MedicoPack A/S
Industrivej 6
5550 Langeskov

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MedicoPack A/S

Annual report 2015

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

on 12 February 2016

Hermann Mir Þórisson
chairman

CVR no. 46 41 02 11

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 MedicoPack A/S for the financial year 1 January – 31 December 2015.

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 2015 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities 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.

Langeskov, 12 February 2016

Executive Board:

Torben Krøyer Bruhn

Board of Directors:

Hermann Már Þórisson
Chairman

Herdís Dröfn Fjeldsted

Jakob Oskar Sigurdsson

Mathis Krydsfeldt

Laila Falslund Hansen

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
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Independent auditor's report

To the shareholders of MedicoPack A/S

Independent auditor's report on the financial statements

We have audited the financial statements of MedicoPack A/S for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet, cash flow statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

KPMG

Independent auditor's report

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 12 February 2016
KPMG
Statsautoriseret Revisionspartnerselskab

Jacob Lehman	Mikkel Trabjerg Knudsen
State Authorised	State Authorised
Public Accountant	Public Accountant

Management's review

Company details

MedicoPack A/S
Industrivej 6
5550 Langeskov

Telephone:	+45 63 38 10 00
Telefax:	+45 63 38 10 01

CVR no.:	46 41 02 11
Established:	16 February 1973
Registered office:	Langeskov
Financial year:	1 January – 31 December

Board of Directors
Hermann Már Þórisson, Chairman
Herdís Dröfn Fjeldsted
Jakob Oskar Sigurdsson
Mathis Krydsfeldt (elected by the employees)
Laila Falslund Hansen (elected by the employees)

Executive Board
Torben Krøyer Bruhn

Auditor
KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen

Management's review

Financial highlights

DKK'000	2015	2014	2013*	2012*	2011*
Revenue	**97,143**	**85,867**	**91,414**	**113,643**	**128,306**
Gross profit	30,123	-6,522	42,133	59,560	69,203
Profit/loss before interest, taxation, depreciation and amortisation expenses (EBITDA)	16,718	-16,564	1,082	16,173	23,727
Operating profit/loss (EBIT)	10,419	-22,824	-5,091	11,569	16,491
Profit/loss from financial income and expenses	-2,798	-2,249	-1,797	-1,491	-1,522
Profit/loss for the year	6,004	-19,107	-5,267	7,604	11,370
Total assets	65,403	106,134	92,475	89,189	93,950
Investment in property, plant and equipment	1,337	8,236	5,610	3,267	11,434
Equity	17,243	-1,261	17,846	27,613	29,509
Cash flows from operating activities	5,200	-6,743	-	-	-
Cash flows from investing activities	28,663	-8,236	-	-	-
Cash flows from financing activities	-15,115	14,972	-	-	-
Total cash flows	18,748	-7	-	-	-
Return on invested capital	12,2%	-23.0%	-5.6%	12.6%	16.8%
Solvency ratio	26.4%	-1.2%	19.3%	31.0%	31.4%
Return on equity	33.3%	-230.4%	-23.2%	26.6%	47.7%
Average number of full-time employees	85	91	91	96	98

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". For terms and definitions, please see the accounting policies.

*In the 2015 financial year, the Company took up presenting the income statement classified by function. The comparative figures for 2013, 2012 and 2011 have not been restated.

Management's review

Operating review

Principal activities of the Company

MedicoPack A/S develops, manufactures and sells packaging and single-use devices for injection and infusion therapy for the medical industry and hospitals. Production takes place in cleanroom facilities and under sound hygienic conditions, where quality assurance and documentation are given a high priority.

Export accounts for approx. 90% of revenue. In Denmark, hospitals are the most important customers, while export is made to the global medical & health care industry.

In February 2015, the RPC Group acquired the Promens Group. Promens Medical Packaging A/S was not part of the transaction, and as a consequence Promens Medical Packaging A/S changed its name to MedicoPack A/S.

