



NOPA NORDIC  
member of the nopa nordic family

# Nopa Nordic A/S


Havrevænget 13  
DK-9500 Hobro

CVR no. 42 55 92 10

## Annual report 2016/17

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

on 10/7 20 17

  
chairman of the annual general meeting

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## 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 Nopa Nordic A/S for the financial year 1 May 2016 – 30 April 2017.


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


In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 30 April 2017 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 May 2016 – 30 April 2017.

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


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

Hobro, 10 July 2017  
Executive Board:

  
Henrik Karup  
Jørgensen

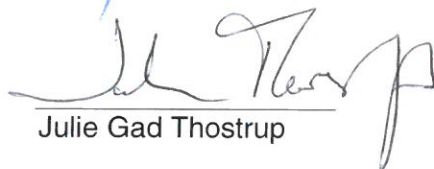
  
Jonas Samuel  
Kærgaard Petersen

Board of Directors:

  
Steen Bødtker  
Chairman

  
Conradus Antonius  
Marie de Jong

  
Anders Jacob Gad  
Thostrup

  
Julie Gad Thostrup



## Independent auditor's report

To the shareholders of Nopa Nordic A/S

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of Nopa Nordic A/S for the financial year 1 May 2016 – 30 April 2017 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 30 April 2017 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 May 2016 – 30 April 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 consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group 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 consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.



## **Independent auditor's report**

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements**

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 financial statement users made on the basis of these consolidated financial statements and parent company 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 consolidated financial statements and the parent 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 Group's and the Parent Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.



## Independent auditor's report

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company 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 Group's and the Parent 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 consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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.



## Independent auditor's report

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company 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.

Aalborg, 10 July 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

A large, stylized blue ink signature of Steffen S. Hansen, featuring a prominent horizontal stroke and a large loop.

Steffen S. Hansen  
State Authorised  
Public Accountant

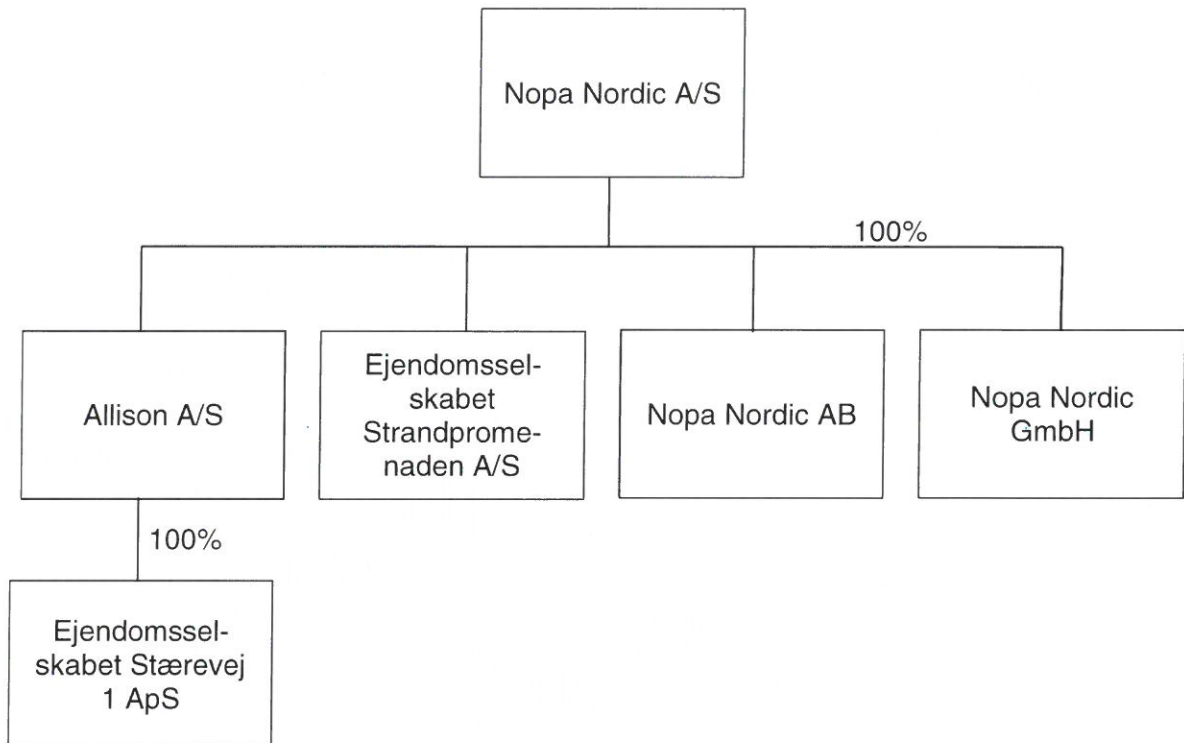
A blue ink signature of Mikkel Trabjerg Knudsen, written in a cursive style with several loops and a long tail.

