



## **ANNUAL REPORT 2016**

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*The English text in this document is an unauthorised translation of the Danish original. In the event of any inconsistencies the Danish version shall apply.*

*Please note that Danish decimal and digit grouping symbols have been used in the financial statements.*

**STATEMENT BY THE EXECUTIVE AND SUPERVISORY BOARDS ON THE ANNUAL REPORT**

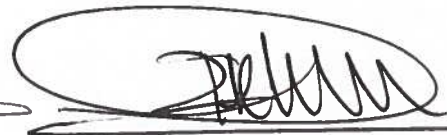
The Executive and Supervisory Boards have today considered and adopted the Annual Report of BROEN A/S for the financial year 1 January – 31 December 2016.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and the Group and of the results of the Company and Group operations and cash flows for 2016.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Assens, 18 May 2017

**Executive Board**  
Holger Clemens Rohrer  
Mogens Garde Laursen  
Lene Schwartz**Supervisory Board**  
Anne-Rudolf Monincx  
Chairman  
Wiebe Arnold Pelsma  
Johnny Eijgendaal  
Anders Cold  
Stefan Greve Klaaborg  
Dorte Abildgren Pedersen

## INDEPENDENT AUDITORS' REPORTS

### To the Shareholder of BROEN A/S

We have audited the consolidated financial statements and the parent financial statements of Broen A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2016, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

### Basis for opinion

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

### Management's responsibilities for the consolidated financial statements and the parent financial statements

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent 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 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'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 consolidated financial statements and the parent 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'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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 commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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 commentary.

Assens, 18 May 2017

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR-no. 33 96 35 56



Henrik Vedel  
State Authorised Public Accountant

**COMPANY INFORMATION**

**Company**

BROEN A/S (BROEN Armatur A/S)

Skovvej 30

5610 Assens

Telephone: +45 64 71 20 95

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

Company registration no.: 71 17 25 11

Registered in: Assens

**Supervisory Board**

Arno Rudolf Monincx, Chairman

Wiebe Arnold Pelsma

Johnny Eijgendaal

Anders Cold

Stefan Greve Klaaborg, elected by the employees

Dorte Abildgren Pedersen, elected by the employees

**Executive Board**

Holger Clemens Rohrer, CEO

Mogens Garde Laursen, COO

Lene Schwartz, CFO

**Company auditor**

Deloitte

Statsautoriseret Revisionspartnerselskab

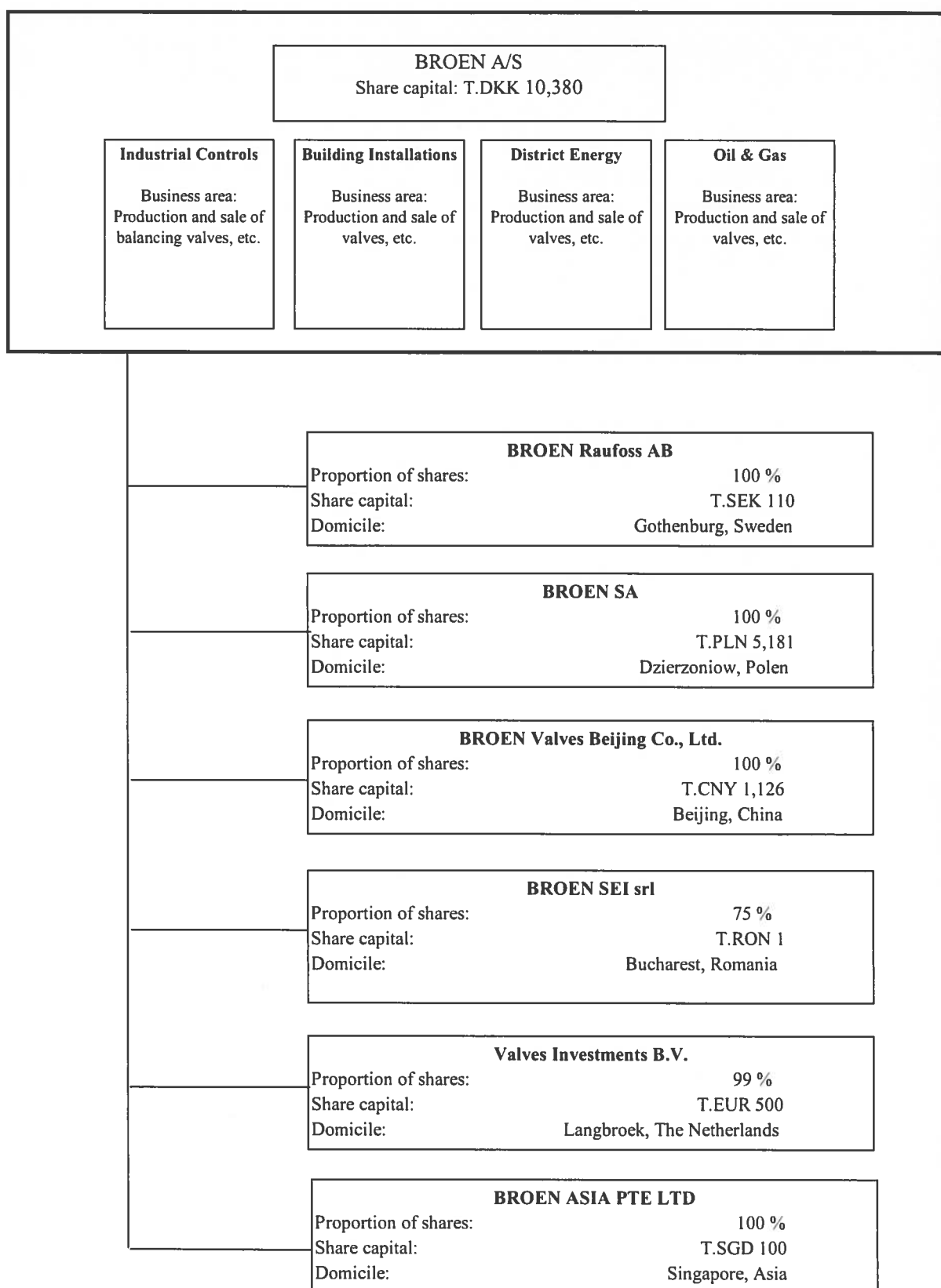
Approved by the company at the general meeting on

