InnoScan A/S

Sødalsparken 11
8220 Brabrand

CVR no. 35 38 65 80

Annual report 2016

The annual report was presented and approved at the Company's annual general meeting on

9 June 2017

Vannino Sartore
chairman

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of InnoScan A/S for the financial year 1 January – 31 December 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2016.

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

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

Aarhus, 9 June 2017
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 2016 comprising 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 Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations and cash flows 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 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 that 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.

KPMG

Independent auditor's report

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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the company 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.

— 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

KPMG

Independent auditor's report

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, 9 June 2017
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Jakob Westerdahl State Authorised Public Accountant	Michael E. K. Rasmussen State Authorised Public Accountant

Management's review

Company details

InnoScan A/S
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8220 Brabrand

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Website:	www.innoscan.dk
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CVR no.:	35 38 65 80
Registered office:	Aarhus
Financial year:	1 January – 31 December

Board of Directors

Sergio Stevanato, Chairman
Marco Stevanato
Franco Stevanato

Executive Board

Vannino Sartore

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V

Management's review

Financial highlights

DKK'000	2016	2015	2014	2013	2012
Key figures					
Gross profit/loss	68,143	69,748	73,250	43,048	25,230
Ordinary operating profit/loss	9,533	23,046	33,917	10,743	2,579
Profit/loss from financial income and expenses	-510	-1,054	-1,028	-823	-858
Profit/loss for the year	7,022	17,627	25,258	7,645	1,721
Total assets	125,759	153,749	115,371	73,252	60,551
Equity	46,858	69,836	52,209	26,951	19,306
Investment in property, plant and equipment	2,280	2,254	22,111	437	515
Average number of full-time employees	85	72	62	47	36
Ratios					
Return on equity	12.0%	28.9%	63.8%	33.1%	12.0%
Solvency ratio	37.3%	45.4%	45.3%	36.8%	31.9%

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". The financial ratios have been calculated as follows:

Return on equity $\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average equity}}$

Solvency ratio $\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$

Management's review

Operating review

Principal activities

The Company´s activity consists in developing, producing and selling inspections 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 leading pharmaceutical enterprises.

Development in activities and financial position

The annual report for 2016 shows a profit of DKK 7,022 thosuand. Results are not considered satisfactory.

Results are lower than expected in the annual report for 2015. The lower results were attributable to delays in some customer-specific projects.

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.

Outlook

The volume of orders is satisfactory for 2017. In 2017, we expect to exceed results for 2016.

Operating risks

InnoScan A/S' revenue is mostly related to customer-specific projects. These are typically extended to more than one financial year. This can result in fluctuations in performance from year to year.

Currency risks

InnoScan A/S operates in international and therefore makes an effort to hedge against currnecy fluctuations and other factors.

Intellectual capital

The Company carries out significant development activities and follows defined producers for project and quality management. In 2016, we hired several new employees. We expect to continue this in 2017 and to hire more employees focusing on development.

Environmental matters

We meet all national regulations regarding environmental matters.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2016	2015
Gross profit		68,143	69,748
Staff costs	2	-53,161	-43,047
Depreciation, amortisation and impairment		-5,449	-3,655
Operating profit		9,533	23,046
Financial income		122	0
Financial expenses		-632	-1,054
Profit before tax		9,023	21,992
Tax on profit for the year	3	-2,001	-4,365
Profit for the year	4	7,022	17,627

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Fixed assets			
Intangible assets	5		
Completed development projects		6,331	3,465
Software		580	0
Goodwill		200	400
Development projects in progress		5,405	6,643
		12,516	10,508
Property, plant and equipment	6		
Land and buildings		22,921	21,477
Fixtures and fittings, tools and equipment		871	2,069
		23,792	23,546
Total fixed assets		36,308	34,054
Current assets			
Inventories			
Raw materials and consumables		18,485	15,050
Work in progress		984	0
		19,469	15,050
Receivables			
Trade receivables		35,206	47,645
Construction contracts	7	17,294	13,862
Other receivables		373	787
Prepayments		1,178	944
		54,051	63,238
Cash at bank and in hand		15,931	41,407
Total current assets		89,451	119,695
TOTAL ASSETS		125,759	153,749