Mikkel Trabjerg Knudsen

Mikkel Trabjerg Knudsen  
State Authorised  
Public Accountant

## Management's review

### Group chart





## Management's review

### Financial highlights for the Group

DKK'000	2016/17	2015/16	2014/15	2013/14	2012/13
Revenue	589,051	432,279	446,476	397,653	374,628
Gross profit	144,401	107,991	113,751	96,527	87,541
Operating profit (EBIT)	27,859	22,050	25,812	14,945	7,114
Profit/loss from financial income and expenses	-921	10	-141	-366	-1,285
<b>Profit for the year</b>	<b>20,457</b>	<b>16,780</b>	<b>19,951</b>	<b>11,267</b>	<b>4,295</b>
Total assets	330,053	253,767	240,484	214,719	219,506
<b>Equity</b>	<b>195,551</b>	<b>180,694</b>	<b>175,072</b>	<b>155,121</b>	<b>143,854</b>
Cash flows from operating activities	48,447	28,487	35,945	27,558	35,272
Cash flows from investing activities	-70,453	-18,648	-13,715	-7,999	-6,485
Hereof investment in property, plant and equipment	-18,083	-18,648	-13,715	-7,895	-6,235
Cash flows from financing activities	-5,440	-8,256	0	0	0
<b>Total cash flows</b>	<b>-27,447</b>	<b>1,583</b>	<b>22,230</b>	<b>19,559</b>	<b>28,787</b>
Gross margin	24.5	25.0	25.5	24.3	23.4
Return on invested capital	8.3	5.1	5.8	3.8	1.9
Solvency ratio	59.2	71.2	72.8	72.2	65.5
<b>Average number of full-time employees</b>	<b>203</b>	<b>160</b>	<b>169</b>	<b>162</b>	<b>155</b>

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:

Gross margin 
$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

Return on invested capital 
$$\frac{\text{Operating profit} \times 100}{\text{Average invested capital}}$$

Solvency ratio 
$$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

## Management's review

### Operating review

#### Principal activities of the Group and development

Nopa Nordic A/S' principal activities are to develop, produce and sell private-label detergents, cleaning products and products for personal care.

Nopa Nordic A/S' products are primarily sold on the European markets, but, to an increasingly extent, also to non-EU countries. In 2016/17, our export share was continuously on the increase. We expect this positive trend to continue in 2017/18.

The continuous cultivation of our export markets paid off in the form of new customers on both new EU and non-EU markets. For instance, Nopa Nordic managed to expand its customer portfolio in Central Europe, China and South Korea. The increase in the number of customers has made a positive mark on the financial statements, and going forward we continuously expect non-Scandinavian customers to account for significant growth.

Consumer insights and product innovation remain in focus with Nopa Nordic, and end user and customer focus sets the direction for the Company. Consequently, during the year under review, Nopa Nordic developed and launched a considerable number of new products, just as several of our products have won awards.

With the intake of new customers, Nopa Nordic A/S' business profile has been further widened, and we remain supplier to a broad group of customers within the retail trade, OEM customers and the professional segment.

In third and fourth quarters of the financial year, Nopa Nordic A/S was affected by severe price increases in more of our main raw materials. It was not possible to increase sales prices at the same speed, which led to a noticeable drop in our contribution margin. This trend will continue in the first quarter of 2017/18.

In June 2016, the acquisition of Allison A/S was announced. Allison A/S is a leading producer and supplier of beauty care products for the face, hair and body.

During the year, we worked on many joint opportunities and synergies, and we will continue this focus in the coming years.

In May 2017, we initiated negotiations with our employees regarding the closure of our plant on Strandpromenaden 2 in Horsens. Since then the negotiations have been finalised, and the plant will close by the end of October 2017. All products will be relocated to our plant in Hobro. The sale of the property will be completed at same time.

#### Financial development and position

The Group reported a profit of DKK 20.5 million for 2016/17, and at 30 April 2017, equity stood at DKK 195.6 million.

Nopa Nordic A/S' results and financial performance for 2016/17 are considered satisfactory judged on the basis of the given market conditions.

## Management's review

### Operating review (continued)

Revenue was up from DKK 432.3 million in 2015/16 to DKK 589.0 million corresponding to an increase of 36%. In addition to new customers, the increase was attributable to the acquisition of Allison A/S.

Operating profit was up from DKK 22.1 million in 2015/16 to DKK 27.9 million. Adjusted for goodwill amortisation, operating profit came in at DKK 32.4 million corresponding to an increase of 46%.

Cash flow from operating activities was up from DKK 28.5 million to 48.5 million.

The positive profit development was primarily attributable to the revenue increase and lower costs.

### Outlook

For the 2017/18 financial year, consolidated revenue and profit are expected to increase due to the growth in export activities.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date that may influence the evaluation of this annual report.

### Risks

#### *Sales price risks*

Nopa Nordic A/S focuses constantly on improving the competitive power of its clients. The development in the prices of raw materials and packaging pose the most important risk to the volume of Nopa Nordic A/S' production levies. During short periods of time and due to contractual commitments to the customers, price increases in raw materials and packaging may not at all times be reflected in the sales prices charged for the final products. However, this risk has been significantly reduced after the renegotiation of contracts which tie the sales price to the price of raw materials and packaging.

