Tax for the year		
	Estimated tax charge for the year	-3,940	-6
		-3,940	-6

4 Investments

DKK	Investments in group enterprises
Cost at 1 January 2018	36,197,278
Cost at 31 December 2018	36,197,278
Value adjustments at 1 January 2018	-12,206,286
Dividend received	-3,700,000
Profit/loss for the year	7,440,071
Goodwill depreciation	-883,094
Value adjustments at 31 December 2018	-9,349,309
Carrying amount at 31 December 2018	26,847,969

The carrying amount of group entities comprises a share of the entities' net asset value, goodwill at a carrying amount of DKK 7,950 thousand.

Name	Domicile	Interest	Equity DKK
Subsidiaries			
KLIFO A/S	Albertslund	100.00%	0

5 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its subsidiary KLIFO A/S and with its parent company, Mørk Holding 2007 ApS, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes for income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

6 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2018.