LaboGene ApS

Industrivej 6, 3540 Lynge

CVR no. 32 25 91 54

Annual report 2016

Approved at the annual general meeting of shareholders on 29 May 2017

Chairman:

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Building a better working world

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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 LaboGene ApS for the financial year 1 January - 31 December 2016.

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 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

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.

Lynge, 29 May 2017
Executive Board:

Stig Lumbye
CEO

Board of Directors:

Niels Boel Sørensen Chairman	Susanne Lervad	Jan Sørensen

Independent auditor's report

To the shareholders of LaboGene ApS

Opinion

We have audited the financial statements of LaboGene ApS for the financial year 1 January - 31 December 2016, which comprise an 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 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the 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 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 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 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- 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 conclusion is 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 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 our procedures, 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, 29 May 2017
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter Gath	Kennet Hartmann
State Authorised Public Accountant	State Authorised Public Accountant

Management's review

Company details

Name	LaboGene ApS
Address, Postal code, City	Industrivej 6, 3540 Lynge
CVR no.	32 25 91 54
Established	4 June 2009
Financial year	1 January - 31 December
Telephone	+45 39 40 25 66
Board of Directors	Niels Boel Sørensen, Chairman Susanne Lervad Jan Sørensen
Executive Board	Stig Lumbye, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Management commentary

Business review

During the year, the principal activities of LaboGene ApS consisted of manufacturing, marketing and selling basic laboratory equipment for hospitals, the pharmaceutical industry, research institutions and other pharmaceutical companies working with animals, chemicals, microbiology, cytostatics, genetic products, etc.

The Company's products are marketed and sold all over the world, and the export share amounts to approx. 76%. The products are sold to the end users in the respective markets through a network of distributors.

The products are marketed and sold under the trademarks: ScanLaf (Laminar flow equipment), ScanVac (freeze drying equipment), ScanSpeed (centrifuges) and ScanCool (Ultra low temperature freezers).

Recognition and measurement uncertainties

No special circumstances have affected recognition and measurement.

In recognising and measuring assets and liabilities, any predictable losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account. In the opinion of Management, no material uncertainties related to the recognition and measurement of assets and liabilities have therefore not been considered.

Financial review

The results realised by LaboGene ApS are less satisfactory but significantly better than in 2015.

In previous years, extensive turnaround measures were initiated in the Company with special focus on streamlining procurement, inventory management, logistics and production.

The implementation of the projects and initiatives continued in 2016 and will continue further in 2017.

In order to be competitive on the world market for laboratory equipment, in 2016 LaboGene ApS invested a further substantial amount in developing new products, some of which will be launched in 2017 and 2018. An amount of approximately DKK 1.7 million has been capitalised in the account for 2016.

As described in note 2 to the financial statements, the Company has received a commitment of financing from the Parent Company, ScanLaf Holding A/S.

The total liquidity in LaboGene ApS has developed as expected.

Events after the balance sheet date

As a consequence of the continued and planned expansion and international development of the business, by the end of 2016, the Company sold its former domicile in Lynge. The Management of the Company has entered a new lease agreement in 2017. Our new premises are more modern and provide us with better production facilities, which give an improved production flow.

No further significant events have occurred after the balance sheet date.

Management expects that, in 2017, the financing and equity base will be sufficient for LaboGene ApS to meet its liabilities for a period of at least 12 months after the balance sheet date due to commitment for financing from the Parent Company, ScanLaf Holding A/S.

Management's review

Management commentary

Outlook

Management expects that, in 2017, the Company will further improve its earnings and results and that the Company will realize a small profit.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2016	2015
	Revenue	55,998,685	51,094,737
	Cost of sales	-31,382,709	-28,203,253
	Other operating income	0	175,536
	Other external expenses	-7,277,188	-8,538,689
	Gross margin	17,338,788	14,528,331
3	Staff costs	-19,061,279	-17,159,503
4	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-169,960	-182,849
	Loss before net financials	-1,892,451	-2,814,021
5	Financial income	9,814	211,463
6	Financial expenses	-626,969	-1,005,829
	Loss before tax	-2,509,606	-3,608,387
7	Tax for the year	576,044	920,557
	Loss for the year	-1,933,562	-2,687,830

