

# InnoScan A/S

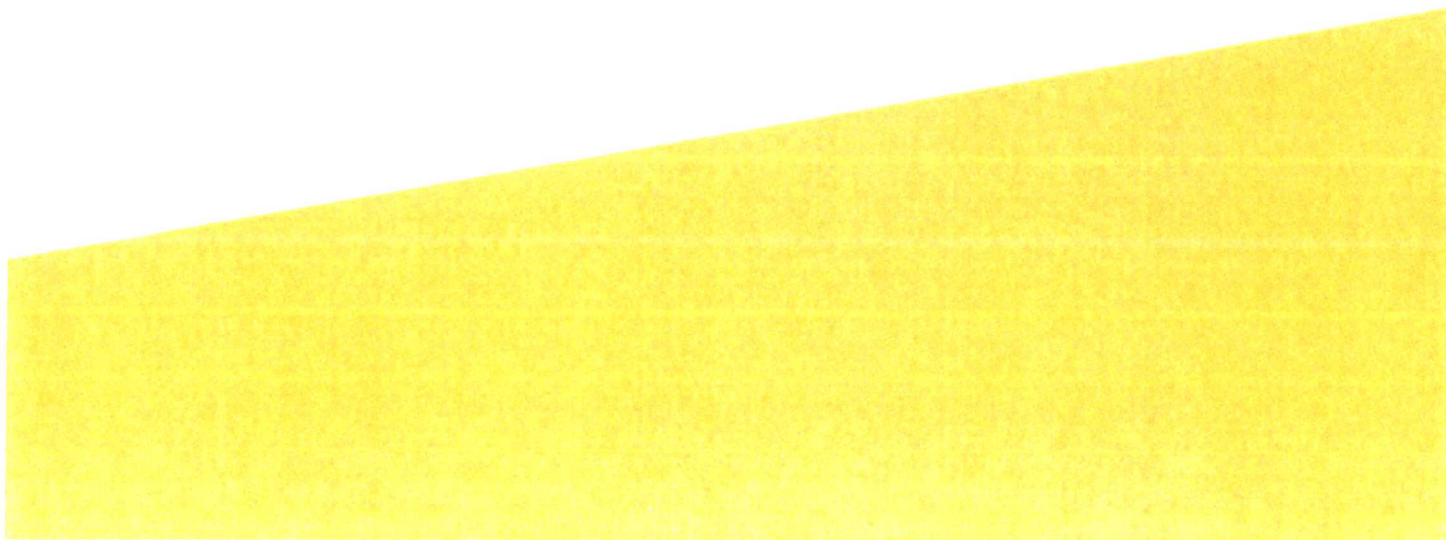
Sødalsparken 11, 8220 Brabrand

CVR no. 35 38 65 80

## Annual report 2017

Approved at the Company's annual general meeting on 31 May 2018

Chairman:

A handwritten signature in blue ink, appearing to read "Allan Hansen", is written over a horizontal dotted line.



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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 InnoScan A/S for the financial year 1 January - 31 December 2017.

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 2017 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Aarhus, 31 May 2018  
Executive Board:

  
Vannino Sartore

Board of Directors:

  
Sergio Stevanato  
Chairman  
Marco Stevanato  
Franco Stevanato

## Independent auditor's report

To the shareholders of InnoScan A/S

### Opinion

We have audited the financial statements of InnoScan A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement 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 2017 and of the results of the Company's operations as well as the cash flows for the financial year 1 January - 31 December 2017 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.



## Independent auditor's report

- ▶ 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.
- ▶ 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.

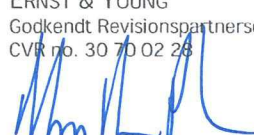
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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.

Aarhus, 31 May 2018  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 26



Claus Hammer-Pedersen  
State Authorised Public Accountant  
MNE no.: mne21334



Jonas Busk  
State Authorised Public Accountant  
MNE no.: mne42771



## Management's review

### Company details

Name	InnoScan A/S
Address, Postal code, City	Sødalsparken 11, 8220 Brabrand
CVR no.	35 38 65 80
Registered office	Aarhus
Financial year	1 January - 31 December
Website	<a href="http://www.innoscan.dk">www.innoscan.dk</a>
E-mail	<a href="mailto:innoscan@innoscan.dk">innoscan@innoscan.dk</a>
Telephone	+45 86 26 56 77
Board of Directors	Sergio Stevanato, Chairman Marco Stevanato Franco Stevanato
Executive Board	Vannino Sartore
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark



