

## **Beiersdorf A/S**

**Sydhavnsgade 16, 2nd floor, DK-2450  
Copenhagen**

**CVR no. 55 64 63 17**

### **Annual report for 2017**

Adopted at the annual general meeting  
on 13 April 2018



Cornelius Carl Becker  
chairman

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## Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Beiersdorf A/S for the financial year 1 January - 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved at the annual general meeting.

Copenhagen, 13 April 2018

### Executive board



Cornelius Carl Becker

### Supervisory board



Melanie Schrewe



Cornelius Carl Becker

Ellen Agnetha Susanna  
Haggberg Sahlgaard



Bo Hammer Aagesen

## **Independent auditor's report**

### ***To the shareholder of Beiersdorf A/S***

#### **Opinion**

We have audited the financial statements of Beiersdorf A/S for the financial year 1 January – 31 December 2017, which comprise income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

#### **Management's responsibilities for the financial statements**

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Independent auditor's report

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

## Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on management's review

Management is responsible for the Management's review.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 13 April 2018

ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Martin Alsbæk  
state authorised public accountant  
MNE no. mne28627

Allan Nørgaard  
state authorised public accountant  
MNE no. mne35501

## Company details

### The company

Beiersdorf A/S  
Sydhavnsgade 16, 2nd floor  
DK-2450 Copenhagen

Website: [www.beiersdorf.com](http://www.beiersdorf.com)

CVR no.: 55 64 63 17

Reporting period: 1 January - 31 December 2017

Domicile: Copenhagen

### Supervisory board

Melanie Schrewe  
Cornelius Carl Becker  
Ellen Agnetha Susanne Haggberg Sahlgaard  
Bo Hammer Agesen

### Executive board

Cornelius Carl Becker

### Auditors

ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
c/o Postboks 250, Osvald Helmuths Vej 4  
DK-2000 Frederiksberg

### Bankers

SEB Bank

## Management's review

### **Business activities**

The company's activities comprise sale and marketing of skin and body care products, including the brands Nivea, Atrix, Labello and Dobbeldusch, as well as nursing requisites and hospital articles, such as Hansaplast.

### **Business review**

The company's income statement for the year ended 31 December shows a profit of TDKK 9.480, and the balance sheet at 31 December 2017 shows equity of TDKK 22.631.

Management considers the company's financial performance in the year satisfactory. The performance is consistent with management's expectations.

### **Significant events occurring after end of reporting period**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## Income statement 1 January - 31 December

	Note	2017 TDKK	2016 TDKK
<b>Gross profit</b>		<b>23.388</b>	<b>25.994</b>
Staff expenses	1	-10.819	-20.764
Depreciation, amortisation and impairment of property, plant and equipment		-19	-34
<b>Profit/loss before financial income and expenses</b>		<b>12.550</b>	<b>5.196</b>
Financial income	2	160	113
Financial expenses	3	-175	-266
<b>Profit/loss before tax</b>		<b>12.535</b>	<b>5.043</b>
Tax on profit/loss for the year	4	-3.055	-817
<b>Net profit/loss for the year</b>		<b>9.480</b>	<b>4.226</b>
 <b>Distribution of profit</b>			
Proposed dividend for the year		9.776	4.226
Retained earnings		-296	0
		<b>9.480</b>	<b>4.226</b>

## Balance sheet 31 December

	Note	2017	2016
		TDKK	TDKK
<b>Assets</b>			
Other fixtures and fittings, tools and equipment		23	41
<b>Tangible assets</b>		<b>23</b>	<b>41</b>
Other receivables		436	436
<b>Fixed asset investments</b>		<b>436</b>	<b>436</b>
<b>Fixed assets total</b>		<b>459</b>	<b>477</b>
Finished goods and goods for resale		137	0
<b>Stocks</b>		<b>137</b>	<b>0</b>
Trade receivables		17.080	12.560
Receivables from group companies		29.054	21.458
Other receivables		281	800
Deferred tax asset		55	103
Prepayments		0	145
<b>Receivables</b>		<b>46.470</b>	<b>35.066</b>
<b>Cash at bank and in hand</b>		<b>6.627</b>	<b>6.880</b>
<b>Current assets total</b>		<b>53.234</b>	<b>41.946</b>
<b>Assets total</b>		<b>53.693</b>	<b>42.423</b>

