CHRISTENSEN
KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

STORE KONGENSGADE 68
1264 KØBENHAVN K

CVR: 15 91 56 41
TLF: 33 30 15 15
E-MAIL: CK@CK.DK
WEB: WWW.CK.DK

ADSERBI A/S

Skovmindevej 25, 2840 Holte

Company reg. no. 87 80 23 10

Annual report

1 May 2015 - 30 April 2016

The annual report has been submitted and approved by the general meeting on the 07-09-2016

Peter Adser
Chairman of the meeting

Notes:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

Management's report

The board of directors and the managing director have today presented the annual report of ADSERBI A/S for the financial year 1 May 2015 to 30 April 2016.

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

We consider the accounting policies used appropriate, and in our opinion, the consolidated annual accounts and the annual accounts provide a true and fair view of the assets, the liabilities and the financial position, consolidated and for the company respectively as on 30 April 2016, and of the results of the activities, consolidated and of the company respectively and of consolidated cash flows in the financial year 1 May 2015 to 30 April 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Holte, 17 August 2016

Managing Director

Peter Adser
Managing Director

Board of directors

Claus Adser | Lars Adser | Peter Adser

To the shareholders of ADSERBI A/S

Report on the consolidated annual accounts and the annual accounts

We have audited the consolidated annual accounts and the annual accounts of ADSERBI A/S for the financial year 1 May 2015 to 30 April 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes, consolidated and for the company respectively and consolidated cash flow statement. The consolidated annual accounts and the annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the consolidated annual accounts and the annual accounts

The management is responsible for the preparation of consolidated annual accounts and annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control as it determines necessary in order to prepare consolidated annual accounts and annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated annual accounts and the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated annual accounts and the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual accounts and the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the consolidated annual accounts and the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of consolidated annual accounts and annual accounts that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the consolidated annual accounts and the annual accounts.

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated annual accounts and the annual accounts give a true and fair view of the assets, liabilities and financial position, consolidated and for the company respectively at 30 April 2016 and of the results of the company's operations, consolidated and for the company respectively and of consolidated cash flows for the financial year 1 May 2015 to 30 April 2016 in accordance with the Danish Financial Statements Act.

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the consolidated annual accounts and the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the consolidated annual accounts and the annual accounts.

Copenhagen, 17 August 2016

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
CVR-nr. 15 91 56 41

John Mikkelsen
State Authorised Public Accountant

Company data

The company	ADSERBI A/S Skovmindevej 25 2840 Holte
	Company reg. no.: 87 80 23 10 Established: 16 March 1979 Financial year: 1 May - 30 April
Board of directors	Claus Adser Lars Adser Peter Adser
Managing Director	Peter Adser, Managing Director
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab
Subsidiaries	DANSCAN A/S, Gentofte BJØRN THORSEN A/S, Gentofte BJÖRN THORSEN AB, Göteborg THORKILD LARSEN A/S, Roskilde SCANDIFLEX NORDIC A/S, Gentofte CUSTOMIZED COMPOUND SOLUTIONS A/S, Gentofte

Consolidated financial highlights

DKK in thousands.	2015/16	2014/15	2013/14	2012/13	2011/12
Profit and loss account:					
Net turnover	430.649	430.790	388.758	338.401	324.239
Gross profit	49.127	51.579	48.428	43.848	43.099
Results from operating activities	15.923	21.320	18.015	13.928	10.077
Net financials	2.881	10.559	12.955	10.024	2.990
Results for the year	11.339	20.011	20.280	17.113	13.067
Balance sheet:					
Balance sheet sum	351.148	330.707	327.189	292.961	259.853
Equity	241.577	231.233	212.265	194.444	184.435
Cash flow:					
Operating activities	11.797	15.550	9.196	14.016	8.482
Investment activities	10.293	1.454	726	-4.792	-1.234
Financing activities	-1.000	-18.279	4.790	13.058	9.659
Cash flow in total	21.090	-1.275	0	0	0
Key figures in %: *)					
Gross margin	11,4	12,0	12,5	13,0	13,3
Profit margin	3,7	4,9	4,6	4,1	3,1
Acid test ratio	139.626,5	10.218,5	0,0	0,0	0,0
Solvency ratio	68,8	69,9	64,9	66,4	71,0
Return on equity	4,8	9,0	10,0	9,0	7,3

*) The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal 2015" ("Recommendations & Key Figures 2015") published by the CFA Society Denmark. As to definitions, please see the section on accounting policies used.