## Management's review

### Financial highlights

DKK'000	2017	2016	2015	2014	2013
<b>Key figures</b>					
Gross margin	65,287	68,143	69,748	73,250	43,048
Operating profit/loss	2,653	9,533	23,046	33,917	10,743
Net financials	-845	-510	-1,054	-1,028	-823
Profit/loss for the year	1,407	7,022	17,627	25,258	7,645
<b>Total assets</b>					
Equity	133,845	125,759	153,749	115,371	73,252
	48,265	46,858	69,836	52,209	26,951
<b>Investment in property, plant and equipment</b>					
	-154	-2,280	-2,254	-22,111	-437
<b>Financial ratios</b>					
Return on equity	2.9%	12.0%	28.9%	63.8%	33.1%
Solvency ratio	36.0%	37.3%	45.4%	45.3%	36.8%
<b>Average number of employees</b>					
	86	85	72	62	47

## Management's review

### Business review

The Company's activity consists in designing, producing and selling complex inspection equipment. The products comprise pharmaceutical inspection machines as well as automatic inspection equipment for food packaging.

Most of the products are developed and delivered for export, and the Company delivers equipment to the world's leading pharmaceutical enterprises.

At year-end 2017, InnoScan A/S had 85 staff members and engaged some regular business partners.

### Financial review

The income statement for 2017 shows a profit of DKK 1,407 thousand against a profit of DKK 7,022 thousand last year, and the balance sheet at 31 December 2017 shows equity of DKK 48,265 thousand.

The Board of Directors and the Executive Board consider the results of operation for 2017 not satisfactory. The results are lower than expected in the Annual report for 2016. The lower results of operation are attributable to delays in customer-specific projects.

### Knowledge resources

The Company carries out significant development activities and follows defined procedures for Project and Quality Management.

### Special risks

#### Operating risks

InnoScan A/S' revenue primarily relates to customer-specific projects. Typically, the projects extend to more than one financial year. This can result in fluctuations in performance from one financial year to the next.

#### Currency risks

InnoScan A/S operates in an international market and is therefore subject to related market trends, but makes an effort to hedge against currency fluctuations and other factors. The vast majority of customers are large and firmly based groups.

#### Special risks:

There are no particular risks other than the matters already discussed affecting the Company's performance and balance sheet.

#### Impact on the external environment

The Company pursues a responsible environmental policy when carrying out its primary activities and actively seeks to employ policies taking into account environmental impact and energy consumption thereof. The Company meets all national regulations regarding environmental matters.

#### Research and development activities

In order to meet the demands of its project-oriented customers, InnoScan A/S has increased its R&D for developing new products and complementary equipment.

#### Events after the balance sheet date

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

#### Outlook

The Board of Directors expects that the Company will generate a higher profit in 2018 than in 2017.





## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2017	2016
	Gross margin	65,287	68,143
2	Staff costs	-57,665	-53,161
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-4,969	-5,449
	Profit before net financials	2,653	9,533
3	Financial income	537	122
4	Financial expenses	-1,382	-632
	Profit before tax	1,808	9,023
5	Tax for the year	-401	-2,001
	Profit for the year	1,407	7,022



Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2017	2016
	ASSETS		
	Fixed assets		
6	Intangible assets		
	Completed development projects	8,294	6,331
	Acquired intangible assets	388	580
	Goodwill	0	200
	Development projects in progress and prepayments for intangible assets	2,449	5,405
		<u>11,131</u>	<u>12,516</u>
7	Property, plant and equipment		
	Land and buildings	22,204	22,921
	Fixtures and fittings, other plant and equipment	606	871
		<u>22,810</u>	<u>23,792</u>
	Total fixed assets	<u>33,941</u>	<u>36,308</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	24,553	18,485
	Work in progress	382	984
	Prepayments for goods	130	0
		<u>25,065</u>	<u>19,469</u>
	Receivables		
	Trade receivables	45,505	35,206
8	Construction contracts	18,436	17,294
	Receivables from group enterprises	897	0
	Corporation tax receivable	2,979	0
	Other receivables	84	373
9	Prepayments	631	1,178
		<u>68,532</u>	<u>54,051</u>
	Cash	6,307	15,931
	Total non-fixed assets	<u>99,904</u>	<u>89,451</u>
	TOTAL ASSETS	<u>133,845</u>	<u>125,759</u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	1,000	1,000
	Reserve for development costs	5,283	5,405
	Retained earnings	41,982	40,453
	Total equity	48,265	46,858
	Provisions		
11	Deferred tax	14,924	12,636
	Other provisions	1,282	923
12	Total provisions	16,206	13,559
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
13	Mortgage debt	0	6,537
		0	6,537
	Current liabilities other than provisions		
	Short-term part of long-term liabilities other than provisions	0	383
13	Bank debt	30,008	1,502
8	Prepayments on work in progress	9,114	28,255
	Trade payables	5,447	12,874
	Payables to group enterprises	10,000	7,498
	Corporation tax payable	0	2,139
	Other payables	14,805	5,915
	Deferred income	0	239
		69,374	58,805
	Total liabilities other than provisions	69,374	65,342
	TOTAL EQUITY AND LIABILITIES	133,845	125,759

- 1 Accounting policies
- 14 Contractual obligations and contingencies, etc.
- 15 Related parties



## Financial statements 1 January - 31 December

### Statement of changes in equity

Note	DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
	Equity at 1 January 2016	1,000	5,405	33,431	39,836
16	Transfer, see "Appropriation of profit"	0	0	7,022	7,022
	Equity at 1 January 2017	1,000	5,405	40,453	46,858
16	Transfer, see "Appropriation of profit"	0	-122	1,529	1,407
	Equity at 31 December 2017	1,000	5,283	41,982	48,265



## Financial statements 1 January - 31 December

### Cash flow statement

Note	DKK'000	2017	2016
	Profit for the year	1,407	7,022
	Cash generated from operations (operating activities)	1,407	7,022
17	Changes in working capital	-37,892	-119
	Cash generated from operations (operating activities)	-36,485	6,903
	Interest received, etc.	537	122
	Interest paid, etc.	421	-632
	Income taxes paid	0	77
	Other cash flows from operating activities	0	5,449
	Cash flows from operating activities	-35,527	11,919
	Additions of intangible assets	-2,449	-5,405
	Additions of property, plant and equipment	-154	-2,280
	Cash flows to investing activities	-2,603	-7,685
	Dividends distributed	0	-30,000
	Repayments, long-term liabilities	0	-386
	Cash flows from financing activities	0	-30,386
	Net cash flow	-38,130	-26,152
	Cash and cash equivalents at 1 January	14,429	40,581
18	Cash and cash equivalents at 31 December	-23,701	14,429



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of InnoScan A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

#### 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.

#### Income statement

##### Revenue

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably 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.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

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 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.

##### Cost of sales

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

##### 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 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Amortisation/depreciation

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

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

Completed development projects	5 years
Acquired intangible assets	4 years
Goodwill	5 years
Land and buildings	10-25 years
Fixtures and fittings, other plant and equipment	3-4 years

##### 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 entity is jointly taxed with other group entities. 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

##### 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. Goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years.

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 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 5 years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight line basis over the remaining term of the patent, and licences are amortised over the term of the licence being currently 4 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.

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 based on weighted average prices. If cost exceeds the net realisable value, write-down is made to such lower value. The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.

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

## 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.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### 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 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.

##### 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.

## Financial statements 1 January - 31 December

## Notes to the financial statements

## 1 Accounting policies (continued)

## 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

Other liabilities are measured at net realisable value.

## Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

## Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

## Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.





Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Return on equity	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity} \times 100}{\text{Total liabilities}}$

Financial statements 1 January - 31 December

Notes to the financial statements

	2017	2016
DKK'000		
2 Staff costs		
Wages/salaries	56,887	52,440
Other social security costs	435	439
Other staff costs	343	282
	<u>57,665</u>	<u>53,161</u>
Average number of full-time employees	<u>86</u>	<u>85</u>

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

Part of the remuneration to the Company's Executive Board is paid by the parent Company.

