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**Alliance Capital K/S  
Stamholmen 153  
2650 Hvidovre - Copenhagen**

**THE ANNUAL REPORT  
The year 2016**

**CVR-no.: 31 34 85 44**

Approved at the General Meeting, the / 2018

Lothar Schneider  
Chairman



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## COMPANY INFORMATION

**Company number:** 31 34 85 44

**Executive board:** Lothar Siegfried Schneider  
Mikhail Glukhov

**Audit** Kvist Revision  
Registered Public Accountant,  
Member of the Danish Association of  
State Authorized Public Accountants – Danish auditors FSR  
CPH Business Park  
Stamholmen 153  
DK 2650 Hvidovre - Copenhagen S  
  
CVR-no.: 38818724

## MANAGEMENT'S STATEMENT

The Annual Report has been prepared in conformity with the Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 31. december 2017 and of its financial performance for the period 1. januar - 31. december 2017.

In my opinion the Management commentary includes a fair review of the matters described.

Copenhagen, / 2018

Lothar Siegfried Schneider



Mikhail Glukhov



## INDEPENDENT AUDITOR'S REPORT

### To the shareholders in Alliance Capital K/S

#### Auditor's report on the financial statements

##### Qualified conclusion

We have audited the Financial Statements of Alliance Capital K/S for the period 1. januar - 31. december 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Financial Statements Act.

In our opinion, except for the possible effect of the matters described in the Basis for qualified opinion paragraph, 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 operations flows for the period 1. januar - 31. december 2017 in accordance with the Financial Statements Act.

##### Basis for qualified conclusion

Our responsibility is to audit and express an opinion on the financial statements in accordance with International Standards on Auditing and relevant legal and regulatory requirements in Denmark. However, because of the matter described in the Basis for disclaimer of opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on the financial statements. We are independent of the company as set out in the IESBA Code of Ethics for Professional Accountants and relevant legal and regulatory requirements in Denmark, and we have complied with other ethical requirements under those rules and regulations.

##### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of financial statements in conformity with the Danish Financial Statements Act. Management is also responsible for the internal control that it deems necessary for 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 responsible for auditing the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

## 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 company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### **Statement on Management commentary**

Management is responsible for Management's Review

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Financial Statements Act.

Except for this matter and based on the procedures performed, it is our opinion that the management commentary is consistent with the financial statements and has been prepared in accordance with the criteria laid down in the Financial Statements Act.

### **Emphasis of matter relating to presentation of financial statements, bookkeeping and filing of accounting records**

There have been no significant payments from trade debtors and since the majority of trade debtors are more than 1 year old, an impairment loss should be made.  
We make reservations for the value of trade debtors.

There have been no significant payments from trade creditors and since the majority of trade debtors are more than 1 year old, an impairment loss should be made.  
We make reservations for the value of trade creditors.

There have been no movements on work in progress compared to 2016 and we have not made a physical check of the work in progress.  
We make reservations for the valuation and presence.

It is therefore necessary to make reservations for the annual report 2017.

# INDEPENDENT AUDITOR'S REPORT

Copenhagen, / 2018

Carsten Kvist Jensen  
Registered Public Accountant  
Member of FSR – Danish Auditors  
Auditors ID: MNE 5614  
CVR-nr. 38 81 87 24

## MANAGEMENT COMMENTARY

### **Main activities of the company**

As in previous years, the main activities of the Company are trading and services.

### **Development in the activities and the financial situation of the company**

The Company has continued its operations. No significant one-off events occurred in the financial year that need to be included in the management commentary.

The performance and results for the year are considered satisfactory.

No events have occurred after the reporting date that may materially affect the financial position of the company.

### **Expected development, including special assumptions and uncertain factors**

No major changes are expected in future earnings.



## ACCOUNTING POLICIES

### GENERAL INFORMATION

The financial statements of Alliance Capital K/S for the financial year 2017 have been prepared in conformity with the provisions of the Financial Statements Act on class B enterprises.

