

DMK Kolding A/S
Haderslevvej 140
6000 Kolding
Central Business Registration No
34353905

Annual report 2016

The Annual General Meeting adopted the annual report on 19.06.2017

Chairman of the General Meeting

Name: Imad Mousa Kadhim Al-Mousa

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Income statement for 2016	6
Balance sheet at 31.12.2016	7
Statement of changes in equity for 2016	9
Notes	10
Accounting policies	12

Entity details

Entity

DMK Kolding A/S
Haderslevvej 140
6000 Kolding

Central Business Registration No: 34353905

Registered in: Kolding

Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Ayad Musa Kazem Al-Mosawi
Haider Faris Hussein
Imad Mousa Kadhim Al-Mousa

Executive Board

Ayad Musa Kazem Al-Mosawi

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Dokken 8
Postbox 200
6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of DMK Kolding A/S for the financial year 01.01.2016 - 31.12.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kolding, 19.06.2017

Executive Board

Ayad Musa Kazem Al-Mosawi

Board of Directors

Ayad Musa Kazem Al-Mosawi

Haider Faris Hussein

Imad Mousa Kadhim Al-Mousa

Independent auditor's reports

To the shareholders of DMK Kolding A/S

Report on extended review of the financial statements

We have performed an extended review of the financial statements of DMK Kolding A/S for the financial year 01.01.2016 - 31.12.2016. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Violation of company law

Without modifying our opinion, we found that Management has failed to observe duties to preparer rules of procedurer and signed minutes of Board of Directors' meetings, for which Management may be held liable.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

Independent auditor's reports

In connection with our extended review of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Esbjerg, 19.06.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Anders Rasmussen

State Authorised Public Accountant

Management commentary

Primary activities

The Company's purpose is to sell medicine and medical equipment and other related services.

Development in activities and finances

The Company's profit is DKK 1.704k, which is satisfying.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Gross profit		3,717,253	19,370
Staff costs	1	(1,565,091)	(998,650)
Depreciation, amortisation and impairment losses	2	<u>(16,143)</u>	<u>(11,929)</u>
Operating profit/loss		2,136,019	(991,209)
Other financial income	3	40,116	853
Other financial expenses		<u>(3,655)</u>	<u>(475)</u>
Profit/loss before tax		2,172,480	(990,831)
Tax on profit/loss for the year	4	<u>(468,294)</u>	<u>163,591</u>
Profit/loss for the year		<u>1,704,186</u>	<u>(827,240)</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		500,000	0
Retained earnings		<u>1,204,186</u>	<u>(827,240)</u>
		<u>1,704,186</u>	<u>(827,240)</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Land and buildings		3,201,214	3,175,095
Property, plant and equipment	5	3,201,214	3,175,095
Deferred tax		0	126,841
Fixed asset investments		0	126,841
Fixed assets		3,201,214	3,301,936
Manufactured goods and goods for resale		2,563,699	0
Inventories		2,563,699	0
Trade receivables		5,577,543	0
Receivables from group enterprises		1,000,003	0
Other receivables		68,874	2,099,581
Receivables		6,646,420	2,099,581
Cash		131,031	945,598
Current assets		9,341,150	3,045,179
Assets		12,542,364	6,347,115

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital	6	500,000	500,000
Retained earnings		3,517,683	2,313,497
Proposed dividend		500,000	0
Equity		<u>4,517,683</u>	<u>2,813,497</u>
Deferred tax		8,000	0
Provisions		<u>8,000</u>	<u>0</u>
Bank loans		31,999	0
Trade payables		7,477,501	2,627,355
Payables to shareholders and management		22,351	51,819
Income tax payable		0	713,927
Joint taxation contribution payable		216,685	0
Other payables		268,145	140,517
Current liabilities other than provisions		<u>8,016,681</u>	<u>3,533,618</u>
Liabilities other than provisions		<u>8,016,681</u>	<u>3,533,618</u>
Equity and liabilities		<u>12,542,364</u>	<u>6,347,115</u>

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	2,313,497	0	2,813,497
Profit/loss for the year	0	1,204,186	500,000	1,704,186
Equity end of year	500,000	3,517,683	500,000	4,517,683

Notes

	2016	2015
	DKK	DKK
1. Staff costs		
Wages and salaries	1,512,796	963,570
Other social security costs	25,997	15,912
Other staff costs	26,298	19,168
	1,565,091	998,650
Average number of employees	4	3
	2016	2015
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	16,143	11,929
	16,143	11,929
	2016	2015
	DKK	DKK
3. Other financial income		
Financial income arising from group enterprises	39,610	0
Interest income	0	853
Exchange rate adjustments	506	0
	40,116	853
	2016	2015
	DKK	DKK
4. Tax on profit/loss for the year		
Tax on current year taxable income	344,685	0
Change in deferred tax for the year	134,841	(163,591)
Adjustment concerning previous years	(11,232)	0
	468,294	(163,591)

Notes

			Land and buildings DKK
5. Property, plant and equipment			
Cost beginning of year			3,187,024
Additions			<u>42,262</u>
Cost end of year			<u>3,229,286</u>
Depreciation and impairment losses beginning of the year			(11,929)
Depreciation for the year			<u>(16,143)</u>
Depreciation and impairment losses end of the year			<u>(28,072)</u>
Carrying amount end of year			<u>3,201,214</u>
	Number	Par value DKK	Nominal value DKK
6. Contributed capital			
Ordinary shares	<u>500</u>	1000	<u>500,000</u>
	<u>500</u>		<u>500,000</u>

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year..

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, other operating income, and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses and payables and transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Land and building are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	50 years
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Estimated useful lives and residual values are reassessed annually.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Accounting policies

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax