

Achton A/S
Ordrupvej 19
4540 Faarevejle
Central Business Registration No
10980690

Annual report 2016

The Annual General Meeting adopted the annual report on 31.03.2017

Chairman of the General Meeting



Name: Steen Erik Rasmussen

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Entity details

Entity

Achton A/S
Ordrupvej 19
4540 Faarevejle

Central Business Registration No: 10980690

Registered in: Odsherred

Financial year: 01.01.2016 - 31.12.2016

Phone: +4559441700

Website: www.achton-as.com

Board of Directors

Dorthe Achton, chairman

Mogens Thunbo

Kim Achton

Morten Achton

Steen Erik Rasmussen

Executive Board

Kim Achton

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Ndr. Ringgade 70A

Postboks 1600

4200 Slagelse

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Achton A/S for the financial year 01.01.2016 - 31.12.2016.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.


Faarevejle, 31.03.2017

Executive Board



Kim Achton

Board of Directors



Dorthe Achton
chairman




Mogens Thunbo



Kim Achton



Morten Achton



Steen Erik Rasmussen

Independent auditor's report

To the shareholders of Achton A/S

Opinion

We have audited the financial statements of Achton 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. 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 Entity's financial position at 31.12.2016 and of the results of its operations and 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 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 this auditor's report. We are independent of the Entity 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 financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity'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 financial statements unless Management either intends to liquidate the Entity 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 about 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 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 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:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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.

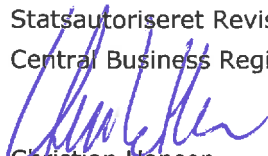
Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Slagelse, 31.03.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556



Christian Hansen

State Authorised Public Accountant

Management commentary

Primary activities

The Entity's primary market is designing and manufacturing of professional dispensing systems.

Development in activities and finances

Profit for the year is DKK 362k. The Company's balance sheet shows total assets of DKK 31,851k and equity of 6,063k.

The efforts to replace the major client that we lost in 2015 are progressing successfully, and Management expects the Company to have reached the 2014/2015 activity level in 12 to 18 months.

In the next year a positive result is expected.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Gross profit		12.541.888	25.556
Staff costs	1	(8.760.918)	(12.237)
Depreciation, amortisation and impairment losses	2	(2.482.211)	(2.384)
Operating profit/loss		1.298.759	10.935
Other financial income	3	19	44
Other financial expenses	4	(869.599)	(905)
Profit/loss before tax		429.179	10.074
Tax on profit/loss for the year	5	(67.287)	(2.348)
Profit/loss for the year		361.892	7.726
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		0	6.500
Retained earnings		361.892	1.226
		361.892	7.726

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Plant and machinery		9.800.793	7.324
Other fixtures and fittings, tools and equipment		770.018	944
Leasehold improvements		1.520.526	1.630
Property, plant and equipment	6	12.091.337	9.898
Other receivables		2.625.000	2.625
Fixed asset investments		2.625.000	2.625
Fixed assets		14.716.337	12.523
Raw materials and consumables		1.092.452	1.252
Work in progress		3.624.336	4.614
Manufactured goods and goods for resale		6.670.288	4.907
Inventories		11.387.076	10.773
Trade receivables		4.971.779	5.131
Other receivables		10.494	29
Prepayments		705.000	0
Receivables		5.687.273	5.160
Cash		59.861	37
Current assets		17.134.210	15.970
Assets		31.850.547	28.493