Principal activities of the group

The principal activities of the group are sales of raw materials to the Nordic chemical consuming industries and sales of electrical components and products.

The activity of the mother company is shareholding of the entities of the group and in addition investment of funds in securities.

Development in activities and financial matters

The net turnover for the year is DKK 430.649 against DKK 430.790 last year. The results from ordinary activities after tax are DKK 11.339 against DKK 20.011 last year. The management consider the results satisfactory.

The expected development

For the consolidated group a positive development of the results 2016/17 is expected.

Mandatory Review on social Responsibility, acc. to § 99A of the Annual Report Law

The Adserbi group is aware of its economical, environmental and social responsibilities and is committed to a sustainable corporate policy.

The shareholders and management of the corporation are committed to the long-term health and working ability of the staff and employees and to an efficient environmental protection, and social responsibility is part of Adserbi's value norms. Adserbi is constantly looking to optimize this and to contribute to a global sustainable development.

Largely the Adserbi group is supporting the ten principles on social responsibility of the UN, however is not connected to UN Global Compact.

In view of the size of the corporation, its activities and the markets in which the group is operating, the Board of Directors has decided not to adopt policies on voluntary integration of the corporation's social responsibility, neither policies on human rights nor climate. It is constantly being evaluated whether a need to adopt policies on this area is required.

Targets and Policies on the Underrepresented Sex

The Board of Directors has not for 2015/16 established a target for the underrepresentated sex amongst the board members elected by the general assembly.

Considering the activities of the group the Board of Directors is endeavoring variety at all levels of the group and whereby both sexes are given equal conditions to reach a position in the upper management levels both in connection with new employments and the composition of the management.

However, the Board of Directors is of the opinion that a fixed level of variety would not in all cases be compatible with optimal management. Hence the Board of Directors has not at this time found it appropriate to assume concrete targets on variety in the group's further management levels.

Particular Risks

The group's use of raw materials does not entail essential price risks due to the minor price fluctuations existing on the market as price increases are rarely significant.

Currency Risks

The group's activities abroad entail that the result, cash flow and equity are minimally affected by the development of exchange rates and interest rates. It is the policy of the corporation to cover commercial currency risks when these are regarded significant. Currently there is no covering currency risks as these are considered to be ignorable.

No speculative currency positions are made. The group has a significant part of its free capital invested in public securities.

Interest Risks

Since the interest borne net debts does not represent a significant amount moderate changes of the interest level will have no significant direct effect on the profitability. Hence no interest positions to cover interest risks are made.

Environmental Aspects

It is the goal of the group to reduce its environmental tolerance as compared to year 2012/13 however no targets have been established due to the fact that a growth of the net revenue is expected versus 2012/13.

The day-to-day monitoring of environmental issues is based on an environmentally responsible operation and is a natural part of the group's targets on product quality and production.

Also agreements have been made with cooperation partners on a genuine reduction of CO_2 in connection with production and transportation. Through dialog and comprehension arrangements have been made with subsuppliers on limitation of CO_2 derivation.

The group's primary suppliers are all environmentally certified.

Know-How Resources

The group's business idea prescribes products of high quality. This requires particular skillful know-how resources from the staff and from the business procedures.

To continually produce such solutions it is of considerable importance that the group is able to recruit and maintain employees with a high level of education. It is the group's target to posses the newest know-how for swift readjustments. The mix of employees is an important indicator and the share with a high education makes 45%.