**Chairman**



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## GROUP STRUCTURE AS PER 31.12.2016





## HIGHLIGHTS AND FINANCIAL RATIOS FOR THE GROUP

	<u>2012</u> <u>T.DKK/</u> <u>T.EUR</u>	<u>2013</u> <u>T.DKK/</u> <u>T.EUR</u>	<u>2014</u> <u>T.DKK/</u> <u>T.EUR</u>	<u>2015</u> <u>T.DKK/</u> <u>T.EUR</u>	<u>2016</u> <u>T.DKK/</u> <u>T.EUR</u>
<b>Five years' highlights</b>					
Net turnover	838,784 112,397	825,207 110,660	811,471 108,656	600,967 80,530	610,962 82,058
Operating profit	132,350 17,735	106,056 14,222	228,750 30,630	71,834 9,626	77,164 10,364
Net financial costs	(2,876) (385)	(5,495) (737)	7,196 964	(8,846) (1,185)	(7,643) (1,027)
Profit before tax	129,474 17,350	100,562 13,485	235,947 31,593	62,988 8,440	69,521 9,337
Net Profit of the year	99,710 13,361	76,885 10,310	173,434 23,223	46,483 6,229	51,667 6,939
Total assets	636,997 98,758	723,030 96,958	878,558 117,639	559,231 74,937	549,109 73,751
Investments in tangible fixed assets	31,535 4,226	13,614 1,826	24,822 3,324	27,477 3,682	16,812 2,258
Equity	510,583 68,418	508,319 68,166	530,226 70,997	226,798 30,391	271,301 36,438
Profit margin <sup>1</sup>	15.4%	12.2%	29.1%	10.5%	11.4%
Asset turnover <sup>2</sup>	1.1	1.1	0.9	1.1	1.1
Return on capital and reserves <sup>3</sup>	23.5%	15.1%	34.2%	8.8%	22.8%
Solvency ratio <sup>4</sup>	69.3%	70.3%	60.4%	40.6%	49.4%
Average number of employees	679	633	631	543	569

<sup>1</sup> Profit before tax as a percentage of net turnover<sup>2</sup> Ratio of sales to total assets at the end of the year<sup>3</sup> Profit for the year as a percentage of capital and reserves at the beginning of the year<sup>4</sup> Capital and reserves as a percentage of total assets<sup>5</sup> Highlights and financial ratios are converted at the closing rate of the balance sheet day

## MANAGEMENT'S REVIEW

The BROEN group is part of the international group Aalberts Industries N.V. listed on the Euro-next Amsterdam and on the AEX index.

### Principal activities

The BROEN group's activities are the development, production, marketing and sale of valves and fittings worldwide.

### The result of year 2016

In 2016 group sales were mDKK 611 which represents an organic growth of 1.7% compared to 2015. Group sales in Russia were severely affected by a major fall in the RUB rate which during 2016 fell by 10% against DKK.

The ordinary consolidated operating profit was mDKK 77 compared to mDKK 72 in 2015. Overall profit before tax was thus mDKK 70 compared to mDKK 63 in 2015.

BROEN has managed to increase both revenue and operating profit despite of the currency impact from the RUB rate fall. Taken this into consideration the result of the year is satisfactory.

### The market

BROEN has seen an increase in sales in 2016 compared to 2015 in the Danish market and in several European countries. The Russian market has also developed positive in local currency.

For 2017 the rouble rate has developed positively with 15% compare to 2016, if this continue, it will have a positive impact on the development in sales. In all other markets a positive, but still relatively low growth is expected.

BROEN has established a daughter company in Singapore BROEN ASIA to strengthen a sales platform for the South Eastern Asia market.

### Products and product development

The development of new products was further strengthened in 2016 and a number of new and striking products are ready to be launched during 2017.

In the course of the year BROEN's investments amounted to mDKK 17, primarily in Polen and Denmark.

### Organisation

In 2016 the group had an average number of staff members of 569 compared to last year 543.

### Gender equality on the board and at other management levels

The group is determined to observe the provisions of the Danish Financial Statements Act on gender equality on the board and at other management levels. Today the board holds both male and female members. At other management levels it is the group's policy that both men and women are encouraged to apply for vacancies within the group, and that men and women are guaranteed the same rights, terms and conditions at and during their employment. The group expects this policy to result in increased gender equality.

### Corporate Social Responsibility

The company has not prepared a local CSR policy, but observes and complies with the CSR stipula-

tions and guidelines stated in the annual report of the ultimate parent company - see Annual Report 2016, Aalberts Industries N.V.

**Environmental policy**

The company processes and manufactures products and materials with due consideration to the lowest possible impact on the environment. This includes limiting the discharge of waste water, air pollution, noise pollution and waste products. It also includes the observance of existing regulations and approvals. There are ongoing environmental improvements in the above areas as well as within the working environment.

**Future**

The development in energy prices is expected to have a great impact on the market opportunities in Russia in 2017 and consequently on BROEN's sales and profit in this market. A growth in Western Europe, USA and China is expected, both in the Industrial sector and Building Industry, this will be sufficient to create further progress combined with the marketing of the new products.

The group will thus focus on new areas combined with new products, adjusting the organisation to the current situation and on increasing sales efforts in all markets. Focus will also be on efficient product development to support growth in 2017 and to establish the basis for increased sales in the years to come on the basis of a greater diversification on markets and products.