#### *Currency risks*

Commercial currency risk is considered low.

#### *Interest rate risks*

As interest-bearing debt does not make a significant amount, moderate changes in the interest level will not have any major direct impact on earnings. Therefore, the Company does not enter into any interest positions to cover interest risks.

## Management's review

### Operating review (continued)

#### Human resources

Nopa Nordic A/S makes use of state-of-the-art production technology, and therefore Nopa Nordic A/S must be able to attract and retain skilled labour to remain efficient and competitive. Nopa Nordic A/S regularly invests in training and the development of skills of its employees.

In 2016/17, we enjoyed noticeable success with our Talent Development Programme.

Competence development will still have a very high priority in 2017/18.

#### Quality and environment

Since 1998, Nopa Nordic A/S has been certified to DS/EN ISO 9001 and ISO 14001. Accordingly, Nopa Nordic A/S is under an obligation to reduce the environmental impact of its activities to an absolute minimum and to ensure that health and safety of the individual employee remains a constant priority.

Furthermore, Nopa Nordic A/S has been certified to the A.I.S.E. charter for sustainable cleaning, focusing on the environment, work environment and consumer safety. The certification supports Nopa Nordic A/S' green profile and the commercial potential of its products.

In December 2015, a voluntary audit was conducted in accordance with the ISO 22716/GMP standard, and Nopa Nordic A/S was subsequently awarded a certificate/certificate of conformity confirming that our production processes and facilities are compliant with this standard.

Since January 2017, even our energy use for heating has come from renewable resources (certified Biogas).

All certificates are renewed on time as required by the individual standards.

#### Research and development

Nopa Nordic A/S continuously develops and optimises its production processes and products. Associated costs are regularly expensed.

In a market where requirements and expectations constantly change, an intense focus is maintained on optimising our products together with our customers. Nopa Nordic A/S' Product and Business Development teams strive to stay on the forefront via the development of new and innovative products and concepts, and via the upgrading and enhancement of existing products. During the year under review, the Product Development and project teams have been further strengthened.

The Company also makes significant investments in long-term research and development projects in cooperation with universities and suppliers.

## Management's review

### Operating review (continued)

#### Statutory report on corporate social responsibility (section 99 a of the Danish Financial Statements Act)

Business development and optimisation go hand in hand with corporate social responsibility and environmental considerations at Nopa Nordic A/S. Nopa Nordic A/S has not laid down a separate CSR policy - and accordingly no separate policies for impact on climate change and human rights - but has instead integrated CSR into its business principles and strategy, because of a desire to contribute to a better society by investing and engaging in human resources, environmental aspects and society.

#### *Environment*

During the year under review, Nopa Nordic A/S has continued its efforts within sustainability and CSR, and both areas remain a high-priority focus area.

Nopa Nordic sources only RSPO-certified palm oil, and we even offer our customers raw materials/derivatives made from mass balance-certified palm oil. Furthermore, Nopa Nordic follows the megatrend of vegan products, and during the past year, we developed our cooperation with the Vegan Society. We offer a large number of vegan-certified products, and we have even launched the first vegetable-based products.

Nopa Nordic has continued the cooperation with donaid, an independent organisation whose objective is to facilitate companies' ability to take part in support programmes managed by professional charitable organisations. Through donaid, Nopa Nordic supports the NGO Plan and their work for creating clean drinking water for school children in Kenya.

During the past year, Nopa Nordic achieved the top rating of gold level from the international CSR rating organisation EcoVadis. EcoVadis assesses a company's initiatives within environment, supplier management and labour practices, and Nopa Nordic's performance has been ranked to be at the top of these initiatives.

Sustainability and corporate social responsibility are reflected in our product and business development. Nopa Nordic A/S constantly strives to develop and produce as effective products as possible with the least possible environmental impact. Therefore, Nopa Nordic A/S still accounts for a high number of the eco-labelled products launched on the Scandinavian markets each year. We work actively on promoting awareness of eco-labelled products on our export markets outside Scandinavia and Europe. Nopa Nordic A/S makes it easier for the consumer to go green and opt for eco-labelled products and thereby reduce environmental impact.

Sustainability is an integrated part of daily operations, as renewable sources of energy account for Nopa Nordic A/S' entire electricity consumption. In its ongoing efforts to improve and optimise its processes, Nopa Nordic A/S strives to increase its rate of reuse and to reduce waste of materials and resources as well as energy consumption.

## Management's review

### Operating review (continued)

Due to this focus, the use of electricity is now 100% supplied through wind energy, and the goal for the coming year is that all energy is to be renewable. Regarding environmental matters, also refer to section above.

The internal work environment at Nopa Nordic A/S is given a high priority. Action plans have been drawn up, and new measures have been implemented to constantly further improve the work environment. We have, for instance, invested heavily in production equipment to improve ergonomics and reduce health risks, and we strive to extend our certification to working environmental standards. Additionally, Nopa Nordic A/S considers it an obligation to offer positions respecting the individual with regard to duties, working hours and skills.