The critical business processes connected to sale of products are service, quality, consultancy and individual solutions. To secure that clients receive the agreed performances it is required that the individual methods and procedures are documentated. The group's required performance on this is measured through statistics on timely deliveries and number of complaints being important indicators on the functionality of the business procedures.

It is the group's view that timely deliveries are conducted and that customer complaints are ignorable.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Profit and loss account 1 May - 30 April

DKK in thousands.

Note		Parent enterprise 2015/16	Parent enterprise 2014/15	Group 2015/16	Group 2014/15
	Net turnover	80	81	430.649	430.790
	Raw materials and consumables used	0	0	-368.716	-366.313
	Other external costs	-138	-139	-12.806	-12.898
	Gross results	**-58**	**-58**	**49.127**	**51.579**
1	Staff costs	-29	-39	-29.027	-27.833
	Depreciation and amortisation of tangible and intangible fixed assets	-36	-48	-4.177	-2.426
	Operating profit	**-123**	**-145**	**15.923**	**21.320**
	Income from equity investments in group enterprises	10.979	13.816	0	0
2	Other financial income	612	8.249	2.948	11.686
3	Other financial costs	-27	-1	-67	-1.127
	Results before tax	**11.441**	**21.919**	**18.804**	**31.879**
4	Tax on ordinary results	-102	-1.908	-4.007	-7.745
	Results for the year	**11.339**	**20.011**	**14.797**	**24.134**
	The minority interests' share of the results of the subsidiaries	0	0	-3.458	-4.123
	The group share of the results for the year	**11.339**	**20.011**	**11.339**	**20.011**
	Proposed distribution of the results:				
	Reserves for net revaluation as per the equity method	8.229	11.026		
	Dividend for the financial year	2.000	1.000		
	Allocated to results brought forward	1.110	7.985		
	Distribution in total	**11.339**	**20.011**		

Balance sheet 30 April

DKK in thousands.

Assets

Note		Parent enterprise 2016	Parent enterprise 2015	Group 2016	Group 2015
	Fixed assets				
5	Acquired licenses	0	0	217	131
6	Goodwill	0	0	2.349	2.304
	Intangible fixed assets in total	0	0	2.566	2.435
7	Land and property	0	0	0	9.343
	Decoration rented premises	0	0	207	0
8	Other plants, operating assets, and fixtures and furniture	104	340	2.791	2.707
	Tangible fixed assets in total	104	340	2.998	12.050
9	Equity investments in group enterprises	125.670	117.477	0	0
	Financial fixed assets in total	125.670	117.477	0	0
	Fixed assets in total	**125.774**	**117.817**	**5.564**	**14.485**

Balance sheet 30 April

DKK in thousands.

Assets

Note		Parent enterprise 2016	Parent enterprise 2015	Group 2016	Group 2015
	Current assets				
	Inventories	0	0	81.744	80.669
	Inventories in total	0	0	81.744	80.669
	Trade debtors	0	0	95.725	86.009
	Amounts owed by group enterprises	200	2.556	478	2.464
	Receivable corporate tax	804	0	0	0
	Other debtors	0	0	2.158	2.726
	Accrued income and deferred expenses	7	694	1.819	1.785
	Debtors in total	1.011	3.250	100.180	92.984
	Other securities	99.790	66.193	105.884	72.123
	Securities in total	99.790	66.193	105.884	72.123
	Cash funds	15.089	45.106	57.776	70.446
	Current assets in total	**115.890**	**114.549**	**345.584**	**316.222**
	Assets in total	**241.664**	**232.366**	**351.148**	**330.707**

Balance sheet 30 April

DKK in thousands.