In 2017 the company will continue to invest massively in new production equipment and new technology, primarily at the factory in Denmark but also in Poland, Russia and basic equipment in South East Asia.

**Subsequent events**

No events have occurred subsequent to the balance sheet date and up to this date that change the assessment of the annual accounts.

## ACCOUNTING POLICIES

The Annual Report for 2016 is presented in DKK thousands.

### **Basis of preparation**

The Annual Report of BROEN A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies are the same compared to last year.

### **Consolidation policy**

The group accounts include BROEN A/S, Denmark, the parent company, and companies where the parent company directly or indirectly has the voting right majority or in which the parent company through a shareholding or in any other way has a controlling interest. Companies in which the group owns between 20 % and 50 % of the voting rights or has a substantial, but not controlling interest are considered affiliated companies.

The consolidation sums up items of a uniform nature. Inter-group income and expenses, shareholdings, dividends and outstanding accounts as well as non-realized internal gains and losses related to transactions between the consolidated companies are eliminated.

The parent company's investment interests in the consolidated subsidiaries are offset by the parent company's share of the book value of the subsidiaries at the date of the establishment of the relationship.

### **Investments in subsidiaries**

Investments in subsidiaries are recognised under the equity method.

The items "Income from investments in subsidiaries after tax" in the income statement include the proportionate share of the profit after tax less goodwill amortisation.

The items "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of any remaining value of goodwill or negative goodwill.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity.

At the acquisition of subsidiaries their assets and liabilities are measured at the realisable value at the time of acquisition and with due consideration to the inclusion of possible restructuring provisions made for the company acquired. Goodwill paid for at the acquisition is included in "Investments in subsidiaries" and is amortized on a straight-line basis over the estimated useful life. The maximum amortization period is 20 years, which is based on the estimated useful lifetime.

### **Minority holdings**

At the preparation of the consolidated accounts and the group equity, the shares of the subsidiary's result and equity attributable to minority holdings are entered as separate items in the profit and loss account and in the balance sheet. Minority holdings are included on the basis of the revaluation of the acquired assets and liabilities at market value at the date of acquisition.

Subsequent adjustments in minority holdings are included in the accounts at the time of adjustment.

**Leases**

Finance leases in respect of property, plant and equipment are recognised in the balance sheet at the cost value of the leased asset. Assets acquired under finance leases are depreciated and written down for impairment like the other property, plant and equipment of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operational leases. Payments made under operational leases are recognised in the income statement over the lease term.

**Translation policies**

Transactions in foreign currencies are translated at the exchange rates at transaction dates. Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Gains and losses from foreign currencies are recognised in financial income and expenses in the income statement.

Foreign subsidiaries and associates of the Company are separate legal entities and the income statements are translated at average exchange rates, whereas balance sheet items are translated at the exchange rates at the balance sheet date.

Exchange adjustments arising on the translation of the opening equity of foreign enterprises and exchange adjustments arising from the translation at average exchange rates of the income statements of foreign enterprises are recognised directly in equity.

Exchange adjustments of loans in foreign currencies contracted for the hedging of investments in foreign subsidiaries and associates or loans considered to be derived from the investment are recognised directly in equity. If the hedge is not effective, the ineffective portion is reported immediately in net profit or loss.

**Corporation tax and deferred tax**

The Company is jointly taxed with the Danish companies that form part of the overall parent company. The tax effect of the joint taxation of the enterprises is allocated to both profitable and unprofitable Danish enterprises in relation to their taxable income (full allocation with refund of fiscal losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Tax for the year consists of current tax for the year and deferred tax for the year.

Current tax is recognised in receivables in the balance sheet in the event of overpayment of tax on account, and in debt in the event of underpayment of tax on account.

Deferred tax provisions are made for the deviations between the accounting value and the tax value of assets and liabilities. Deferred tax assets are included at the expected realisable value.

Adjustment is made for deferred tax concerning unrealised intercompany gains and losses.

**Segment reporting**

In agreement with section 96(1) of the Danish Financial Statements Act segment information regarding net sales distributed on activities have been omitted, as management determines such information to be of substantial damage to the competitive power of the company.

**PROFIT AND LOSS ACCOUNT****Net turnover**

The revenue from sale of manufactured goods and goods for resales is recognised in the income statement, when delivery is made and risk has passed to the purchaser. Revenue is recognised net of

VAT, duties and sales discounts and measured at fair value of the consideration fixed.

**Production costs**

Production costs comprise all costs incurred in connection with annual sales. The cost price includes raw materials, consumables, direct wages and salaries, indirect production costs, such as maintenance, depreciation, etc. as well as operational, administrative and management costs related to the production facilities.

**Distribution costs**

Distribution costs comprise salaries to sales and distribution staff, advertising and marketing costs as well as automobile costs, depreciation, etc. Depreciation of goodwill is included to the extent that goodwill relates to the distribution activities.

**Administrative costs**

Administrative costs comprise costs related to management, the administrative staff, office expenses, depreciation, etc.

**Financial income and expenses**

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

**BALANCE SHEET****Intangible assets****Goodwill**

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience with the individual business areas. The maximum amortisation period is 20 years, which is based on the estimated useful lifetime.

**Development projects, patents and licences**

Development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities. The maximum amortisation period is 10 years.

Patents and licences are measured at cost less accumulated amortisation. Patents are amortised over the remaining patent period, and licences are amortised over the period of the agreement, but not exceeding 5 years.

**Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	20-40 years
Plant and machinery	10-15 years
Other fixtures and fittings, tools and equipment	3-5 years

Gains and losses on current replacement of tangible fixed assets are recognised as depreciations and impairments of fixed assets.

**Impairment of fixed assets**

The carrying amounts of both intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

**Stocks**

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process. Indirect production costs do not comprise interests.