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Contributed capital	7	1.000.000	1.000
Retained earnings		5.062.589	4.837
Proposed dividend		0	6.500
Equity		<u>6.062.589</u>	<u>12.337</u>
Deferred tax		755.861	693
Provisions		<u>755.861</u>	<u>693</u>
Finance lease liabilities		5.146.336	3.126
Non-current liabilities other than provisions	8	<u>5.146.336</u>	<u>3.126</u>
Current portion of long-term liabilities other than provisions	8	1.933.476	1.126
Payables to other credit institutions		7.058.907	4.002
Trade payables		2.407.377	2.543
Payables to group enterprises		6.672.654	75
Income tax payable	9	4.740	2.520
Other payables		1.808.607	1.990
Deferred income		0	81
Current liabilities other than provisions		<u>19.885.761</u>	<u>12.337</u>
Liabilities other than provisions		<u>25.032.097</u>	<u>15.463</u>
Equity and liabilities		<u>31.850.547</u>	<u>28.493</u>
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Mortgages and securities	12		
Related parties with controlling interest	13		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	1.000.000	4.837.617	6.500.000	12.337.617
Ordinary dividend paid	0	0	(6.500.000)	(6.500.000)
Other equity postings	0	(136.920)	0	(136.920)
Profit/loss for the year	0	361.892	0	361.892
Equity end of year	1.000.000	5.062.589	0	6.062.589

Notes

	2016	2015
	DKK	DKK'000
1. Staff costs		
Wages and salaries	7.625.198	10.716
Pension costs	879.477	1.195
Other social security costs	256.243	326
	8.760.918	12.237
Average number of employees	26	35
	2016	2015
	DKK	DKK'000
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	2.479.597	2.545
Profit/loss from sale of intangible assets and property, plant and equipment	2.614	(161)
	2.482.211	2.384
	2016	2015
	DKK	DKK'000
3. Other financial income		
Financial income arising from group enterprises	0	26
Other financial income	19	18
	19	44
	2016	2015
	DKK	DKK'000
4. Other financial expenses		
Financial expenses from group enterprises	298.159	20
Interest expenses	571.440	885
	869.599	905

Notes

	2016	2015
	DKK	DKK'000
5. Tax on profit/loss for the year		
Tax on current year taxable income	4.740	2.520
Change in deferred tax for the year	62.547	(143)
Effect of changed tax rates	0	(29)
	67.287	2.348

6. Property, plant and equipment

Assets held under finance leases total DKK 7.798.727.

	Number	Nominal value DKK
7. Contributed capital		
Equity capital	1.000	1.000.000
	1.000	1.000.000

	Instalments within 12 months 2016 DKK	Instalments within 12 months 2015 DKK'000	Instalments beyond 12 months 2016 DKK	Outstanding after 5 years DKK
8. Liabilities other than provisions				
Finance lease liabilities	1.933.476	1.126	5.146.336	0
	1.933.476	1.126	5.146.336	0

9. Income tax payable

Short-term income tax consists of tax contributions of DKK 5k which are settled with K A Holding A/S.

Notes

10. Unrecognised rental and lease commitments

For the period 2017-2019, the Entity has entered into rental agreements and leases. Annual rental totals DKK 437k.

For the period 01.01.2017 – 30.06.2017, the Entity has entered into a rental agreement with group enterprises. Annual rent totals DKK 3,420k.

11. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which K A Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

12. Mortgages and securities

To guarantee bank loans, chattels have been provided as security by way of a letter of indemnity for DKK 5m nominal, secured upon operating equipment and tools and leasehold rights with a carrying amount of DKK 4,292k.

In addition, bank loans have been secured by way of a floating charge for DKK 10m, secured upon inventories and accounts receivable with a carrying amount of DKK 16,359k.

13. Related parties with controlling interest

K A Holding A/S, Ordrupvej 19, 4540 Faarevejle, Denmark, holds all the shares in the Entity, meaning that K A Holding A/S controls the Entity.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss includes revenue, change in inventories of finished goods, other operating income, costs for raw materials and consumables as well as external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at the fair value of the consideration fixed.

Accounting policies

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises interest income etc.

Other financial expenses

Other financial expenses comprise interest expenses, net capital losses on payables and foreign currency transactions as well as amortisation of financial liabilities etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with its Parent. The current income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when the asset is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Accounting policies

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	10 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equaling nominal value less write-downs for bad and doubtful debts.

Inventories

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

Cost consists of purchase price plus delivery costs. The cost of finished goods consists of costs for raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item under equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Accounting policies

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Finance lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.