The accounting policies applied in the financial statements are consistent with those of the previous year. The reporting currency is Danish kroner.

#### Recognition and measurement in general

The financial statements have been prepared under the historical cost convention.

Income is recognised in the income statement when earned. Value adjustments of financial assets and liabilities measured at fair value or amortised cost are also recognised in the income statement. Costs incurred to generate the earnings for the year are also recognised in the income statement, including amortisation, depreciation, impairment losses and provisions as well as reversals resulting from changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future financial benefits will flow to the Company and it is possible to obtain a reliable measurement of the individual assets.

Liabilities are recognised in the balance sheet when it is probable that future financial benefits will flow from the Company and it is possible to obtain a reliable measurement of the individual liabilities.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item.

Certain financial assets and liabilities are measured at amortised cost, whereby a constant effective interest rate is recognised over the life of the individual asset or liability. Amortised cost is determined as original cost less any repayments and with the addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

Anticipated losses and risks arising before the presentation of the financial statements and confirming or disconfirming facts and circumstances known at the reporting date are taken into consideration at recognition and measurement.

The functional currency used is Danish kroner. All other currencies are considered foreign currencies.

#### Foreign currency translation

Foreign currency transactions are translated at the exchange rates ruling at the transaction dates. Gains and losses arising from movements between the exchange rates at the date of the individual transaction and the date of payment are recognised in the income statement as financial income or financial expenses.

### INCOME STATEMENT

#### General information

Certain income and expenses have been aggregated in the item designated 'Gross profit' with reference to section 32 of the Financial Statements Act.

#### Gross profit

Gross profit is a combination of the items of 'Revenue', 'Change in inventories of finished goods, work in progress and goods for resale', 'Other operating income', 'Cost of raw materials and consumables' and 'Other external costs'.

## ACCOUNTING POLICIES

### **Administrative expenses**

Administrative expenses include expenses for Management and administrative staff, office expenses, amortisation and depreciation, etc.

### **Other operating income**

Other operating income includes items relating to activities secondary to the main activity of the enterprise.

### **Cost of raw materials and consumables**

Cost of raw materials and consumables includes the cost of goods purchased less discounts and changes in inventories for the year.

### **Other external expenses**

Other external expenses include costs for sales, advertising, administration, premises, bad debts, rental expenses under operating leases, etc.

### **Staff costs**

Staff costs include wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement from the Government.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement based on the amounts which relate to the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses on securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme. Dividends from other equity investments are recognised as income in the financial year in which the dividends are declared.

## **BALANCE SHEET**

### **Property, plant and equipment**

Property, plant and equipment is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued. Land is not depreciated.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

## ACCOUNTING POLICIES

The cost of a composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

	<u>User time</u>	<u>Residual value</u>
Properties	10 year	0 %

### **Receivables**

Receivables are measured at amortised cost, which normally corresponds to the nominal value. The value is reduced by an allowance for expected impairment losses.

Impairment of accounts receivable past due is established on individual assessment of receivables.

### **Work in progress**

Work in progress is measured at the lower of cost and the net realisable value.

Work in progress is recognised in the balance sheet under receivables or payables depending on the net value of cost less invoicing on account.

### **Payables**

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between proceeds and nominal value is recognised in the income statement over the life of the financial instrument(s).

Other payables, comprising trade payables and amounts owed to Group enterprises and associates and other accounts payable, are measured at amortised cost, which normally corresponds to the nominal value.