**Receivables**

Receivables are recognised in the balance sheet at nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable and a general provision is also made based on the Company's experience.

**Prepayments**

Prepayments comprise prepaid expenses concerning the following year.

**Equity**

The dividend proposed by the management for the financial year is entered as a separate item under equity.

**Financial debts**

Fixed-interest loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

**CASH FLOW STATEMENT**

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

Cash flow statement for the parent company is not prepared, due to the parent company is a part of the cash flow statement for the Group.

**Cash and cash equivalents**

The cash and cash equivalents of the cash flow statement cover cash and cash equivalents with the deduction of bank debts, this forms the basis of the cash flow control of the company.

The cash flow statement cannot be immediately derived from the published financial records.

## PROFIT AND LOSS ACCOUNT FOR 2016

		<u>Group</u>		<u>Parent</u>	
	<u>Note</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
Net turnover	1	610,962	600,967	259,413	285,566
Production costs	2,3	<u>(400,279)</u>	<u>(391,362)</u>	<u>(183,756)</u>	<u>(208,793)</u>
<b>Gross profit</b>		<b>210,683</b>	<b>209,605</b>	<b>75,657</b>	<b>76,773</b>
Distribution costs	2,3	(60,507)	(60,348)	(25,845)	(27,916)
Administrative costs	2,3,4	<u>(73,012)</u>	<u>(77,423)</u>	<u>(23,989)</u>	<u>(17,041)</u>
<b>Operating profit</b>		<b>77,164</b>	<b>71,834</b>	<b>25,823</b>	<b>31,816</b>
Result after tax in affiliated undertakings	5	0	0	34,438	23,703
Financial income	6	6,217	8,588	5,456	8,342
Financial expenses	7	<u>(13,860)</u>	<u>(17,434)</u>	<u>(7,012)</u>	<u>(9,592)</u>
<b>Profit before tax</b>		<b>69,521</b>	<b>62,988</b>	<b>58,705</b>	<b>54,269</b>
Tax on profit of the year	8	<u>(17,561)</u>	<u>(16,292)</u>	<u>(7,038)</u>	<u>(7,786)</u>
<b>Profit before minority interests</b>		<b>51,960</b>	<b>46,696</b>	<b>51,667</b>	<b>46,483</b>
Shares of minority interests		<u>(293)</u>	<u>(213)</u>	<u>0</u>	<u>0</u>
<b>NET PROFIT OF THE YEAR</b>	<b>9</b>	<b><u>51,667</u></b>	<b><u>46,483</u></b>	<b><u>51,667</u></b>	<b><u>46,483</u></b>



## BALANCE SHEET AT 31.12.2016

## ASSETS

	Note	<u>Group</u>		<u>Parent</u>	
		<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
Goodwill	10	30,830	33,941	0	0
Licenses	10	4,417	4,451	3,797	3,892
Development projects	10	6,476	1,076	6,476	1,076
Development projects in progress	10	<u>4,192</u>	<u>8,911</u>	<u>4,192</u>	<u>8,911</u>
<b>Intangible fixed assets</b>		<b><u>45,915</u></b>	<b><u>48,379</u></b>	<b><u>14,465</u></b>	<b><u>13,879</u></b>
Land and buildings	11	89,931	80,293	5,125	5,900
Plant and machinery	11	62,525	67,427	9,102	11,230
Other fixtures and fittings, tools and equipment	11	7,511	7,154	1,333	514
Tangible fixed assets in progress and prepayments for tangible assets	11	<u>25,778</u>	<u>21,636</u>	<u>22,804</u>	<u>20,392</u>
<b>Tangible fixed assets</b>		<b><u>185,745</u></b>	<b><u>176,510</u></b>	<b><u>38,364</u></b>	<b><u>38,036</u></b>
Capital participation in affiliated undertakings	12	0	0	294,972	274,521
Deposits	12	776	697	673	662
Deferred tax asset	14	<u>828</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Financial fixed assets</b>		<b><u>1,604</u></b>	<b><u>697</u></b>	<b><u>295,645</u></b>	<b><u>275,183</u></b>
<b>FIXED ASSETS</b>		<b><u>233,264</u></b>	<b><u>225,586</u></b>	<b><u>348,474</u></b>	<b><u>327,098</u></b>
Raw materials and consumables		46,897	39,827	7,386	6,142
Work in progress		55,680	51,596	1,144	1,948
Produced finished goods and commodities		<u>62,465</u>	<u>67,432</u>	<u>19,502</u>	<u>21,109</u>
<b>Stocks</b>		<b><u>165,042</u></b>	<b><u>158,855</u></b>	<b><u>28,032</u></b>	<b><u>29,199</u></b>

## BALANCE SHEET AT 31.12.2016

## ASSETS

	<u>Note</u>	<u>Group</u>		<u>Parent</u>	
		<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
Trade debtors		86,309	78,909	28,895	30,570
Receivables from affiliated undertakings		11,950	14,852	44,375	20,354
Other receivables		16,439	17,265	6,511	6,290
Accruals and prepayments		<u>7,568</u>	<u>4,959</u>	<u>3,081</u>	<u>3,277</u>
<b>Receivables</b>		<b><u>122,266</u></b>	<b><u>115,985</u></b>	<b><u>82,862</u></b>	<b><u>60,491</u></b>
 <b>Cash funds</b>		 <b><u>28,537</u></b>	 <b><u>58,805</u></b>	 <b><u>747</u></b>	 <b><u>1,480</u></b>
 <b>CURRENT ASSETS</b>		 <b><u>315,845</u></b>	 <b><u>333,645</u></b>	 <b><u>111,641</u></b>	 <b><u>91,170</u></b>
 <b>ASSETS</b>		 <b><u>549,109</u></b>	 <b><u>559,231</u></b>	 <b><u>460,115</u></b>	 <b><u>418,268</u></b>