Development in activities and financial position

After a turbulent period in 2013 and 2014, the Company initiated a restructuring process in 2015, which has already significantly affected the income statement.

The Company reported a profit before tax of DKK 7,621 thousand for the year under review as against as loss of DKK 25,073 for 2014.

The Executive Board and Board of Directors consider the profit for the year as expected.

Sales were up by 13.1% compared to last year. The highly positive sales increase is based on a significantly improved delivery performance (98.3%) to customers combined with generally increased demand within the customer portfolio.

The improved delivery performance is a clear outcome of a focused and well-executed turnaround process carried out in 2015, which brought significant improvements in operational performance and high efficiency gains as well as an improved quality level and waste reduction.

Staff costs were reduced by 20.5%, and a new simplified organisational structure has been established in order to foster a new agile organisation for execution.

The Company has sold it property to a newly established property company owned by the parent company. The Company realised a gain on the sale of DKK 2,940 thousand. The deferred income relating to the property has been reversed, resulting in a gain of DKK 11,549 thousand. Also in 2015, the Company realised a loss of DKK 4,999 thousand due to disposals of equipment/development costs that were no longer in use.

During the period, the parent company of MedicoPack A/S carried out debt conversion of DKK 12,500 thousand, and equity came in at DKK 17,243 thousand at year end compared to negative equity of DKK 1,261 thousand at 31 December 2014. At 31 December 2015, the solvency ratio was 26.1% (2014: a negative 1.2%).

Cash at bank and in hand, net amounted to DKK 18,752 thousand at 31 December 2015, and the liquidity budget for 2016 shows no additional liquidity requirement.

Management's review

Operating review

Outlook

The Company expects to enjoy continued stable sales growth, with high delivery performance and additional improvements in operational performance as an effect of the executed turnaround in 2015.

Sales growth is based on increased demand within the current customer portfolio where newly negotiated five-year agreements with key accounts will secure sales increases. An additional, new Pipeline project as well as projects within ClearVial ™ and DivibaX ® are expected to offer good growth potential in the coming years.

EBIT for 2016 adjusted for one-off items is expected to be slightly up on 2015.

Risks

As a result of its use of plastic as raw material, which is exposed to major price fluctuations on the volatile plastic market, the Company is exposed to a special risk as prices cannot be fully and immediately recognised in the price of the finished products.

Currency risks

The Company's activities in the EU, Switzerland and Australia have the outcome that results are affected by exchange rate and interest movements in EUR, CHF and GBP. These risks did not have any predominant impact on results in 2015 and 2014.

Interest risks

Interest-bearing debt carries fixed interest, while other net liabilities represent a minor amount. Changes in the interest rate level only have a minor impact on earnings.

Research and development activities

Development activities are focused on close co-operation with customers for the purpose of continuously improving and optimising existing packaging solutions as well as developing new and breakthrough packaging concepts. Clear Vial ™ and DivibaX ® are the product ranges most recently launched and hold solid future growth potential.

ClearVial ™ is a breakthrough product within primary packaging solutions for pharmaceutical and biotech industries. Clear Vial ™ is a highly transparent, lightweight vial that replaces glass to deliver a very cost-effective and reliable solution for a wide range of medical products.

DiviBax ® is a connection device providing a 100% safe mix of fluids between vials and IV containers and eliminates run-back of fluid, which has always been the great challenge of the market.

Management's review

Operating review

Environment

The Company has laid down a specific environmental policy to manage environmental aspects and related targets. One of the Company's most important priorities are to further reduce its energy consumption and to minimise its environmental impact.

Material events after the end of the financial year

At 31 December 2015 and up until today, no events have occurred changing our assessment of the annual report.

Financial statements 1 January – 31 December

Accounting policies

The annual report of MedicoPack A/S for 2015 has been presented in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

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

Due to a change in ownership, the Company took up presenting the income statement classified by the function in 2015.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement 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 recognised excluding VAT and duties and less discounts in relation to the sale.

Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries incurred to generate revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases and depreciation of production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

In addition, provisions for bad debts on contract work are recognised.

Financial statements 1 January – 31 December

Accounting policies

Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions as well as depreciation.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, management, office premises, office expenses and depreciation.

Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

Other operating expenses

Other operating expenses comprise items secondary to the activities of the entities, including losses on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, 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

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changing in tax rates.

Financial statements 1 January – 31 December

Accounting policies

Balance sheet

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. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers, energy consumption, staff and depreciation of machinery used.

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	31 years
Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	3-10 years

Land is not depreciated.

Non-current assets under construction are recognised and measured at cost at the balance sheet date. When the assets are put into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised as in the income statement production costs, distribution costs and administrative expenses, respectively.

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.

Financial statements 1 January – 31 December

Accounting policies

Leases and prepayments/deferred income arising from sale and lease-back transactions regarding buildings.

The building were sold at 30 June 2015 and this section is related to understanding of 2014.

From and including 2011

At the end of 2011, the Company exercised its option in the lease agreement on buildings to make a repurchase. The Company's repurchase of assets held under finance leases was accounted for under IAS 39 under which the option price and lease debt were recognised as financial income and financial expenses in the income statement while the carrying amount of buildings and deferred gain remain unchanged.

From and including 2010

In accordance with IAS 17, leases for property are broken down on land and buildings elements, which are accounted for separately. As the land comes with an indefinite useful life, the selling price for the land at the expiry of the lease period is deemed to be at market level, and as the Company does not intend to take over the property, the land elements have been classified as operating leases.

On initial recognition, leases for property, plant and equipment that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised on the balance sheet at the lower of fair value and the net present value of future lease payments. The interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised lease obligation is recognised on the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of lease.

Gains on sale and leaseback transactions classified as finance leases are recognised as prepayments on the balance sheet and recognised as depreciation, etc. over the term of the lease.

Financial statements 1 January – 31 December

Accounting policies

Leases

On initial recognition, leases for non-current assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations, etc.

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 costs. 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 to net realisable value is made for projected bad debts.

Prepayments

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

Financial statements 1 January – 31 December

Accounting policies

Equity

Dividends

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 on 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 measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where 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 carry forwards, 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.

Provisions

Provisions comprise anticipated costs of warranties and restructuring.

Provisions are recognised when, as a result of past events occurring prior to or at the balance sheet date, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation.

Financial statements 1 January – 31 December

Accounting policies

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 are recognised as financial liabilities at amortised cost.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received regarding income in subsequent years.

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

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 purchase and sale of treasury shares, payments relating to increases or reductions in capital and related costs as well as payment of dividends to shareholders and raising and repayment of interest-bearing debt.

Financial statements 1 January – 31 December

Accounting policies

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 ratios

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 invested capital	$\frac{\text{Operating profit/loss x 100}}{\text{Average invested capital}}$
Invested capital	Operational intangible assets and property, plant and equipment as well as net working capital
Solvency ratio	$\frac{\text{Equity at year end x100}}{\text{Total Equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average equity}}$
Results for analytical purposes	Profit/loss from ordinary activities after tax less non-controlling interests' share thereof

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2015	2014
Revenue		97,144	85,867
Production cost		-81,510	-92,389
		15,634	-6,522
Other operating income	1	14,489	0
Gross profit		30,123	-6,522
Distribution costs	6,10	-5,962	-7,421
Administrative expenses	6,10	-8,743	-8,881
Other operating expenses	2	-4,999	0
Operating profit/loss		10,419	-22,824
Financial income	3	662	4,449
Financial expenses	4	-3,460	-6,698
Profit/loss before tax		7,621	-25,073
Tax on profit/loss for the year	5	-1,617	5,966
Profit/loss for the year		6,004	-19,107

