

# Sulzer Mixpac Denmark A/S

Farum Gydevej 89  
3520 Farum  
Denmark

CVR no. 75 13 59 12

## **Annual report 2017**

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

25 May 2018

Reto Huser  
chairman

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**Sulzer Mixpac Denmark A/S**  
Annual report 2017  
CVR no. 75 13 59 12

## **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 Sulzer Mixpac Denmark A/S for the financial year 1 January – 31 December 2017.

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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Farum, 25 May 2018  
Executive Board:

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Reto Huser  
Chief Executive Officer

Board of Directors:

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Holger Ruckstuhl

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Ulf Anders Hiller

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Reto Huser



## **Independent auditor's report**

### **To the shareholders of Sulzer Mixpac Denmark A/S**

#### **Opinion**

We have audited the financial statements of Sulzer Mixpac Denmark A/S for the financial year 1 January – 31 December 2017 comprising 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 Company's assets, liabilities and 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 accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.



## Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 25 May 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Kenn W. Hansen  
State Authorised  
Public Accountant  
MNE no. 30154

**Sulzer Mixpac Denmark A/S**  
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## Management's review

### Company details

Sulzer Mixpac Denmark A/S  
Farum Gydevej 89  
3520 Farum  
Denmark

Telephone: +45 48 17 11 10

CVR no.: 75 13 59 12  
Registered office: Furesø  
Financial year: 1 January – 31 December

### Board of Directors

Holger Ruckstuhl  
Ulf Anders Hiller  
Reto Huser

### Executive Board

Reto Huser, Chief Executive Officer

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen  
Denmark

### Bank

Nordea Bank A/S

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's activities have been production and sales of professional tools for use with any sort of packaging (cartridges, sachets and bulk).

#### **Significant changes in the Company's activities and financial position**

Group Management has decided that the activities in the Danish entity should be transferred over to Sulzer Mixpac (UK) Ltd. The amount for transferring the activities has been agreed between the parties and the sale has resulted in a gain of DKK 64.4 Million, which have been recognised as "Other operating income" in the income statement for 2017. This is the main reason behind the positive result for 2017, showing a profit after tax of DKK 41.8 Million.

After the main activities has been sold, the plan is to have the Company liquidated within 2018 or 2019.

#### **Events after the balance sheet date**

No significant events have occurred after the balance sheet date.

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2017	2016
<b>Gross profit</b>		2,877,522	14,502,761
Distribution costs		-4,084,305	-4,218,959
Administrative expenses		-8,060,227	-6,470,068
Other operating income	2	64,386,940	27,743,000
<b>Operating profit</b>		55,119,930	31,556,734
Financial income	3	0	40,426
Financial expenses	4	-760,152	-1,002,897
<b>Profit before tax</b>		54,359,778	30,594,263
Tax on profit/loss for the year	5	-12,533,684	-8,235,639
<b>Profit for the year</b>		41,826,094	22,358,624
<b>Proposed profit appropriation</b>			
Proposed dividends for the year		75,000,000	0
Retained earnings		-33,173,906	22,358,624
		41,826,094	22,358,624



## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2017	2016
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Software		0	16,875
		0	16,875
<b>Property, plant and equipment</b>			
Land and buildings		10,500,000	0
Fixtures and fittings, tools and equipment		0	6,534,783
		10,500,000	6,534,783
<b>Investments</b>			
Deposits		546,645	546,645
		546,645	546,645
<b>Total fixed assets</b>		11,046,645	7,098,303
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		0	5,598,319
Work in progress		0	5,598,141
Finished goods and goods for resale		0	3,589,089
		0	14,785,549
<b>Receivables</b>			
Trade receivables		319,444	3,318,807
Receivables from group entities		64,979,323	2,312,927
Other receivables		1,180	3,256
Deferred tax asset		263,147	0
Corporation tax		0	315,984
Prepayments		47,259	526,675
		65,610,353	6,477,649
<b>Cash at bank and in hand</b>		28,942,142	31,981,208
<b>Total current assets</b>		94,552,495	53,244,406
<b>TOTAL ASSETS</b>		105,599,140	60,342,709