	Recommended appropriation of profit/loss		
	Reserve for development costs	1,541,249	0
	Accumulated loss	-3,474,811	-2,687,830
		-1,933,562	-2,687,830

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	ASSETS		
	Fixed assets		
8	**Intangible assets**		
	Completed development projects	1,252,138	0
	Software	575,941	274,706
	Development projects in progress	853,347	1,486,708
		2,681,426	1,761,414
9	**Property, plant and equipment**		
	Land and buildings held for sale	4,257,000	3,714,998
	Other fixtures and fittings, tools and equipment	244,618	311,365
		4,501,618	4,026,363
	Total fixed assets	7,183,044	5,787,777
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	5,584,762	6,149,012
	Work in progress	634,587	526,555
	Finished goods and goods for resale	1,405,177	1,642,758
		7,624,526	8,318,325
	Receivables		
	Trade receivables	10,122,073	7,585,354
	Deferred tax assets	226,668	0
	Joint taxation contribution receivable	349,376	920,557
	Other receivables	325,863	371,483
		11,023,980	8,877,394
	Cash	346,920	5,398,436
	Total non-fixed assets	18,995,426	22,594,155
	TOTAL ASSETS	26,178,470	28,381,932

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125,000	125,000
	Reserve for development costs	1,541,249	0
	Retained earnings	-139,184	3,335,627
	Total equity	1,527,065	3,460,627
	Provisions		
	Other provisions	500,000	500,000
	Total provisions	500,000	500,000
	Liabilities		
	Non-current liabilities other than provisions		
	Mortgage debt	1,840,001	1,948,308
		1,840,001	1,948,308
	Current liabilities		
	Current portion of long-term liabilities	108,307	107,754
	Bank debt	11,761,513	14,434,666
	Trade payables	5,827,382	4,938,547
	Payables to group entities	2,007,111	0
	Other payables	2,607,091	2,992,030
		22,311,404	22,472,997
	Total liabilities other than provisions	24,151,405	24,421,305
	TOTAL EQUITY AND LIABILITIES	26,178,470	28,381,932

1 Accounting policies
2 Capital resources
10 Contractual obligations and contingencies, etc.
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Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2015	125,000	0	6,023,457	6,148,457
Transfer through appropriation of loss	0	0	-2,687,830	-2,687,830
Equity at 1 January 2016	125,000	0	3,335,627	3,460,627
Transfer through appropriation of loss	0	1,541,249	-3,474,811	-1,933,562
Equity at 31 December 2016	125,000	1,541,249	-139,184	1,527,065

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of LaboGene ApS for 2016 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.

Changes in accounting policies

Effective 1 January 2016, the Company has adopted act no. 738 of 1 June 2015. This implies the following changes in the recognition and measurement:

1. In future, residual values of property, plant and equipment will be subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment other than those relating to the Company's land. Consequently, the change is made with future effect only as a change in accounting estimates with no impact on equity.
2. An amount corresponding to development costs recognised are in future tied up in a special reserve under equity called "Reserve for development costs". The amount is tied up in a special reserve, which cannot be used to distribute dividend or cover losses. If the development costs recognised are sold or in some other way no longer form part of the Company's operations, the reserve will be dissolved or reduced by a transfer directly to distributable reserves under equity. If the recognised development costs are written down, part of the reserve for development costs must be reversed. The reversed portion corresponds to the write-down of the development costs. If a write-down of the development costs is subsequently reversed, the reserve for development costs must be re-established. The reserve for development costs is also reduced by amortisation charges. In doing so, the equity reserve will not exceed the amount recognised in the balance sheet as development costs.

None of the above changes affects the income statement or the balance sheet for 2016 or the comparative figures.

Apart from the above changes in accounting policy and new and changed presentation and disclosure requirements, which follow from act no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Basis of recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

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

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortisation of any difference between cost and nominal amount.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

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. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

All discounts and rebates granted are recognised in revenue.

Cost of sales

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

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.

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include software.

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

Completed development projects	3 years
Software	3 years
Buildings	25 years
Other fixtures and fittings, tools and equipment	3-5 years

Land is not depreciated.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

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).

Balance sheet

Intangible assets

Intangible assets include development projects in progress and amortised software costs relating to implementation of a new ERP system.

Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 3 years.

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.

As regards self-produced fixed assets, the cost includes the cost of materials and labour, etc., directly relating to the production.