### *Community engagement*

Nopa Nordic A/S places heavy demands on its suppliers, requiring them to comply with the UN World Declaration of human rights, including UN standards for human rights, work environment, health, safety, social standards and environmental standards. Our CSR certification helps us to place heavy demands on our suppliers and their CSR efforts.

Nopa Nordic A/S is of the opinion that the Company has a special obligation to support the local community. Therefore, in line with our practice for several years, we continue to support the local Julemærkehjem in Hobro (home for overweight children) and the organisation Familier med kræfttramte børn (organisation for children with cancer).

Furthermore, Nopa Nordic A/S supported Hobro Cykleklub, Stevnstrup Rideklub, "Stafet for livet" and the Oue-Valsgård Scouts this financial year. These four sponsorships were decided by our staff association.

### **Statutory report on targets and policies for the underrepresented gender (section 99 b of the Danish Financial Statements Act)**

The general policy is to have an inclusive culture at all levels of the organisation, including the Board of Directors and leadership team.

Nopa Nordic A/S has laid down targets for the number of women to serve on its Board of Directors and its leadership team.

For the Board of Directors, at least one female board member is set as target. The Board of Directors consists of three males and one woman, and therefore the target was met for 2016/17.

It is our policy to have an inclusive culture at all levels of the organization. The target for the coming four years is to have at least one female member on the leadership team. The target was not met during the second half of 2016/17.

Around 50% of the participants in the Talent Development Programme (see earlier section) are females.

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Income statement

DKK	Note	Group		Parent Company	
		2016/17	2015/16	2016/17	2015/16
<b>Revenue</b>		589,051,447	432,278,940	463,618,418	432,278,940
Other operating income		0	0	90,000	30,000
Cost of raw materials and consumables		-379,137,118	-277,225,395	-305,942,420	-277,225,395
Other external costs		-65,513,255	-47,062,896	-50,996,960	-51,011,700
<b>Gross profit</b>		144,401,074	107,990,649	106,769,038	104,071,845
Staff costs	2	-95,747,761	-73,212,082	-71,727,538	-70,568,538
Depreciation of property, plant and equipment and amortisation of intangible assets		-20,794,664	-12,728,294	-13,748,912	-12,602,351
<b>Operating profit (EBIT)</b>		27,858,649	22,050,273	21,292,588	20,900,956
Income from investments in group entities		0	0	3,822,650	1,015,322
Financial income		84,055	225,734	142,726	225,608
Financial expenses	3	-1,005,049	-236,194	-665,935	-383,941
<b>Profit before tax</b>		26,937,655	22,039,813	24,592,029	21,757,945
Tax on profit for the year	4	-6,480,993	-5,259,725	-4,135,367	-4,977,857
<b>Profit for the year</b>	5	20,456,662	16,780,088	20,456,662	16,780,088

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Balance sheet

DKK	Note	Group		Parent Company	
		2016/17	2015/16	2016/17	2015/16
<b>ASSETS</b>					
<b>Fixed assets</b>					
<b>Intangible assets</b>					
	6				
Patents, licences, trademarks and software		16,667	117,500	16,667	117,500
Goodwill		19,927,593	0	0	0
		<u>19,944,260</u>	<u>117,500</u>	<u>16,667</u>	<u>117,500</u>
<b>Property, plant and equipment</b>					
	7				
Land and buildings		43,999,159	36,889,174	33,172,661	36,021,090
Plant and machinery		39,756,478	34,215,918	36,578,619	34,215,918
Fixtures and fittings, tools, equipment and software		4,411,398	2,111,655	2,475,828	2,094,954
Assets under construction		9,506,970	8,213,939	9,506,970	8,213,939
		<u>97,674,005</u>	<u>81,430,686</u>	<u>81,734,078</u>	<u>80,545,901</u>
<b>Investments</b>					
	8				
Investments in group entities		0	0	68,875,070	4,468,180
		<u>0</u>	<u>0</u>	<u>68,875,070</u>	<u>4,468,180</u>
<b>Total fixed assets</b>		<u>117,618,265</u>	<u>81,548,186</u>	<u>150,625,815</u>	<u>85,131,581</u>
<b>Current assets</b>					
<b>Inventories</b>					
Raw materials and consumables		45,081,634	27,438,634	31,869,257	27,438,634
Finished goods and goods for resale		74,083,779	52,496,613	50,084,249	52,496,613
Prepayments for goods		1,058,313	0	0	0
		<u>120,223,726</u>	<u>79,935,247</u>	<u>81,953,506</u>	<u>79,935,247</u>
<b>Receivables</b>					
Trade receivables		81,961,149	67,929,423	66,124,276	67,929,423
Other receivables		7,296,277	1,326,316	7,168,443	1,202,732
Prepayments		2,319,164	1,176,079	1,656,947	1,176,079
		<u>91,576,590</u>	<u>70,431,818</u>	<u>74,949,666</u>	<u>70,308,234</u>
<b>Securities and equity investments</b>					
		6,000	0	0	0
<b>Cash at bank and in hand</b>		<u>628,883</u>	<u>21,851,846</u>	<u>28,401</u>	<u>21,383,740</u>
<b>Total current assets</b>		<u>212,435,199</u>	<u>172,218,911</u>	<u>156,931,573</u>	<u>171,627,221</u>
<b>TOTAL ASSETS</b>		<u>330,053,464</u>	<u>253,767,097</u>	<u>307,557,388</u>	<u>256,758,802</u>



## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Balance sheet

DKK	Note	Group		Parent Company	
		2016/17	2015/16	2016/17	2015/16
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	9	1,000,000	1,000,000	1,000,000	1,000,000
Net revaluation according to the equity method		0	0	6,450,536	2,647,820
Retained earnings		182,550,677	173,693,949	176,100,141	171,046,129
Proposed dividends for the financial year		12,000,000	6,000,000	12,000,000	6,000,000
<b>Total equity</b>		<u>195,550,677</u>	<u>180,693,949</u>	<u>195,550,677</u>	<u>180,693,949</u>
<b>Provisions</b>					
Provisions for deferred tax	10	2,270,758	7,177,977	931,002	7,156,693
<b>Total provisions</b>		<u>2,270,758</u>	<u>7,177,977</u>	<u>931,002</u>	<u>7,156,693</u>
<b>Liabilities other than provisions</b>					
<b>Non-current liabilities other than provisions</b>					
Mortgage debt		4,778,760	0	0	0
		<u>4,778,760</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Current liabilities other than provisions</b>					
Mortgage debt, short term		387,545	0	0	0
Bank loans		16,185,101	0	11,224,522	0
Trade payables		58,312,471	43,581,415	48,782,893	43,518,863
Payables to group entities		0	0	7,088,569	3,879,724
Corporation tax		12,775,727	3,330,290	12,092,760	2,837,748
Other payables		32,292,425	18,983,466	24,386,965	18,671,825
Prepayments received relating to the disposal of property		7,500,000	0	7,500,000	0
		<u>127,453,269</u>	<u>65,895,171</u>	<u>111,075,709</u>	<u>68,908,160</u>
<b>Total liabilities other than provisions</b>		<u>132,232,029</u>	<u>65,895,171</u>	<u>112,006,711</u>	<u>68,908,160</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>330,053,464</u>	<u>253,767,097</u>	<u>307,557,388</u>	<u>256,758,802</u>
<b>Accounting policies</b>	1				
<b>Mortgages and collateral</b>	11				
<b>Contractual obligations, contingencies, etc.</b>	12				
<b>Fees to auditor appointed at the general meeting</b>	13				
<b>Related parties</b>	16				
<b>Events after the balance sheet date</b>	17				

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Statement of changes in equity

DKK	Group			
	Share capital	Retained earnings	Proposed dividends	Total
<b>Equity at 1 May 2015</b>	1,000,000	162,072,145	12,000,000	175,072,145
Distributed dividends	0	840,000	-12,000,000	-11,160,000
Transferred; see the profit appropriation	0	10,780,088	6,000,000	16,780,088
Exchange rate adjustment, foreign subsidiaries	0	1,716	0	1,716
<b>Equity at 1 May 2016</b>	1,000,000	173,693,949	6,000,000	180,693,949
Distributed dividends	0	420,000	-6,000,000	-5,580,000
Transferred over the profit appropriation	0	8,456,662	12,000,000	20,456,662
Exchange rate adjustment, foreign subsidiaries	0	-19,934	0	-19,934
<b>Equity at 30 April 2017</b>	1,000,000	182,550,677	12,000,000	195,550,677

DKK	Parent company				
	Share capital	Revaluation reserve according to the equity method	Retained earnings	Proposed dividends	Total
<b>Equity at 1 May 2015</b>	1,000,000	1,630,782	160,441,363	12,000,000	175,072,145
Distributed dividends	0	0	840,000	-12,000,000	-11,160,000
Transferred; see the profit appropriation	0	1,015,322	9,764,766	6,000,000	16,780,088
Exchange rate adjustment,	0	1,716	0	0	1,716
<b>Equity at 1 May 2016</b>	1,000,000	2,647,820	171,046,129	6,000,000	180,693,949
Distributed dividends	0	0	420,000	-6,000,000	-5,580,000
Transferred over the profit appropriation	0	3,822,650	4,634,012	12,000,000	20,456,662
Exchange rate adjustment, foreign subsidiary	0	-19,934	0	0	-19,934
<b>Equity at 30 April 2017</b>	1,000,000	6,450,536	176,100,141	12,000,000	195,550,677

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Cash flow statement (Group)