Equity and liabilities

Note		Parent enterprise 2016	Parent enterprise 2015	Group 2016	Group 2015
	Equity				
10	Contributed capital	500	500	500	500
11	Reserves for net revaluation as per the equity method	119.771	111.537	119.771	111.537
12	Results brought forward	119.306	118.196	119.306	118.196
13	Proposed dividend for the financial year	2.000	1.000	2.000	1.000
	Equity in total	**241.577**	**231.233**	**241.577**	**231.233**
	Minority interests	**0**	**0**	**18.828**	**15.368**
	Provisions				
	Provisions for deferred tax	4	12	187	741
	Provisions in total	**4**	**12**	**187**	**741**
	Liabilities				
	Bank debts	0	0	31.065	25.276
	Long-term liabilities in total	0	0	31.065	25.276
	Trade creditors	64	123	35.804	35.051
	Payable corporate tax	0	978	3.348	5.899
	Other liabilities	19	20	19.649	16.518
	Accrued expenses and deferred income	0	0	690	621
	Short-term liabilities in total	83	1.121	59.491	58.089
	Liabilities in total	**83**	**1.121**	**90.556**	**83.365**
	Equity and liabilities in total	**241.664**	**232.366**	**351.148**	**330.707**

14 Contingencies

15 Related parties

Cash flow statement 1 May - 30 April

DKK in thousands.

	Group 2015/16	2014/15
Results for the year	14.797	24.134
Adjustments	5.303	-388
Change in working capital	-4.318	-11.040
Cash flow from operating activities before net financials	15.782	12.706
Interest received and similar amounts	2.948	11.686
Interest paid and similar amounts	-67	-1.127
Cash flow from ordinary activities	18.663	23.265
Corporate tax paid	-7.823	-7.367
Other cash flows from operating activities	957	-348
Cash flow from operating activities	**11.797**	**15.550**
Purchase of intangible fixed assets	0	-59
Purchase of tangible fixed assets	-2.738	-1.144
Sale of tangible fixed assets	7.241	2.657
Dividends received	0	0
Loans	5.790	0
Cash flow from investment activities	**10.293**	**1.454**
Repayments of long-term debt	0	-17.279
Dividend paid	-1.000	-1.000
Cash flow from financing activities	**-1.000**	**-18.279**
Changes in available funds	**21.090**	**-1.275**
Available funds 1 May	142.570	143.845
Available funds 30 April	**163.660**	**142.570**

Available funds		
Cash funds	57.776	70.446
Securities	105.884	72.124
Available funds 30 April	**163.660**	**142.570**

Notes

DKK in thousands.

		Parent enterprise 2015/16	Parent enterprise 2014/15
1.	**Staff costs**		
	Salaries and wages	0	0
	Other staff costs	29	39
		29	**39**
2.	**Other financial income**		
	Interest, banks	9	196
	Interest, bonds	219	2.800
	Interest, other	100	25
	Dividend, portfolio investments	220	1.385
	Profit from securities that are current assets	-75	0
	Market value adjustment, securities that are current assets	139	3.843
		612	**8.249**

		Parent enterprise 2015/16	Parent enterprise 2014/15	Group 2015/16	Group 2014/15
3.	**Other financial costs**				
	Other interest costs	27	1	67	1.127
		27	**1**	**67**	**1.127**
4.	**Tax on ordinary results**				
	Tax of the results for the year, parent company	102	1.908	4.007	7.745
		102	**1.908**	**4.007**	**7.745**

Notes

DKK in thousands.

		Parent enterprise		Group	
		30/4 2016	30/4 2015	30/4 2016	30/4 2015
5.	**Acquired licenses**				
	Cost 1 May	0	0	240	181
	Additions during the year	0	0	162	59
	Cost 30 April	**0**	**0**	**402**	**240**
	Amortisation and writedown 1 May	0	0	-109	-65
	Amortisation for the year	0	0	-76	-44
	Amortisation and writedown 30 April	**0**	**0**	**-185**	**-109**
	Book value 30 April	**0**	**0**	**217**	**131**
6.	**Goodwill**				
	Cost 1 May	0	0	10.617	10.617
	Additions during the year	0	0	747	0
	Cost 30 April	**0**	**0**	**11.364**	**10.617**
	Amortisation and writedown 1 May	0	0	-8.313	-7.629
	Writedown for the year	0	0	-702	-684
	Amortisation and writedown 30 April	**0**	**0**	**-9.015**	**-8.313**
	Book value 30 April	**0**	**0**	**2.349**	**2.304**

DKK in thousands.