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
EQUITY AND LIABILITIES			
Equity	8		
Share capital		1,000	1,000
Retained earnings		40,453	38,836
Reserve for development costs		5,405	0
Proposed dividends for the year		0	30,000
Total equity		46,858	69,836
Provisions			
Provisions for deferred tax	9	12,636	14,012
Other provisions		923	427
Total provisions		13,559	14,439
Liabilities other than provisions			
Non-current liabilities other than provisions	10		
Mortgage loans		6,537	6,918
		6,537	6,918
Current liabilities other than provisions			
Current portion of non-current liabilities	10	383	386
Banks, current liabilities		1,502	826
Pre-invoicing, construction contracts	7	28,255	41,530
Trade payables		12,874	7,711
Payables to group entities		7,498	0
Corporation tax		2,139	1,196
Other payables		5,915	10,668
Deferred income		239	239
		58,805	62,556
Total liabilities other than provisions		65,342	69,474
TOTAL EQUITY AND LIABILITIES		125,759	153,749

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Proposed dividends	Reserve for development costs	Total
Equity at 1 January 2016	1,000	38,836	30,000	0	69,836
Distributed dividends	0	0	-30,000	0	-30,000
Transferred over the profit appropriation	0	1,617	0	5,405	7,022
Equity at 31 December 2016	1,000	40,453	0	5,405	46,858

Financial statements 1 January – 31 December

Cash flow statement

DKK'000	Note	2016	2015
Operating profit		9,533	23,046
Depreciation, amortisation and impairment losses		5,449	3,655
Cash flows from operations before changes in working capital		14,982	26,701
Changes in working capital	11	-103	10,319
Cash flows from ordinary activities		14,879	37,020
Interest income		122	0
Interest expense		-632	-1,054
Income taxes refunded/(paid)		-2,434	-563
Cash flows from operating activities		11,935	35,403
Acquisition of intangible assets		-5,421	-2,345
Acquisition of property, plant and equipment		-2,280	-2,254
Cash flows from investing activities		-7,701	-4,599
External financing:			
Repayment of non-current debt		-386	-381
Shareholders:			
Distributed dividends		-30,000	0
Cash flows from financing activities		-30,386	-381
Cash flows for the year		-26,152	30,423
Cash and cash equivalents at the beginning of the year		40,581	10,158
Cash and cash equivalents at year end	12	14,429	40,581

Financial statements 1 January – 31 December

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1 **Accounting policies**

The annual report of InnoScan A/S for 2016 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

— Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

— Going forward, an amount corresponding to the capitalised development costs will be tied to the restricted reserve "Reserve for development costs" under equity. The reserve cannot be used for dividend, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

A few restatements have been made of the comparative figures as a result of reclassications.

Apart from the above, 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 rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

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1 **Accounting policies (continued)**

Income statement

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Gross profit or loss comprises revenue, cost of sales and external expenses.

Revenue

Income from the sale of goods, comprising the sale of goods for resale and finished goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of completion method).

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

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

Development costs comprise costs, wages, salaries and amortisation directly and 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 evidenced, 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 as well development costs. Other development costs are recognised in the income statement as incurred.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 5 years.

Software are measured at cost less accumulated amortisation and impairment losses. Software are amortised on a straightline basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding 5 years.

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. The amortisation period is usually 5 years, as the goodwill is linked to equipment with a shot lifespan, and longest for strategically acquired entities with a strong market position and long-term earnings profile.

The useful life and residual value are reassessed annually. Changes are accounted for as accounting estimates, and the effect on amortisation is recognised prospectively.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	25 years
Fixtures and fittings, tools and equipment	3 - 5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists. Write-down of goodwill is 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.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Construction contracts

Construction contracts are measured at the selling price of the work performed less progress billings and expected losses. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual construction contract. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual construction contract.

The individual construction contract is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise the total of construction contracts where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of construction contracts where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Corporation tax and deferred tax

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured al amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years, such as service contracts.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flows from operating activities

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 corporation tax paid.

Cash flows from investing activities

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividend to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Financial statements 1 January – 31 December

Notes

	DKK'000	2016	2015
2	**Staff costs**		
	Wages and salaries	52,440	43,440
	Other social security costs	439	521
	Other staff cost	282	1,639
	Staff costs classified as assets	0	-2,553
		53,161	43,047
	Average number of full-time employees	85	72

In accordance with the exemption clauses laid in section 98 b (3) of the Danish Financial Statements Act, no executive remuneration has been disclosed.