DKK	Note	2016/17	2015/16
Profit for the year		20,456,662	16,780,088
Other adjustments	14	28,219,846	17,998,479
Cash generated from operations before changes in working capital		48,676,508	34,778,567
Changes in working capital	15	5,245,345	-3,167,471
Cash generated from operations		53,921,853	31,611,096
Interest income		84,055	225,734
Interest expense		-1,005,049	-236,194
Corporation tax paid		-4,554,209	-3,114,046
<b>Cash flows from operating activities</b>		<b>48,446,650</b>	<b>28,486,590</b>
Acquisition of subsidiaries		-60,602,353	0
Acquisition of property, plant and equipment		-18,083,235	-18,648,033
Disposals of property, plant and equipment		732,298	0
Received deposit relating to disposal of property		7,500,000	0
<b>Cash flows from investing activities</b>		<b>-70,453,290</b>	<b>-18,648,033</b>
Distributed dividends		-5,462,970	-9,096,060
Thereof dividends on treasury shares		420,000	840,000
Instalments of mortgage debt		-397,159	0
<b>Cash flows from financing activities</b>		<b>-5,440,129</b>	<b>-8,256,060</b>
<b>Cash flows for the year</b>		<b>-27,446,769</b>	<b>1,582,497</b>
Cash and cash equivalents at the beginning of the year		21,851,846	20,269,349
Addition acquisition of subsidiary		-9,961,295	0
<b>Cash and cash equivalents at year end</b>		<b>-15,556,218</b>	<b>21,851,846</b>
Presented as follows in the financial statements:			
Cash at bank and in hand		628,883	21,851,846
Bank loans		-16,185,101	0
		-15,556,218	21,851,846

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 1 Accounting policies

The annual report of Nopa Nordic A/S for 2016/17 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

As from 1 January 2016, the Group 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, intangible assets will be amortised over the useful life. Previously, the maximum period of amortisation was 20 years.

The changes have no monetary effect on the income statement or the balance sheet for 2016/17 or on the comparative figures, but going forward, depreciation of property, plant and equipment will be reduced.

Apart from the above, the accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last year.

#### Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Nopa Nordic A/S, and subsidiaries in which Nopa Nordic A/S directly or indirectly holds the majority of the votes.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 1 Accounting policies (continued)

##### 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.

Upon recognition of foreign subsidiaries which are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

##### Income statement

###### Revenue

Income from 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, the income may be reliably measured and is expected to be received.

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 recognised in revenue.

###### Other operating income

Other operating income comprises items secondary to the activities of the entities.

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 1 Accounting policies (continued)

##### Cost of raw materials and consumables

Cost of raw materials and consumables comprise of costs incurred directly or indirectly to generate revenue for the year.

##### Other external costs

Other external costs comprise costs related to distribution, sales, advertising, administration, lease costs, etc.

##### Staff costs

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

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised gains and losses on payables and transactions denominated in foreign currencies, and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### Income from investments in group entities

The proportionate share of the results of the individual subsidiaries is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

##### Tax on profit for the year

The Parent Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date on which they are included in the consolidated financial statements and up to the date on which they are excluded from the consolidation.

The Parent 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.

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, 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.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividends exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

##### Balance sheet

###### Intangible assets

###### *Patents, licences and trademarks*

Patents, licences and trademarks are measured at cost less accumulated amortisation and impairment losses. Patents and trademarks are amortised on a straight-line basis over the remaining life of the patent or trademark, and licences are amortised over the contract period, however, not exceeding 5 years.

###### *Software*

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

Upon completion of software, software is amortised on a straight-line basis over the estimated useful lives. The amortisation period is usually 3-5 years, however, not exceeding 10 years.

###### *Goodwill*

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 fixed at 5 years.

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 1 Accounting policies (continued)

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:

Buildings	25 years
Plant and machinery	3-12 years
Fixtures and fittings, tools and equipment	3-12 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.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to relevant group of property, plant and equipment

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.



## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 1 Accounting policies (continued)

##### Investments

Investments in group entities are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by an amount equivalent to the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised under provisions.

Net revaluation of investments in subsidiaries is transferred to the reserve for net revaluation in equity according to the equity method to the extent that the carrying amount exceeds cost.

##### 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 as well as indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as 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 or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 1 Accounting policies (continued)

##### Prepayments and deferred income

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

##### Equity

###### *Net revaluation reserve according to the equity method*

Net revaluation reserve according to the equity method comprises net revaluation of equity investments in group entities and associates.

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

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.

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.

##### Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. 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.

Finance lease obligations comprise the capitalised residual lease obligation on finance leases.

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 1 Accounting policies (continued)

Other liabilities are measured at net realisable value.

#### Cash flow statement

The cash flow statement shows the Group'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 Group'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

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

#### 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 dividends 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.

#### Segment information

In accordance with section 96 of the Danish Financial Statements Act, segment information is not disclosed, as this information may cause significant damage to the entities' competitive position.