		Parent enterprise		Group	
		30/4 2016	30/4 2015	30/4 2016	30/4 2015
7.	**Land and property**				
	Cost 1 May	0	0	10.680	10.680
	Disposals during the year	0	0	-10.680	0
	Cost 30 April	**0**	**0**	**0**	**10.680**
	Depreciation and writedown 1 May	0	0	-1.337	-1.159
	Writedown for the year	0	0	0	-178
	Reversal of depreciation, amortisation and writedown, assets disposed of	0	0	1.337	0
	Depreciation and writedown 30 April	**0**	**0**	**0**	**-1.337**
	Book value 30 April	**0**	**0**	**0**	**9.343**
8.	**Other plants, operating assets, and fixtures and furniture**				
	Cost 1 May	404	404	9.778	9.826
	Disposals during the year	-300	0	1.612	1.032
	Transfers	0	0	-3.706	-1.080
	Cost 30 April	**104**	**404**	**7.684**	**9.778**
	Amortisation and writedown 1 May	-64	-16	-7.071	-6.884
	Depreciation for the year	-32	-48	-60	-1.033
	Reversal of depreciation, amortisation and writedown, assets disposed of	96	0	2.238	846
	Amortisation and writedown 30 April	**0**	**-64**	**-4.893**	**-7.071**
	Book value 30 April	**104**	**340**	**2.791**	**2.707**

DKK in thousands.

	Parent enterprise 30/4 2016	Parent enterprise 30/4 2015	Group 30/4 2016	Group 30/4 2015
9. Equity investments in group enterprises				
Acquisition sum, opening balance 1 May	5.899	5.898	0	0
Cost 30 April	**5.899**	**5.898**	**0**	**0**
Revaluations, opening balance 1 May	111.579	100.598	0	0
Effect of exchange rate adjustment	4	-45	0	0
Results for the year before goodwill amortisation	10.979	13.816	0	0
Dividend	-2.791	-2.790	0	0
Revaluation 30 April	**119.771**	**111.579**	**0**	**0**
Book value 30 April	**125.670**	**117.477**	**0**	**0**

Group enterprises:

	Domicile	**Share of ownership**
DANSCAN A/S	Gentofte	93 %
BJØRN THORSEN A/S	Gentofte	80 %
BJÖRN THORSEN AB	Göteborg	100 %
THORKILD LARSEN A/S	Roskilde	80 %
SCANDIFLEX NORDIC A/S	Gentofte	100 %
CUSTOMIZED COMPOUND SOLUTIONS A/S	Gentofte	79 %

Notes

DKK in thousands.

	Parent enterprise		Group	
	30/4 2016	30/4 2015	30/4 2016	30/4 2015
10. Contributed capital				
Contributed capital 1 May	500	500	500	500
	500	**500**	**500**	**500**

The share capital consists of 5.000 shares, each with a nominal value of DKK 100. No shares hold particular rights.

	Parent enterprise		Group	
	30/4 2016	30/4 2015	30/4 2016	30/4 2015
11. Reserves for net revaluation as per the equity method				
Reserves for net revaluation 1 May	111.537	100.597	111.537	100.597
Share of results	8.229	11.026	8.229	11.026
Exchange rate adjustments	5	-86	5	-86
	119.771	**111.537**	**119.771**	**111.537**
12. Results brought forward				
Results brought forward 1 May	118.196	110.167	118.196	110.167
Profit or loss for the year brought forward	1.110	8.029	1.110	8.029
	119.306	**118.196**	**119.306**	**118.196**
13. Proposed dividend for the financial year				
Dividend 1 May	0	1.000	1.000	0
Distributed dividend	0	-1.000	-1.000	0
Dividend for the financial year	2.000	1.000	2.000	1.000
	2.000	**1.000**	**2.000**	**1.000**

DKK in thousands.