**BALANCE SHEET AT 31.12.2016****LIABILITIES AND EQUITY**

		<b>Group</b>		<b>Parent</b>	
	<b>Note</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
		<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
Share capital	13	10,380	10,380	10,380	10,380
Reserve for net revaluation according to the equity value method		0	0	180,883	160,264
Reserve development projects		0	0	1,554	0
Retained profit		215,331	186,128	32,894	25,864
Proposed dividend for the year		45,000	30,000	45,000	30,000
Minority interests		590	290	0	0
<b>EQUITY</b>		<b>271,301</b>	<b>226,798</b>	<b>270,711</b>	<b>226,508</b>
Provisions for deferred tax	14	0	1,621	2,641	3,200
Provision for affiliated undertakings		0	0	7,353	8,011
<b>PROVISIONS</b>		<b>0</b>	<b>1,621</b>	<b>9,994</b>	<b>11,211</b>
Credit institutions		904	919	0	0
Other long term loans		0	0	0	0
<b>Long term debt</b>	15	<b>904</b>	<b>919</b>	<b>0</b>	<b>0</b>
Credit institutions		43,861	215,562	0	117,909
Suppliers of goods and services		53,885	58,978	22,714	21,439
Amount owed to affiliated undertakings		136,349	9,987	134,461	15,455
Other creditors		42,809	45,366	22,235	25,746
<b>Short term debt</b>		<b>276,904</b>	<b>329,893</b>	<b>179,410</b>	<b>180,549</b>
<b>DEBT</b>		<b>277,808</b>	<b>330,812</b>	<b>179,410</b>	<b>180,549</b>
<b>LIABILITIES AND EQUITY</b>		<b>549,109</b>	<b>559,231</b>	<b>460,115</b>	<b>418,268</b>
Pledged assets and contingent liabilities, etc. note 17					
Closely related partners, note 18					

## STATEMENT OF CHANGES IN EQUITY

## GROUP

	<u>Share capital DKK'000</u>	<u>Retained earnings DKK'000</u>	<u>Proposed dividend DKK'000</u>	<u>Minority interest DKK'000</u>	<u>Total DKK'000</u>
Equity at 01.01.2016	10,380	186,128	30,000	290	226,798
Dividend paid			(30,000)		(30,000)
Exchange rate adjustment concerning affiliated companies		22,536		7	22,543
Direct equity movement					
Net profit for the year		51,667		293	51,960
Proposed dividend for the year		(45,000)	45,000		0
<b>Equity at 31.12.2016</b>	<b>10,380</b>	<b>215,331</b>	<b>45,000</b>	<b>590</b>	<b>271,301</b>

## PARENT COMPANY

	<u>Share capital DKK'000</u>	<u>Reserve under the equity method DKK'000</u>	<u>Reserve development project DKK'000</u>	<u>Retained earnings DKK'000</u>	<u>Proposed dividend DKK'000</u>	<u>Total DKK'000</u>
Equity at 01.01.2016	10,380	160,264	0	25,864	30,000	226,508
Dividend paid					(30,000)	(30,000)
Exchange rate adjustment concerning affiliated companies		22,536				22,536
Reserve concerning development projects			1,554	(1,554)		0
Received dividend from affiliated companies		(36,355)		36,355		0
Net profit for the year		34,438		17,229		51,667
Proposed dividend for the year				(45,000)	45,000	0
<b>Equity at 31.12.2016</b>	<b>10,380</b>	<b>180,883</b>	<b>1,554</b>	<b>32,894</b>	<b>45,000</b>	<b>270,711</b>

## CASH FLOW STATEMENT FOR THE GROUP FOR 2016

	<u>Note</u>	<u>2016 DKK'000</u>	<u>2015 DKK'000</u>
Operating profit		77,164	71,833
Depreciation		21,628	22,026
Changes in working capital	16	<u>117,025</u>	<u>305,281</u>
<b>Cash flows from operating activities before financial income and expenses</b>		<b>215,817</b>	<b>399,140</b>
Net interest, dividends and exchange rate gains		(7,643)	(8,846)
Net paid tax		<u>(18,391)</u>	<u>(55,963)</u>
<b>Cash flow from operating activities</b>		<b><u>189,783</u></b>	<b><u>334,331</u></b>
Purchase of intangible fixed assets		(3,350)	(3,251)
Sales of intangible fixed assets		0	0
Purchase of tangible fixed assets		(16,812)	(27,477)
Sales of tangible fixed assets		1,941	477
Purchase of financial fixed assets		<u>(114)</u>	<u>0</u>
<b>Cash flows from investment activities</b>		<b><u>(18,335)</u></b>	<b><u>(30,251)</u></b>
Instalments on long term debt		(15)	(1,942)
Dividend paid		<u>(30,000)</u>	<u>(335,000)</u>
<b>Cash flow from financing activities</b>		<b><u>(30,015)</u></b>	<b><u>(336,942)</u></b>
<b>CHANGE IN CASH FUNDS</b>		<b>141,433</b>	<b>(32,862)</b>
Cash funds at 01.01.2016		<u>(156,757)</u>	<u>(123,895)</u>
<b>CASH FUNDS AT 31.12.2016</b>		<b><u>(15,324)</u></b>	<b><u>(156,757)</u></b>
Cash funds comprise:			
Cash at bank and in hand		28,537	58,805
Short term bank debt		<u>(43,861)</u>	<u>(215,562)</u>
		<b><u>(15,324)</u></b>	<b><u>(156,757)</u></b>

## NOTES TO THE ANNUAL REPORT

	<u>Group</u>		<u>Parent</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
<b>1. Net turnover</b>				
Denmark	75,680	72,075	75,680	72,075
Europe	462,061	450,089	150,869	174,386
Others	<u>73,221</u>	<u>78,803</u>	<u>32,864</u>	<u>39,105</u>
	<b><u>610,962</u></b>	<b><u>600,967</u></b>	<b><u>259,413</u></b>	<b><u>285,566</u></b>

Owing to the competitive situation of the company the activity classification of the turnover is omitted.