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

DKK'000	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
<b>2 Staff costs and incentive schemes</b>				
Wages and salaries	88,439,871	67,713,723	66,856,095	65,710,746
Pensions	5,720,130	4,478,599	4,360,693	4,352,093
Other social security costs	1,587,760	1,019,760	510,750	505,699
	<u>95,747,761</u>	<u>73,212,082</u>	<u>71,727,538</u>	<u>70,568,538</u>
Executive Board	4,992,752	4,378,872	4,992,752	4,378,872
Board of Directors	598,550	351,000	598,550	351,000
	<u>5,591,302</u>	<u>4,729,872</u>	<u>5,591,302</u>	<u>4,729,872</u>
Average number of full-time employees	<u>203</u>	<u>160</u>	<u>150</u>	<u>156</u>
The Executive Board is remunerated in the form of both fixed remuneration and bonus plans. Bonus plans depend on certain goals, which have been decided beforehand.				
<b>3 Financial expenses</b>				
Interest expense to group entities	0	0	0	153,868
Other interest expense	1,005,049	236,194	665,935	230,073
	<u>1,005,049</u>	<u>236,194</u>	<u>665,935</u>	<u>383,941</u>
<b>4 Tax on profit for the year</b>				
Current tax for the year	6,189,575	3,247,247	4,187,419	2,965,379
Deferred tax adjustment for the year	729,240	1,602,672	367,669	1,602,672
Adjustment of deferred tax in respect of prior years	-437,822	233,627	-419,721	233,627
Adjustment of current tax in respect of prior years	0	176,179	0	176,179
	<u>6,480,993</u>	<u>5,259,725</u>	<u>4,135,367</u>	<u>4,977,857</u>
<b>5 Proposed profit appropriation</b>				
Proposed dividends for the financial year			12,000,000	6,000,000
Net revaluation reserve according to the equity method			3,822,650	1,015,322
Retained earnings			<u>4,634,012</u>	<u>9,764,766</u>
			<u>20,456,662</u>	<u>16,780,088</u>

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 6 Intangible assets

DKK	Group		
	Patents, licenses trade-marks and software	Goodwill	Total
Cost at 1 May 2016	478,500	0	478,500
Transferred	0	0	0
Additions	0	24,384,593	24,384,593
Cost at 30 April 2017	478,500	24,384,593	24,863,093
Amortisation at 1 May 2016	-361,000	0	-361,000
Amortisation	-100,833	-4,457,000	-4,557,833
Amortisation at 30 April 2017	-461,833	-4,457,000	-4,918,833
<b>Carrying amount at 30 April 2017</b>	<b>16,667</b>	<b>19,927,593</b>	<b>19,944,260</b>

DKK	Parent Company	
	Patents, licenses and trade-marks	Total
Cost at 1 May 2016	478,500	478,500
Transferred	0	0
Additions	0	0
Cost at 30 April 2017	478,500	478,500
Amortisation at 1 May 2016	-361,000	-361,000
Amortisation	-100,833	-100,833
Amortisation at 30 April 2017	-461,833	-461,833
<b>Carrying amount at 30 April 2017</b>	<b>16,667</b>	<b>16,667</b>

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 7 Property, plant and equipment

DKK	Group				
	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 May 2016	95,649,722	260,420,308	22,201,631	8,213,939	386,485,600
Transferred	0	2,446,159	0	-2,446,159	0
Additions	665,841	10,907,822	2,770,383	3,739,190	18,083,236
Additions purchase of subsidiaries	10,448,122	2,187,237	2,493,856	0	15,129,215
Disposals	0	0	-1,042,307	0	-1,042,307
Cost at 30 April 2017	106,763,685	275,961,526	26,423,563	9,506,970	418,655,744
Depreciation at 1 May 2016	-58,760,548	-226,204,390	-20,089,976	0	-305,054,914
Depreciation	-4,003,978	-10,000,658	-2,262,621	0	-16,267,257
Depreciation on disposals	0	0	340,432	0	340,432
Depreciation at 30 April 2017	-62,764,526	-236,205,048	-22,012,165	0	-320,981,739
<b>Carrying amount at 30 April 2017</b>	<b>43,999,159</b>	<b>39,756,478</b>	<b>4,411,398</b>	<b>9,506,970</b>	<b>97,674,005</b>

DKK	Parent Company				
	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 May 2016	84,520,371	260,420,308	22,177,760	8,213,939	375,332,378
Transferred	0	2,446,159	0	-2,446,159	0
Additions	183,106	9,134,715	1,779,245	3,739,190	14,836,256
Cost at 30 April 2017	84,703,477	272,001,182	23,957,005	9,506,970	390,168,634
Depreciation at 1 May 2016	-48,499,281	-226,204,390	-20,082,806	0	-294,786,477
Depreciation	-3,031,535	-9,218,173	-1,398,371	0	-13,648,079
Depreciation at 30 April 2017	-51,530,816	-235,422,563	-21,481,177	0	-308,434,556
<b>Carrying amount at 30 April 2017</b>	<b>33,172,661</b>	<b>36,578,619</b>	<b>2,475,828</b>	<b>9,506,970</b>	<b>81,734,078</b>

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 8 Investments

DKK'000	Parent Company	
	2016/17	2015/16
<b>Equity investments in subsidiaries</b>		
Cost at 1 May 2016	2,079,073	2,074,279
Additions	60,602,353	0
Cost at 30 April 2017	62,681,426	2,074,279
Value adjustments at 1 May 2016	2,389,107	1,373,785
Equity adjustments, currency rate etc.	-18,113	4,794
Profit for the year from investments	8,279,650	1,015,322
Amortisation, goodwill	-4,457,000	0
Value adjustments at 30 April 2017	6,193,644	2,393,901
<b>Carrying amount at 30 April 2017</b>	<b>68,875,070</b>	<b>4,468,180</b>
Hereof goodwill	19,927,593	0