## Balance sheet 31 December

	Note	2017 TDKK	2016 TDKK
<b>Liabilities and equity</b>			
Share capital		10.000	10.000
Retained earnings		2.855	3.151
Proposed dividend for the year		9.776	4.226
<b>Equity</b>	5	<b>22.631</b>	<b>17.377</b>
Trade payables		16.438	13.142
Payables to group companies		6.586	4.308
Corporation tax		2.713	834
Other payables		5.325	6.762
<b>Short-term debt</b>		<b>31.062</b>	<b>25.046</b>
<b>Debt total</b>		<b>31.062</b>	<b>25.046</b>
<b>Liabilities and equity total</b>		<b>53.693</b>	<b>42.423</b>
Rental agreements and lease commitments	6		
Contingent assets, liabilities and other financial obligations	7		
Related parties and ownership	8		

## Notes

	2017	2016
	TDKK	TDKK
<b>1 Staff expenses</b>		
Wages and salaries	9.104	18.087
Pensions	855	1.127
Other social security costs	34	47
Other staff costs	826	1.503
	<b>10.819</b>	<b>20.764</b>
	<hr/>	<hr/>
Average number of employees	16	21
	<hr/>	<hr/>
<b>2 Financial income</b>		
Financial income, group entities	64	83
Exchange adjustments	96	30
	<b>160</b>	<b>113</b>
	<hr/>	<hr/>
<b>3 Financial expenses</b>		
Financial expenses, group entities	13	129
Other financial costs	27	13
Exchange adjustments costs	135	124
	<b>175</b>	<b>266</b>
	<hr/>	<hr/>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	2.713	1.135
Deferred tax for the year	48	-21
Adjustment of tax concerning previous years	294	-297
	<b>3.055</b>	<b>817</b>
	<hr/>	<hr/>

## Notes

### 5 Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2017	10.000	3.151	4.226	17.377
Ordinary dividend paid	0	0	-4.226	-4.226
Net profit/loss for the year	0	-296	9.776	9.480
<b>Equity at 31 December 2017</b>	<b>10.000</b>	<b>2.855</b>	<b>9.776</b>	<b>22.631</b>

The share capital consists of 10.000 shares of a nominal value of TDKK 1. No shares carry any special rights.

### 6 Rental agreements and lease commitments

Operating lease commitments.  
Total future lease payments:

2017	2016
TDKK	TDKK
1.885	2.754
<b>1.885</b>	<b>2.754</b>

### 7 Contingent assets, liabilities and other financial obligations

The company is jointly taxed with its affiliate, tesa A/S. The company has joint and several unlimited liability with tesa A/S for payment of Danish income taxes.

### 8 Related parties and ownership

The company is included in the consolidated financial statements for Beiersdorf AG. Consolidated financial statements can be obtained on [www.beiersdorf.com](http://www.beiersdorf.com).

## Accounting policies

The annual report of Beiersdorf A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2017 is presented in TDKK.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### Income statement

#### Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

## Accounting policies

With reference to section 32 of the Danish Financial Statements Act, the items from "revenue" to and including "Other external expenses" are consolidated into one item stated as Gross profit /Gross loss.

### Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of property, plant and equipment.

### Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### Staff expenses

Staff expenses include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### Amortisation, depreciation and impairment losses

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

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

### Tax on profit/loss for the year

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed entities to a tax refund are, as a minimum, reimbursed by the administration company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the administration company.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

## Accounting policies

### Balance sheet

#### Tangible assets

The depreciable amount is cost less the expected residual value at the end of the useful life.

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Other fixtures and fittings, tools and equipment	3-5	years
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#### Leases

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

#### Impairment of fixed assets

The carrying amount of property, plant and equipment is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

#### Stocks

Stocks are measured using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.



## Accounting policies

### Receivables

Receivables are measured at amortised cost.

### Equity

#### Dividend

Dividend proposed for the financial year are presented as a separate item under "Equity".

### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

### Liabilities

Financial liabilities are recognised at the date of borrowing at the net 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 the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

## **Accounting policies**

Receivables and 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.