**2. Employment costs**

Salaries and wages	108,417	110,688	48,346	56,368
Pensions	13,040	14,179	6,324	6,909
Other social security costs	<u>5,510</u>	<u>5,961</u>	<u>459</u>	<u>493</u>
	<b><u>126,967</u></b>	<b><u>130,828</u></b>	<b><u>55,129</u></b>	<b><u>63,770</u></b>

Of this total fees comprise:

Board of directors	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>
Board of Management	<u>6,123</u>	<u>5,218</u>	<u>6,123</u>	<u>5,218</u>
Number of employees (converted to full-time)	<u>569</u>	<u>543</u>	<u>95</u>	<u>91</u>

## NOTES TO THE ANNUAL REPORT

	<u>Group</u>		<u>Parent</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
<b>3. Depreciation</b>				
Depreciation is distributed as follows:				
Production costs	9,607	10,297	4,386	4,715
Distribution costs	17	185	11	276
Administrative costs	<u>10,407</u>	<u>10,645</u>	<u>1,843</u>	<u>1,830</u>
	<u><b>20,031</b></u>	<u><b>21,126</b></u>	<u><b>6,240</b></u>	<u><b>6,821</b></u>
Depreciation includes losses/(gains) from the sale of fixed assets	<u>(1,597)</u>	<u>(900)</u>	<u>(30)</u>	<u>(989)</u>
<b>4. Auditors fee</b>				
Audit fee Deloitte	1,596	659	300	179
Audit fee others	178	280	0	0
Fee for tax advice Deloitte	393	4	380	0
Fee for tax advice PWC	196	121	0	0
Fee for other services, other	<u>15</u>	<u>326</u>	<u>15</u>	<u>286</u>
	<u><b>2,378</b></u>	<u><b>1,390</b></u>	<u><b>695</b></u>	<u><b>465</b></u>
<b>5. Result after tax in affiliated undertakings</b>				
Share of profit after tax			38,734	25,799
Share of losses after tax			(1,259)	(2,876)
Change in unrealised internal profit on stocks			48	3,865
Depreciation on goodwill			<u>(3,085)</u>	<u>(3,085)</u>
			<u><b>34,438</b></u>	<u><b>23,703</b></u>
<b>6. Financial income</b>				
Currency deviations	5,981	5,910	5,455	5,746
Other interest	<u>236</u>	<u>2,678</u>	<u>1</u>	<u>2,596</u>
	<u><b>6,217</b></u>	<u><b>8,588</b></u>	<u><b>5,456</b></u>	<u><b>8,342</b></u>

## NOTES TO THE ANNUAL REPORT

	<u>Group</u>		<u>Parent</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
<b>7. Financial expenses</b>				
Interest owed to affiliated undertakings	986	962	288	2,180
Currency deviations	8,745	9,521	5,078	5,411
Other interest expenses and similar charges	<u>4,129</u>	<u>6,951</u>	<u>1,646</u>	<u>2,001</u>
	<b><u>13,860</u></b>	<b><u>17,434</u></b>	<b><u>7,012</u></b>	<b><u>9,592</u></b>
<b>8. Tax on profit for the year</b>				
Current tax	18,194	16,627	7,597	8,056
Change in deferred tax	(1,043)	(258)	(559)	(270)
Adjustment tax relating to prior year	<u>410</u>	<u>(77)</u>	<u>0</u>	<u>0</u>
	<b><u>17,561</u></b>	<b><u>16,292</u></b>	<b><u>7,038</u></b>	<b><u>7,786</u></b>
<b>9. Distribution of profit</b>				
<b>Proposed distribution of profit</b>				
Proposed dividend for the year			45,000	30,000
Reserve for net revaluation according to the equity value method			34,438	23,703
Retained profit			<u>(27,771)</u>	<u>(7,220)</u>
			<b><u>51,667</u></b>	<b><u>46,483</u></b>



# NOTES TO THE ANNUAL REPORT GROUP

	Goodwill	Licenses	Development projects	Development projects in progress
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
<b>10. Intangible fixed assets</b>				
Cost at 01.01.2016	67,858	18,693	7,888	8,911
Exchange rate adjustments	(147)	(162)	(14)	0
Additions	0	1,687	6,382	4,192
Disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>(8,911)</u>
<b>Cost at 31.12.2016</b>	<b><u>67,711</u></b>	<b><u>20,218</u></b>	<b><u>14,256</u></b>	<b><u>4,192</u></b>
Depreciation at 01.01.2016	(33,917)	(14,242)	(6,812)	0
Exchange rate adjustments	121	141	14	0
Depreciation	(3,085)	(1,700)	(982)	0
Disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Depreciation at 31.12.2016</b>	<b><u>(36,881)</u></b>	<b><u>(15,801)</u></b>	<b><u>(7,780)</u></b>	<b><u>0</u></b>
<b>Book value at 31.12.2016</b>	<b><u>30,830</u></b>	<b><u>4,417</u></b>	<b><u>6,476</u></b>	<b><u>4,192</u></b>
Book value at 31.12.2015	<u>33,941</u>	<u>4,451</u>	<u>1,076</u>	<u>8,911</u>
Depreciated over years	<u>10-20</u>	<u>3-5</u>	<u>5</u>	<u>-</u>