14. Contingencies

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The liability relating to obligations in connection with corporation tax represents an estimated maximum of DKK 6.000 thousand. The liability relating to obligations in connection with withholding taxes represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

15. Related parties

Ownership

According to the company's list of shareholders, the following shareholders own a minimum of 5 % of the voting rights or a minimum of 5 % of the share capital:

Peter Adser, Vejlesøparken 14, 1 th, 2840 Holte

Lars Adser, Fortunvej 49 A, 2920 Charlottenlund

Claus Adser, Skovmindevej 25, 2840 Holte

The annual report for ADSERBI A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the group is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the group is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

The consolidated annual accounts

The consolidated annual accounts comprise the parent company ADSERBI A/S and those subsidiaries of which ADSERBI A/S directly or indirectly owns more than 50 % of the voting rights or in other ways has controlling interest. As it appears from the group chart, enterprises of which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not controlling interest are considered associated enterprises.

By the consolidation, elimination of intercompany income and costs, shareholding, intercompany balances and dividends and realised and unrealised gains and losses from transactions among the consolidated enterprises takes place.

Equity interests in subsidiaries are settled by the proportional share of the subsidiaries' trade value of net assets and liabilities at the date of acquisition.

Minority interests

The items of the subsidiaries are recognised by 100 % in the consolidated annual accounts. The minority interests' proportionate share of the profit or loss and the equity of the subsidiaries is adjusted annually and recognised as separate items in the profit and loss account and in the balance sheet.

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual subsidiaries are recognised in the profit and loss account at a proportional share of the subsidiaries' results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and amortisation which directly and indirectly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Development costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 10 years.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under amortisation.

Goodwill

Purchased goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated financial life which is 5 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Buildings	30	years
Technical plants and machinery	5-10	years
Other plants, operating assets, fixtures and furniture	3-5	years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

As regards assets of own production, the cost comprises direct and indirect costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs form specific and general borrowing concerning the construction of each individual asset.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the take over of new group enterprises and associated enterprises, the acquisition method is applied, by which the taken over companies' assets and liabilities are measured at fair value at the time of take over. Provisions are made for covering costs in connection with decided restructuring projects in the taken over enterprise in connection with the take-over. The tax effect of the revaluation carried out is taken into consideration, cf. the below description of goodwill.

Positive differences (goodwill) between the acquisition value and the fair value of the assets and liabilities taken over, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over the estimated financial life. The financial life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategically taken over companies with a strong market position and a long range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Securities and equity investments

Securities and equity investments recognised as current assets are measured at fair value on the balance sheet date.

Available funds

Available funds comprise cash at bank and in hand.

Equity - dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

ADSERBI A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, ADSERBI A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or "Payable corporate tax".

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Liabilities relating to investment properties are measured at amortised cost.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

The cash flow statement

The cash flow statement shows the cash flow of the group for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities and payments related to the acquisition and sale of fixed assets.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds and short term securities which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

Segment information

Management believes that information in accordance with the Danish Financial Statements Act, § 96, will cause the company significant damage.

As a result, the company, pursuant to the Danish Financial Statements Act, § 96, 3rd section, failed to disclose such information.

The key figures

The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal 2015" ("Recommendations & Key Figures 2015") published by the CFA Society Denmark.

The key figures in the survey appear as follows:

Gross margin

$$\frac{\text{Gross results x 100}}{\text{Net turnover}}$$

Profit margin (EBIT margin)

$$\frac{\text{Results from primary activities (EBIT) x 100}}{\text{Net turnover}}$$

Acid test ratio

$$\frac{\text{Current assets x 100}}{\text{Short-term liabilities}}$$

Equity share

$$\frac{\text{Equity less minority interests, closing balance x 100}}{\text{Assets in total, closing balance}}$$

Accounting policies used

Return on equity	$\dfrac{\text{*Results x 100}}{\text{Average equity exclusive of minority interests}}$
***Results**	Results for the year with deduction of minority interests' share of same