Proposed profit appropriation/distribution of loss			
Retained earnings		6,004	-19,107
		6,004	-19,107

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2015	2014
ASSETS			
Non-current assets			
Property, plant and equipment	6		
Land and buildings		0	27,539
Plant and machinery		17,219	25,600
Fixtures and fittings, tools and equipment		2,600	3,268
Property, plant and equipment under construction		489	940
		20,308	57,347
Total non-current assets		20,308	57,347
Current assets			
Inventories			
Raw materials and consumables		3,640	4,501
Finished goods and goods for resale		11,673	10,477
		15,313	14,978
Receivables			
Trade receivables		8,755	10,339
Amounts owed by group entities		0	15,223
Amounts owed by affiliated company		78	0
Other receivables		36	966
Deferred tax	7	1,265	3,277
Tax receivable, joint taxation		395	4,000
		10,529	33,805
Cash at bank and in hand		19,253	4
Total current assets		45,095	48,787
TOTAL ASSETS		65,403	106,134

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2015	2014
EQUITY AND LIABILITIES			
Equity	8		
Share capital		10,001	10,000
Retained earnings		7,242	-11,261
Total equity		17,243	-1,261
Provisions	9		
Warranty provisions		2,173	1,645
Total provisions		2,173	1,645
Liabilities other than provisions			
Non-current liabilities other than provisions	10		
Lease obligations		0	571
Amounts owed to parent company		31,624	0
Deferred income		0	11,135
		31,624	11,706
Current liabilities other than provisions			
Current portion of non-current liabilities other than provisions	10	657	20,172
Bank loans and overdrafts		501	0
Trade payables		5,748	12,878
Amounts owed to group entities		0	54,789
Other payables		7,457	6,205
		14,363	94,044
Total liabilities other than provisions		45,987	105,750
TOTAL EQUITY AND LIABILITIES		65,403	106,134

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Financial statements 1 January – 31 December

Cash flow statement

DKK'000	Note	2015	2014
Profit/loss for the year before tax		7,621	-25,073
Depreciation, amortisation and impairment losses		11,316	6,260
Financial income		-662	-4,449
Financial expenses		3,460	6,698
Other adjustments of non-cash operating items		-14,038	1,645
Cash generated from operations before changes in working capital		7,697	-14,919
Changes in working capital	15	-3,699	8,034
Cash generated from operations		3,998	-6,885
Interest income		662	4,449
Interest expense		-3,460	-6,698
Corporation tax received		4,000	2,391
Cash flows from operating activities		5,200	-6,743
Acquisition of property, plant and equipment	6	-1,337	-8,236
Disposal of property, plant and equipment		30,000	0
Cash flows from investing activities		28,663	-8,236
External financing:			
Repayment of mortgage debt		-18,636	-2,190
Repayment of lease debt		-1,037	-1,034
Shareholders:			
Capital increase		12,500	0
Repayment of Promens Group debt		-39,566	18,196
Loan from parent company		31,624	0
Cash flows from financing activities		-15,115	14,972
Cash flows for the year		18,748	-7
Cash and cash equivalents at the beginning of the year		4	11
Cash and cash equivalents at year end		18,752	4

Financial statements 1 January – 31 December

Notes

	DKK'000	2015	2014
1	**Other operating income**		
	Gain on sale of property	2,940	0
	Reversal of deferred income relating to property	11,549	0
		14,489	0
2	**Other operating expenses**		
	Loss on disposal of equipment	4,999	0
		4,999	0
3	**Financial income**		
	Exchange gains	661	4,449
	Other income	1	0
		662	4,449
4	**Financial expenses**		
	Interest expense to group entities	1,566	966
	Interest expense from lease payment	68	97
	Exchange losses	1,239	4,532
	Other interest expense	587	1,103
		3,460	6,698
5	**Tax on profit/loss for the year**		
	Current tax for the year	-395	-4,000
	Deferred tax adjustment for the year	2,012	-1,966
		1,617	-5,966