**NOTES TO THE ANNUAL REPORT**  
**PARENT COMPANY**

	<b>Goodwill</b>	<b>Licenses</b>	<b>Development projects</b>	<b>Development projects in progress</b>
	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>
<b>10. Intangible fixed assets</b>				
Cost at 01.01.2016	1,138	14,383	7,521	8,911
Reclassification	0	0	0	0
Additions	0	1,406	6,382	4,192
Disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>(8,911)</u>
<b>Cost at 31.12.2016</b>	<b><u>1,138</u></b>	<b><u>15,789</u></b>	<b><u>13,903</u></b>	<b><u>4,192</u></b>
Depreciation at 01.01.2016	(1,138)	(10,491)	(6,445)	0
Reclassification	0	0	0	0
Disposal	0	0	0	0
Depreciation	<u>0</u>	<u>(1,501)</u>	<u>(982)</u>	<u>0</u>
<b>Depreciation at 31.12.2016</b>	<b><u>(1,138)</u></b>	<b><u>(11,992)</u></b>	<b><u>(7,427)</u></b>	<b><u>0</u></b>
<b>Book value at 31.12.2016</b>	<b><u>0</u></b>	<b><u>3,797</u></b>	<b><u>6,476</u></b>	<b><u>4,192</u></b>
Book value at 31.12.2015	<u>0</u>	<u>3,892</u>	<u>1,076</u>	<u>8,911</u>
Depreciated over years	<u>10</u>	<u>3-5</u>	<u>5</u>	<u>-</u>

# NOTES TO THE ANNUAL REPORT GROUP

	Land and Buildings DKK'000	Plant and Machinery DKK'000	Other Fixtures, ect. DKK'000	Prepayments for and tangible fixed assets in progress DKK'000
<b>11. Tangible fixed assets</b>				
Cost at 01.01.2016	138,984	153,553	31,124	21,636
Exchange rate adjustments	9,623	1,110	100	0
Additions	4,489	5,250	2,931	4,142
Disposals	<u>0</u>	<u>(7,326)</u>	<u>(887)</u>	<u>0</u>
<b>Cost at 31.12.2016</b>	<b><u>153,096</u></b>	<b><u>152,587</u></b>	<b><u>33,268</u></b>	<b><u>25,778</u></b>
Depreciation at 01.01.2016	(58,692)	(86,126)	(23,970)	0
Exchange rate adjustments	(1,095)	(868)	(241)	0
Depreciation	(3,378)	(10,320)	(2,163)	0
Depreciation concerning disposals of the year	<u>0</u>	<u>7,252</u>	<u>617</u>	<u>0</u>
<b>Depreciation at 31.12.2016</b>	<b><u>(63,165)</u></b>	<b><u>(90,062)</u></b>	<b><u>(25,757)</u></b>	<b><u>0</u></b>
<b>Book value at 31.12.2016</b>	<b><u>89,931</u></b>	<b><u>62,525</u></b>	<b><u>7,511</u></b>	<b><u>25,778</u></b>
Book value at 31.12.2015	<u>80,293</u>	<u>67,427</u>	<u>7,154</u>	<u>21,636</u>
Depreciated over years	<u>20-40</u>	<u>10-15</u>	<u>3-5</u>	<u>-</u>
Hereof included financially leased assets	<u>0</u>	<u>0</u>	<u>427</u>	<u>0</u>

**NOTES TO THE ANNUAL REPORT**  
**PARENT COMPANY**

				Prepayments for and tangible fixed assets
	Land and Buildings	Plant and Machinery	Other Fixtures, etc.	in progress
	DKK'000	DKK'000	DKK'000	DKK'000
<b>11. Tangible fixed assets</b>				
Cost at 01.01.2016	47,263	59,649	12,555	20,392
Additions	0	468	1,472	2,412
Disposals	0	(7,214)	(460)	0
<b>Cost at 31.12.2016</b>	<b>47,263</b>	<b>52,903</b>	<b>13,567</b>	<b>22,804</b>
Depreciation at 01.01.2016	(41,363)	(48,419)	(12,041)	0
Disposals	0	7,214	223	0
Depreciation	(775)	(2,596)	(416)	0
<b>Depreciation at 31.12.2016</b>	<b>(42,138)</b>	<b>(43,801)</b>	<b>(12,234)</b>	<b>0</b>
<b>Book value at 31.12.2016</b>	<b>5,125</b>	<b>9,102</b>	<b>1,333</b>	<b>22,804</b>
Book value at 31.12.2015	5,900	11,230	514	20,392
Depreciated over years	20-25	10	3-5	-
Hereof included financially leased assets	0	0	427	0

**NOTES TO THE ANNUAL REPORT  
GROUP**

<b>12. Financial fixed assets</b>	<b>Deposits DKK'000</b>
Cost at 01.01.2016	697
Exchange rate adjustments	(1)
Additions	114
Disposals	<u>(34)</u>
<b>Cost at 31.12.2016</b>	<b><u>776</u></b>
 <b>Book value at 31.12.2016</b>	 <b><u>776</u></b>
 Book value at 31.12.2015	 <u>697</u>

**NOTES TO THE ANNUAL REPORT**  
**PARENT COMPANY**

	<b>Capital participation in affiliated undertakings DKK'000</b>	<b>Deposits DKK'000</b>
<b>12. Financial fixed assets</b>		
Cost at 01.01.2016	106,244	662
Additions	492	11
Disposals	<u>0</u>	<u>0</u>
<b>Cost at 31.12.2016</b>	<b><u>106,736</u></b>	<b><u>673</u></b>
Revaluations at 01.01.2016	170,216	0
Exchange rate adjustment	22,478	0
Profit for the year of capital participation	38,423	0
Changes in intercompany profit	(1,146)	0
Depreciation on goodwill	(3,051)	0
Dividends for parent company	<u>(36,355)</u>	<u>0</u>
<b>Revaluations at 31.12.2016</b>	<b><u>190,565</u></b>	<b><u>0</u></b>
Amortization at 01.01.2016	(9,952)	0
Exchange rate adjustment	58	0
Profit for the year of capital participation	(948)	0
Changes in intercompany profit	1,194	0
Depreciation on goodwill	(34)	0
Dividends for parent company	<u>0</u>	<u>0</u>
<b>Amortization at 31.12.2016</b>	<b><u>(9,682)</u></b>	<b><u>0</u></b>
<b>Provision for affiliated undertakings 31.12.2016</b>	<b><u>7,353</u></b>	<b><u>0</u></b>
<b>Book value at 31.12.2016</b>	<b><u>294,972</u></b>	<b><u>673</u></b>
Book value at 31.12.2015	<u>274,521</u>	<u>662</u>
Hereof measured as goodwill	<u>30,876</u>	