#### Group entities

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit for the year
			DKK'000	DKK'000
Allison A/S	Bramming	100%	43,523	9,143
Ejendomsselskabet Stærevej 1 ApS	Bramming	100%	1,233	122
Ejendomsselskabet Strandpromenaden A/S	Horsens	100%	4,711	810
	Kunges			
Nopa Nordic AB	Kurva	100%	382	98
	Frankfurt am			
Nopa Nordic GmbH	Main	100%	332	66

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 9 Share capital

The share capital have not been changed during the past five years. The share capital consists of:

DKK	2016/17	2015/16
48 shares, of nom. DKK 10,000	480,000	480,000
8 shares, of nom. DKK 2,500	20,000	20,000
46 shares, of nom. DKK 10,000	460,000	460,000
4 shares, of nom. DKK 5,000	20,000	20,000
18 shares, of nom. DKK 1,000	18,000	18,000
8 shares, of nom. DKK 250	2,000	2,000
	<u>1,000,000</u>	<u>1,000,000</u>

Out of the share capital, DKK 500,000 are A-shares with total voting rights of 20,000, and DKK 500,000 are B-shares with total voting rights of 2,000.

The Company's treasury shares can be specified as follows:

A shares, 2, of nom. DKK 10,000  
B shares, 4, of nom. DKK 10,000  
B shares, 2, of nom. DKK 5,000

The total amount of treasury shares accounts for 7% of the total share capital



## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 10 Deferred tax

DKK	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
Deferred tax at 1 May 2016	7,177,977	5,329,486	7,156,693	5,320,394
Addition acquisition of subsidiary	776,101	0	0	0
Deferred tax adjustment for the year	928,632	1,848,491	367,670	1,836,299
Deferred tax adjustment for prior years	-438,311	0	-419,720	0
Deferred tax adjustment relating to disposal of property	-6,173,641	0	-6,173,641	0
	<u>2,270,758</u>	<u>7,177,977</u>	<u>931,002</u>	<u>7,156,693</u>

Provisions for deferred tax relate to:

Intangible assets	-6,398	-5,280	-6,398	-5,280
Property, plant and equipment	682,444	6,333,837	-128,280	6,312,553
Current assets	1,682,712	849,420	1,153,680	849,420
Tax loss carryforwards	0	0	0	0
Current liabilities	-88,000	0	-88,000	0
	<u>2,270,758</u>	<u>7,177,977</u>	<u>931,002</u>	<u>7,156,693</u>

#### 11 Mortgage and collateral

For the Parent Company, land and buildings with a carrying amount of DKK 33,172 thousand at 30 April 2017 have been provided as collateral for amounts owed to mortgage institutions of DKK 15,000 thousand.

For the Group, land and buildings with a carrying amount of DKK 38,015 at 30 April 2017 have been provided as collateral for amounts owed to mortgage institutions of DKK 18,000.

The Parent Company and Group has provided a joint and several guarantee as collateral for all amounts owed to Danske Bank A/S by the group.

Further, shares in Allison A/S have been provided as collateral.

#### 12 Contractual obligations, contingencies, etc.

##### Operating lease obligations

Operating lease obligations for Parent Company and Group at 30 April 2017 represented DKK 5,778 thousand, of which DKK 1,571 thousand falls due within the initial year and DKK 333 thousand after five years.

The Group has entered into interest swap agreements hedging future interest payments and into forward contracts hedging future purchases. The value of the interest swap agreements at 30 April 2017 was negative at DKK 483 thousand after tax and the value of forward contracts was 0 DKK at 30 April 2017.

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 12 Contractual obligations, contingencies, etc. (continued)

##### Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint VAT registration. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties. A tax case related to prior years is pending. Management does not expect any derived significant impact on the consolidated financial statements.

DKK'	Group	
	2016/17	2015/16
<b>13 Fees to auditor appointed at the general meeting</b>		
Statutory audit	255,000	115,000
Tax assistance	319,300	55,000
Other assurance engagements	15,000	10,000
Non-audit services	270,324	88,000
	<u>859,624</u>	<u>268,000</u>
<b>14 Other adjustments</b>		
Depreciation and amortisation	20,794,664	12,728,294
Financial income	-84,055	-225,734
Financial expenses	1,005,049	236,194
Tax for the year	6,480,993	5,259,725
Other adjustments	23,195	0
	<u>28,219,846</u>	<u>17,998,479</u>
<b>15 Changes in working capital</b>		
Change in inventories	-2,996,458	-2,335,126
Change in receivables	-2,263,650	-3,438,257
Change in trade and other payables	10,505,453	2,605,912
	<u>5,245,345</u>	<u>-3,167,471</u>

## Consolidated financial statements and parent company financial statements 1 May 2016 – 30 April 2017

### Notes

#### 16 Related parties

##### Related party transactions

##### Parent Company

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.

#### 17 Events after the balance sheet date

No events have occurred after the balance sheet date to this date that may influence the evaluation of this annual report.