INCOME STATEMENT  
1. JANUAR - 31. DECEMBER 2017

	2017 DKK	2016 TDKK
<b>GROSS PROFIT .....</b>	<b>63.430.548</b>	<b>20.976</b>
Staff costs.....	-1.302.037	-3.378
Amortisation, depreciation and impairment losses - intangible assets and property, plant and equipment .....	-6.784.705	-7.705
Other operating costs .....	-649.431	0
	<hr/>	<hr/>
<b>OPERATING PROFIT OR LOSS.....</b>	<b>54.694.375</b>	<b>9.893</b>
Other financial income.....	2.795	517
Other financial expenses.....	-517.063	-365
	<hr/>	<hr/>
<b>PROFIT OR LOSS BEFORE EXTRAORDINARY ITEMS .....</b>	<b>54.180.107</b>	<b>10.045</b>
Extraordinary items .....	0	-5.783
	<hr/>	<hr/>
<b>PROFIT OR LOSS BEFORE TAX.....</b>	<b>54.180.107</b>	<b>4.262</b>
	<hr/>	<hr/>
<b>PROFIT OR LOSS FOR THE YEAR .....</b>	<b>54.180.107</b>	<b>4.262</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>PROPOSED DISTRIBUTION OF NET PROFIT</b>		
Retained earnings .....	54.180.107	4.262
	<hr/>	<hr/>
<b>SETTLEMENT OF DISTRIBUTION TOTAL.....</b>	<b>54.180.107</b>	<b>4.262</b>
	<hr/> <hr/>	<hr/> <hr/>

## BALANCE SHEET AT 31. DECEMBER 2017

## ASSETS

	2017 DKK	2016 TDKK
1 Other plant, fixtures and operating equipment .....	42.853.804	56.370
<b>Property, plant and equipment</b> .....	<b>42.853.804</b>	<b>56.370</b>
Other investments .....	11.592.283	10.797
<b>Investments</b> .....	<b>11.592.283</b>	<b>10.797</b>
<b>NON-CURRENT ASSETS</b> .....	<b>54.446.087</b>	<b>67.167</b>
Work in process stock .....	48.332.122	72.975
<b>Inventories</b> .....	<b>48.332.122</b>	<b>72.975</b>
Trade receivables .....	124.737.570	103.141
<b>Receivables</b> .....	<b>124.737.570</b>	<b>103.141</b>
<b>Cash</b> .....	<b>30.192.148</b>	<b>12.967</b>
<b>CURRENT ASSETS</b> .....	<b>203.261.840</b>	<b>189.083</b>
<b>ASSETS</b> .....	<b>257.707.927</b>	<b>256.250</b>

BALANCE SHEET AT 31. DECEMBER 2017  
EQUITY AND LIABILITIES

	2017 DKK	2016 TDKK
Contributed capital .....	3.945.672	4.481
Retained earnings .....	79.358.698	28.577
<b>2 EQUITY .....</b>	<b>83.304.370</b>	<b>33.058</b>
Credit institutions.....	48.280.343	74.465
<b>Long-term payables .....</b>	<b>48.280.343</b>	<b>74.465</b>
Trade creditors .....	126.123.214	148.727
<b>Short-term payables.....</b>	<b>126.123.214</b>	<b>148.727</b>
<b>PAYABLES .....</b>	<b>174.403.557</b>	<b>223.192</b>
<b>EQUITY AND LIABILITIES.....</b>	<b>257.707.927</b>	<b>256.250</b>

## NOTES

	Other plant, fixtures and operating equipment
<b>1 Property, plant and equipment</b>	
Cost at beginning of period .....	77.047.740
Additions during the year .....	0
Disposals during the year .....	-6.731.443
	70.316.297
Amortisation, depreciation and impairment losses at beginning of period.....	-20.677.788
Depreciation and impairment losses arising on assets disposed of .....	0
Amortisation, depreciation and impairment losses for the year .....	-6.784.705
	-27.462.493
<b>Book value 31. december 2017 .....</b>	<b>42.853.804</b>

	Opening balance	Change in accounting policies	Proposed distribution of net profit	Closing balance
<b>2 Equity</b>				
Contributed capital.....	4.480.742	-535.070	0	3.945.672
Retained earnings .....	28.576.389	-3.397.798	54.180.107	79.358.698
	<b>33.057.131</b>	<b>-3.932.868</b>	<b>54.180.107</b>	<b>83.304.370</b>
	<b>33.057.131</b>	<b>-3.932.868</b>	<b>54.180.107</b>	<b>83.304.370</b>