## NOTES TO THE ANNUAL REPORT

	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
<b>13. Share capital</b>		
The share capital of the company, T.DKK 10,380, consists of shares of DKK 1,000 or multiples thereof	<u>10,380</u>	<u>10,380</u>

	<u>Group</u>		<u>Parent</u>	
	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
<b>14. Deferred tax asset / Provisions for deferred tax</b>				
Intangible fixed assets	3,182	3,030	3,182	3,030
Tangible fixed assets	3,371	3,884	1,874	2,602
Financial fixed assets	(129)	(131)	0	0
Stocks	(1,747)	(1,349)	131	156
Receivables	(828)	(121)	(9)	(8)
Other creditors	(2,222)	(1,244)	(82)	(132)
Intercompany profit on stocks	<u>(2,455)</u>	<u>(2,448)</u>	<u>(2,455)</u>	<u>(2,448)</u>
	<u>(828)</u>	<u>1,621</u>	<u>2,641</u>	<u>3,200</u>

Deferred tax for the group has been provided accordance to local tax rates, for parent it has been provided at 22% .

## NOTES TO THE ANNUAL REPORT

	<u>Group</u>		<u>Parent</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
<b>15. Long term debt</b>				
Payment due				
After 5 years	0	0	0	0
Between 1 and 5 years	904	919	0	0
	<u>904</u>	<u>919</u>	<u>0</u>	<u>0</u>

	<u>2016</u>	<u>2015</u>
	<u>DKK'000</u>	<u>DKK'000</u>
<b>NOTES FOR CASHFLOW STATEMENT</b>		
<b>16. Change in working capital</b>		
Change in stocks	(6,187)	(2,190)
Change in receivables	(6,280)	320,906
Change in suppliers of goods and services, etc.	119,130	(6,564)
Currency regulations fixed assets/loans	10,605	(6,239)
Other corrections	(243)	(632)
	<u>117,025</u>	<u>305,281</u>

**17. Pledged assets and contingent liabilities, etc.****Pledged assets**

Owner's mortgage deeds held by the company	<u>24,483</u>	<u>24,483</u>	<u>24,483</u>	<u>24,483</u>
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**Leasing commitments**

## Leasing commitments, others

Between 1 and 5 years	3,378	2,128	2,341	2,105
Within 1 year	<u>1,454</u>	<u>2,062</u>	<u>1,847</u>	<u>2,036</u>
	<u>4,832</u>	<u>4,190</u>	<u>4,188</u>	<u>4,141</u>

**Rental commitments**

After 5 years	733	670	0	0
Between 1 and 5 years	2,424	4,841	3,378	4,719
Within 1 year	<u>2,675</u>	<u>1,605</u>	<u>1,433</u>	<u>1,395</u>
	<u>5,832</u>	<u>7,116</u>	<u>4,811</u>	<u>6,114</u>



## NOTES TO THE ANNUAL REPORT

### 17. Pledged assets and contingent liabilities, etc.

#### Suretyship :

The Company has not provided a suretyship in 2016.

	<u>Group</u>		<u>Parent</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
<b>Other commitments</b>				
Submitted guarantees for work	<u>0</u>	<u>127</u>	<u>0</u>	<u>0</u>

The company has accepted a negative pledge from its main banker.

### 18. Closely related partners

#### Shareholder relations

Apart from normal in-group transactions and management fees there have in the course of the year been no transactions involving the board of management, the board of directors, chief executives, major shareholders, associated companies and other closely related or associated parties.

#### Group relations

The company is included in the Group Annual Report of Aalberts Industries N.V., The Netherlands.

The Group Annual Report of Aalberts Industries N.V. may be obtained upon application to BROEN A/S.

## BROEN Valve Technologies

For nearly 70 years BROEN has been a leading supplier developing and producing reliable and intelligent world-class valve technology for the control of water, air, gas and oil.

BROEN Valve Technology – part of Aalberts Industries (NL) – is head-quartered in Denmark. We create value from proven valve technology and test each and every single valve.

Our brand is our promise and we go all the way to prove this.

The premium engineering and manufacturing brands BROEN Valve Technologies, Clorius Controls and BSM Valves all belong to the AI Engineered Valve Group.

Read more on: [www.broen.com](http://www.broen.com)

[www.cloriuscontrols.com](http://www.cloriuscontrols.com)

[www.bsmvalves.com](http://www.bsmvalves.com)

### Locations

Legal Headquarter in Denmark

### Sales- and Production Sites ●

BROEN A/S, Assens (DK)  
BROEN SA, Dzierżoniów (PL)  
BROEN OIL & GAS, Suchy Las & Rogoźno (PL)  
BROEN LLC, Kolomna (RU)  
BROEN INC., Houston (US)  
BSM Valves B.V., Breda (NL)  
Clorius Controls, Dzierżoniów (PL)

### Sales Offices ○

BROEN, Assens  
BROEN, Stockholm  
BROEN, Helsinki  
BROEN SEI, Rumania  
BROEN, Beijing  
BROEN, Singapore  
BROEN, Jakarta  
BROEN, Dusseldorf  
BROEN, Moscow  
Clorius Controls, Copenhagen  
Clorius Controls, Shanghai