		2016	2015
3	**Tax on profit for the year**		
	Current tax for the year	3,377	1,600
	Adjustment of deferred tax for the year	-1,376	3,579
	Adjustment relating to previous years	0	12
	Effect of changed tax rates	0	-826
		2,001	4,365

		2016	2015
4	**Proposed profit appropriation**		
	Proposed dividends for the financial year	0	30,000
	Retained earnings	1,617	-12,373
	Reserve for development costs	5,405	0
		7,022	17,627

Financial statements 1 January – 31 December

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5 Intangible assets

DKK'000	Completed develop-ment projects	Goodwill	Software	Develop-ment projects in progress	Total
Cost at 1 January 2016	10,051	1,000	0	6,643	17,694
Transferred	6,643	0	752	-6,643	752
Addtions	0	0	16	5,405	5,421
Cost at 31 December 2016	16,694	1,000	768	5,405	23,867
Amortisation and impairment losses at 1 January 2016	-6,585	-600	0	0	-7,185
Amortisation	-3,778	-200	-188	0	-4,166
Amortisation and impairment losses at 31 December 2016	-10,363	-800	-188	0	-11,351
Carrying amount at 31 December 2016	6,331	200	580	5,405	12,516

Completed development projects relate to development and test of inspection equipment. The projects was completed during the period 2013-2016 and is amortised over 5 years. The projects have brought about an in increase market shares and earnings.

Development projects in progress comprise inspection equipment. The projects are expected to be completed in 2017-2018 when economic benefits in the form of increased market shares and earnings are expected.

6 Property, plant and equipment

DKK'000	Land and buildings	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2016	22,390	3,519	25,909
Transferred	0	-752	-752
Additions	2,077	203	2,280
Cost at 31 December 2016	24,467	2,970	27,437
Depreciation and impairment losses at 1 January 2016	-913	-1,450	-2,363
Depreciation	-633	-649	-1,282
Depreciation and impairment losses at 31 December 2016	-1,546	-2,099	-3,645
Carrying amount at 31 December 2016	22,921	871	23,792

Financial statements 1 January – 31 December

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DKK'000	2016	2015
7 Construction contracts		
Contract work in progress	155,160	157,706
Progress billings	-166,121	-185,374
	-10,961	-27,668
recognised as follows:		
Construction contracts	17,294	13,862
Pre-invoicing, construction contracts	-28,255	-41,530
Net value at 31 December	-10,961	-27,668

8 **Equity**

The share capital consists of 100.000.000 shares of a nominal value of DKK 0,01 each.

All shares rank equally.

There have been no changes in the share capital during the last five years.

DKK'000	2016	2015
9 Deferred tax		
Deferred tax at 1 January	14,012	11,259
Deferred tax adjustment for the year in the income statement	-1,376	3,579
Change of tax rate	0	-826
Deferred tax at 31 December	12,636	14,012

10 **Non-current liabilities other than provisions**

Non-current liabilities other than provisions can be specified as follows:

Mortgage debt:	6,920	7,304
0-1 years	383	386
1-5 years	1,520	1,545
>5 years	5,017	5,373

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DKK'000		2016	2015
11	**Change in working capital**		
	Change in inventories	-4,419	-578
	Change in receivables	9,187	-5,956
	Change in trade and other payables	-4,871	16,853
		-103	10,319
12	**Cash and cash equivalents at year end**		
	Cash at bank and in hand	15,931	41,407
	Banks, current liabilities	-1,502	-826
		14,429	40,581

13 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company participates in a Danish joint taxation arrangement. In accordance with the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable, from the financial year 2016, for income taxes, etc. of the jointly taxed entities, and from 1 february 2016 for obligations, if any, relating to withholding tax on interest, royalties and dividends for the jointly taxed entities.

Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 54 thousand within 1 year (2015: DKK 63 thousand).

DKK'000	2016	2015
Contingent liabilities		
Recourse and non-recourse guarantee commitments	68,379	50,220

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14 Mortgages and collateral

Mortgage loans is secured by way of a deposited mortgage deed registered to the mortgagor on properties of a nominal amount of DKK 6,000 thousand and a nominal amount of DKK 2,450 thousand. The carrying amount of mortgaged properties amounts to DKK 22,921 thousand.

The Companys debt to Sydbank A/S has been secured on a floating charge of a nominal amount of DKK 10,000 thousand on receivables, equipment, intangible assets and inventories. The carrying amount of the assets provided as collateral amounted to DKK 68,062 thousand at 31 December 2016.

15 Related party disclosures

InnoScan A/S' related parties comprise the following:

Control

Stevanato Group International S.A., Agàtovà 22, 84403 Bratislava, Slovakia.

Stevanato Group International S.A. holds the majority of the share capital in the Company.

InnoScan A/S is part of the consolidated financial statements of Stevanato Group SpA, Via Molinella, 17, 35017 Piombino Dese PD Italy. The consolidated financial statements of Stevanato Group SpA can be obtained from the Company.

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.