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2017	2016
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	6	500,000	500,000
Proposed dividends for the financial year		75,000,000	0
Retained earnings		<u>15,470,107</u>	<u>49,323,263</u>
<b>Total equity</b>		<u>90,970,107</u>	<u>49,823,263</u>
<b>Provisions</b>			
Provisions for deferred tax		<u>0</u>	<u>248,100</u>
<b>Total provisions</b>		<u>0</u>	<u>248,100</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		72,172	1,886,952
Payables to group entities		92,661	304,547
Corporation tax		9,424,118	0
Other payables		<u>5,040,082</u>	<u>8,079,847</u>
		<u>14,629,033</u>	<u>10,271,346</u>
<b>Total liabilities other than provisions</b>		<u>14,629,033</u>	<u>10,271,346</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>105,599,140</u>	<u>60,342,709</u>
<b>Contractual obligations, contingencies, etc.</b>	7		
<b>Related party disclosures</b>	8		

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Sulzer Mixpac Denmark A/S for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

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

#### Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivables or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

#### Income statement

Persuant to section 32 of the Danish Financial Statements Act, the items revenue and production costs have been aggregated to the item gross profit.

#### Revenue

Income from the sale of goods, comprising sales of dispensing tools, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue. Cash discounts are recognised under financial expenses.

#### Production costs

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

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

#### 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Administrative expenses

Administrative expenses comprise expenses for management and administrative staff, office premises and office expenses and depreciation, etc.

##### Other operating income

Other operating income comprise items secondary to the Company's activities, including gain on the sale of intangible assets and property, plant and equipment.

##### Financial income and expenses

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

##### Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The Company is jointly taxed with other Danish group companies. The Company is the administrative company in the joint taxation.

The current Danish corporation tax is distributed by settlement of joint taxation contributions between companies in the joint taxation in proportion to their taxable income. As part of this, companies with tax losses receive joint taxation contributions from companies that have made use of these tax losses to reduce their taxable income.

### Balance sheet

#### Intangible assets

Software is measured at cost less accumulated amortisation and impairment losses. Software are amortised over the contract period, however, not exceeding 3 years.

#### Property, plant and equipment

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

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

Gains and losses on the disposal of property, plant and equipment are determined as the difference

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

between the selling price less selling costs and the carrying amount at the date of disposal.

Depreciation on property, plant and equipment aims to systematic depreciate the assets over their expected useful lives.

The company uses the following expected useful lives and scrap values:

Buildings	25 years
Fixtures and fittings, tools and equipment	5-10 years

Land is not depreciated.

#### Investments

Deposits are measured at cost.

#### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

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

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and direct production overheads and indirect production overheads. Borrowing costs are not included in the 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, which usually corresponds to the nominal value.

Write-down is made for bad debt losses when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, write-down is made on individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Prepayments and deferred income

Prepayments recognised under current assets comprise costs incurred concerning subsequent financial years.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Equity

###### *Dividends*

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

##### Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax value, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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 due to changes in the tax rate are recognised in the income statement.

##### Liabilities other than provisions

Financial liabilities comprising amounts owed to credit institutions, trade payables and payables to group entities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at amortized cost normally equal to net realisable value.

DKK	<u>2017</u>	<u>2016</u>
<b>2 Other operating income</b>		
Gain in connection with disposal of intangible assets and property, plant and equipment	<u>64,386,940</u>	<u>27,743,000</u>
	<u>64,386,940</u>	<u>27,743,000</u>
<b>3 Financial income</b>		
Interest income from group entities	0	1,739
Other financial income	0	17
Exchange adjustments	<u>0</u>	<u>38,670</u>
	<u>0</u>	<u>40,426</u>

## Financial statements 1 January – 31 December

### Notes

DKK	<u>2017</u>	<u>2016</u>
<b>4 Financial expenses</b>		
Other financial costs	<u>760,152</u>	<u>1,002,897</u>
	<u>760,152</u>	<u>1,002,897</u>
<b>5 Tax on profit</b>		
Current tax for the year	13,044,931	8,235,639
Deferred tax for the year	<u>-511,247</u>	<u>0</u>
	<u>12,533,684</u>	<u>8,235,639</u>

### 6 Contributed capital

The share capital consists of 500 shares of a nominal value of DKK 1,000 each.

All shares rank equally.

### 7 Contractual obligations, contingencies, etc.

#### Joint taxation

The Company is jointly taxed with other group companies in Denmark. As the administrative company of the joint taxation, the Company has unlimited and joint and several liability for Danish corporation tax and withholding taxes on dividends, interest and royalties for all companies within the joint taxation scheme. The joint taxation income for all companies in the joint taxation has not been computed at the time of the approval of the annual report.

### 8 Related party disclosures

Sulzer Mixpac Denmark A/S' related parties comprise the following:

#### Control

Sulzer AG (Switzerland) holds the majority of the share capital in the Company.