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.

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 includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Production overheads comprise the indirect cost of material and labour as well as maintenance and amortisation/depreciation of intangible assets and property, plant and equipment used in the production process.

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under 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".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Warranties comprise obligations to make good any defects within the warranty period of 2 years. Provisions for warranties are measured at net realisable value and recognised based on past experience. Provisions that are estimated to mature more than one year after the balance sheet date are discounted at the average bond yields.

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

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.

2 **Capital resources**

Owing to the outlook for the coming year, the future cash flows and the commitment for financing from ScanLaf Holding A/S of the Company's operations and necessary investments in the coming years through bridge financing with group enterprises, in the opinion of the Executive Board, it is appropriate to base the financial reporting on the going concern assumption.

	DKK	2016	2015
3	**Staff costs**		
	Wages/salaries	18,320,899	16,476,608
	Pensions	564,217	500,381
	Other social security costs	176,163	182,514
		19,061,279	17,159,503
	Average number of full-time employees	41	38
4	**Amortisation/depreciation and impairment of intangible assets and property, plant and equipment**		
	Amortisation of intangible assets	707,737	0
	Depreciation of property, plant and equipment	147,916	182,849
	Impairment of property, plant and equipment	-685,693	0
		169,960	182,849

Financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK	2016	2015
5	**Financial income**		
	Other financial income	9,814	211,463
		9,814	211,463
6	**Financial expenses**		
	Other financial expenses	626,969	1,005,829
		626,969	1,005,829
7	**Tax for the year**		
	Estimated tax charge for the year	-576,044	-920,557
		-576,044	-920,557

The estimated tax charge for the year and the tax adjustments in prior years include tax refunds between jointly taxed entities.

8 **Intangible assets**

DKK	Completed development projects	Software	Development projects in progress	Total
Cost at 1 January 2016	0	307,000	1,486,708	1,793,708
Additions in the year	0	426,902	1,244,847	1,671,749
Disposals in the year	0	-44,000	0	-44,000
Transfer from other accounts	1,878,208	0	-1,878,208	0
Cost at 31 December 2016	1,878,208	689,902	853,347	3,421,457
Impairment losses and amortisation at 1 January 2016	0	32,294	0	32,294
Amortisation/depreciation in the year	626,070	87,667	0	713,737
Reversal of amortisation/depreciation and impairment of disposals	0	-6,000	0	-6,000
Impairment losses and amortisation at 31 December 2016	626,070	113,961	0	740,031
Carrying amount at 31 December 2016	1,252,138	575,941	853,347	2,681,426

Financial statements for the period 1 January - 31 December

Notes to the financial statements

9 Property, plant and equipment

DKK	Land and buildings held for sale	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2016	7,219,723	977,000	8,196,723
Additions in the year	31,976	48,502	80,478
Cost at 31 December 2016	7,251,699	1,025,502	8,277,201
Impairment losses and depreciation at 1 January 2016	3,504,725	665,635	4,170,360
Selling expenses	143,000	0	143,000
Amortisation/depreciation in the year	32,667	115,249	147,916
Reversal of prior-year impairment losses	-685,693	0	-685,693
Impairment losses and depreciation at 31 December 2016	2,994,699	780,884	3,775,583
Carrying amount at 31 December 2016	4,257,000	244,618	4,501,618

10 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its ultimate parent, Kontiki Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes.

Other financial obligations

Rental and lease obligations (operating leases) totalling DKK 784 thousand (2015: DKK 1,440 thousand) fall due within four years.

11 Collateral

A company charge in the form of ordinary debt, tools and equipment was provided as collateral for bank debt of DKK 11,762 thousand, however, limited to DKK 6,000 thousand.

Land and buildings at a carrying amount of DKK 4,257 thousand at 31 December 2016 have been put up as security for debt to mortgage credit institutions, totalling DKK 1,948 thousand.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

12 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Kontiki Holding ApS	Lindevej 14, 1877 Frederiksberg C	A copy of the consolidated financial statements can be obtained from the Company.

Related party transactions

LaboGene ApS was engaged in the below related party transactions:

DKK	2016	2015
Receivables from group entities	349,376	920,557
Payables to group entities	2,007,111	0

Ownership

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

Name	Domicile
ScanLaf Holding A/S	Industrivej 6, 3540 Lynge