Financial statements 1 January – 31 December

Notes

6 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equip-ment	Property, plant and equipment under construc-tion	Total
Cost at 1 January 2015	47,397	69,721	18,058	940	136,116
Additions during the period	0	673	175	489	1,337
Transferred	0	940	0	-940	0
Disposals during the year	-47,397	-8,107	-85	0	-55,589
Cost at 31 December 2015	0	63,227	18,148	489	81,864
Depreciation and impairment losses at 1 January 2015	19,858	44,121	14,790	0	78,769
Depreciation for the period	479	4,995	825	0	6,299
Reversal of depreciation	-20,337	-3,108	-67	0	-23,512
Depreciation and impairment losses at 31 December 2015	0	46,008	15,548	0	61,556
Carrying amount at 31 December 2015	0	17,219	2,600	489	20,308
Assets held under finance leases		1,992			

During the year production buildings were sold to affiliated company.

DKK'000	2015	2014
7 Deferred tax assets		
Deferred tax at 1 January	3,277	1,311
Deferred tax adjustment for the year	-2,012	1,966
	1,265	3,277

Notes

8 Equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2015	10,000	-11,261	-1,261
Debt conversion	1	12,499	12,500
Profit for the year	0	6,004	6,004
Equity at 31 December 2015	10,001	7,242	17,243

The share capital is broken down on four shares of DKK 500 each, eight shares of DKK 1,000 each, nine shares of DKK 10,000 each, nine shares of DKK 100,000, nine shares of DKK 1,000,000 each and 10 shares of DKK 100 each.

The share capital was increased by a nominal amount of DKK 1 thousand broken down on shares of a nominal amount of DKK 100 each by means of debt conversion at a subscription price of DKK 1,250,000.

Changes in share capital during the past five years are specified as follows:

DKK'000	2015	2014	2013	2012	2011
Balance at 1 January	10,000	10,000	10,000	10,000	10,000
Debt conversion	1	0	0	0	0
	10,001	10,000	10,000	10,000	10,000

Since the latest annual report, costs for debt of DKK 1 thousand have been incurred.

DKK'000	2015	2014
9 Warranty provision		
Opening provision	1,645	0
Provisions during the year	528	1,645
	2,173	1,645

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Notes

10 Non-current liabilities other than provisions

DKK'000	Total debt at 1 January 2015	Total debt at 31 December 2015	Repayment initial year	Outstanding debt after five years
Mortgage debt	18,636	0	0	0
Lease obligations	1,694	657	657	0
Deferred income	11,548	0	0	0
Amounts owed to parent company	0	31,624	0	0
	31,878	32,281	657	0

Deferred income arises from accrued residual gain on buildings previously held under finance leases, etc., which were repurchased in 2011 and accounted for in accordance with IAS 39.

11 Staff costs

DKK'000	2015	2014
Wages and salaries	33,344	42,045
Pensions	1,643	2,036
Other social security costs	405	447
	35,392	44,528
Average number of full-time employees	85	91

Notes

12 Contractual obligations, contingencies, etc.

Operating leases

The Company has a residual operating lease obligation on cars, property rental etc., of DKK 2,137 thousand (2014: DKK 2,490 thousand) (residual term of 1-5 years).

13 Mortgages and collateral

The Company has not issued any mortgages or provided any collateral.

14 Related party disclosures

MedicoPack A/S' related parties comprise the following:

Control

IEI II hf,
Lágmúli 9
108 Reykjavik
Iceland

Which is the principal shareholder and part of IEI II hf., Iceland.

Ownership

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

IEI II hf,
Lágmúli 9
108 Reykjavik
Iceland

DKK'000	2015	2014
15 Changes in working capital		
Change in inventories	-335	-1,353
Change in receivables	2,514	5,412
Change in trade and other payables	-5,878	3,975
	-3,699	8,034