	2017	2016
DKK'000		
3 Financial income		
Exchange gain	537	122
	<u>537</u>	<u>122</u>
4 Financial expenses		
Exchange losses	961	189
Other financial expenses	421	443
	<u>1,382</u>	<u>632</u>
5 Tax for the year		
Estimated tax charge for the year	-1,887	3,377
Deferred tax adjustments in the year	2,288	-1,376
	<u>401</u>	<u>2,001</u>

Financial statements 1 January - 31 December

Notes to the financial statements

6 Intangible assets

DKK'000	Completed development projects	Acquired intangible assets	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2017	16,694	768	1,000	5,405	23,867
Additions	0	0	0	2,449	2,449
Transferred	5,405	0	0	-5,405	0
Cost at 31 December 2017	22,099	768	1,000	2,449	26,316
Impairment losses and amortisation at 1 January 2017	10,363	188	800	0	11,351
Amortisation for the year	3,442	192	200	0	3,834
Impairment losses and amortisation at 31 December 2017	13,805	380	1,000	0	15,185
Carrying amount at 31 December 2017	8,294	388	0	2,449	11,131
Amortised over	5 years	4 years	5 years		

Completed development projects

Completed development projects relate to the development and test of inspection equipment. The projects were completed during the period 2015-2017 and are amortised over five years.

Development projects in progress

Development projects in progress comprise inspection equipment. The projects are expected to be completed in 2018-2019.

Financial statements 1 January - 31 December

Notes to the financial statements

7 Property, plant and equipment

DKK'000	Land and buildings	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2017	24,467	2,970	27,437
Additions	0	154	154
Correction to prior year	0	-408	-408
Cost at 31 December 2017	24,467	2,716	27,183
Revaluations at 1 January 2017	0	0	0
Revaluations at 31 December 2017	0	0	0
Impairment losses and depreciation at 1 January 2017	1,546	2,099	3,645
Depreciation	717	419	1,136
Correction to prior year	0	-408	-408
Impairment losses and depreciation at 31 December 2017	2,263	2,110	4,373
Carrying amount at 31 December 2017	22,204	606	22,810
Depreciated over	10-25 years	3-4 years	

DKK'000	2017	2016
8 Construction contracts		
Selling price of work performed	250,679	155,160
Progress billings	-241,357	-166,121
	9,322	-10,961
recognised as follows:		
Construction contracts (assets)	18,436	17,294
Construction contracts (liabilities)	-9,114	-28,255
	9,322	-10,961

9 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2017	2016
10 Share capital		
Analysis of the share capital:		
100,000,000 shares of DKK 0.01 nominal value each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

Shares rank equally.

There have been no changes in the share capital for the past five years.

11 Deferred tax		
Deferred tax at 1 January	12,636	14,012
Deferred tax adjustment for 2016 in the income statement	0	-1,376
Deferred tax adjustment for 2017 in the income statement	<u>2,288</u>	<u>0</u>
Deferred tax at 31 December	<u>14,924</u>	<u>12,636</u>

### 12 Provisions

Other provisions comprise warranty provisions, totalling DKK 1,285 thousand (2016: DKK 923 thousand). Warranty provisions relate to expected warranty expenses in accordance with usual guarantees provided on products and extended warranties from agreements made.

### 13 Mortgage debt and debt to other credit institutions

The loans are specified as follows:

DKK'000	2017	2016
Mortgage debt		
1-5 year	0	1,520
> 5 year	<u>0</u>	<u>5,017</u>
	<u>0</u>	<u>6,537</u>
Bank debt		
0-1 year	<u>30,008</u>	<u>1,885</u>
	<u>30,008</u>	<u>1,885</u>
Total liabilities	<u>30,008</u>	<u>8,422</u>



Financial statements 1 January - 31 December

Notes to the financial statements

14 Contractual obligations and contingencies, etc.

Other contingent liabilities

DKK'000	2017	2016
Recourse and non-recourse guarantee commitments	24,831	68,379
	<u>24,831</u>	<u>68,379</u>

Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	0	54
	<u>0</u>	<u>54</u>

15 Related parties

InnoScan A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Stevanato Group International A.S.	Agatova 22, 84403 Bratisava, Slovakia	Entity exercising control

Information about consolidated financial statements

Parent	Domicile
Stevanato Group SpA	Via Molinella, 35017 Piombino Dese PD, Italy

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.



## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2017	2016
16 Appropriation of profit		
Recommended appropriation of profit		
Other reserves	-122	0
Retained earnings	<u>1,529</u>	<u>7,022</u>
	<u>1,407</u>	<u>7,022</u>
17 Changes in working capital		
Change in inventories	-5,596	-4,419
Change in receivables	-14,481	9,187
Change in trade and other payables	<u>-17,815</u>	<u>-4,887</u>
	<u>-37,892</u>	<u>-119</u>
18 Cash and cash equivalents at year-end		
Cash according to the balance sheet	6,307	15,931
Short-term debt to banks	<u>-30,008</u>	<u>-1,502</u>
	<u>-23,701</u>	<u>14,429</u>