


JUVEL A/S
Københavnsvej 222
4600 Køge
Annual report for 2017

Adopted at the annual general meeting on
31 May 2018



chairman
STEFAN WOLFGANG HÖTZL

CVR-nr. 11 56 07 76

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

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

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

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

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


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

Køge, 31 May 2018

Executive board

Jan Bertelsen
Director

Supervisory board


Stefan Wolfgang Hötzl
chairman


Pablo Vilaseca Muñoz


Jorg Adrianus Johannes Wouterus
Kleijssen


Jan Bertelsen

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Juvel A/S

Opinion

We have audited the financial statements of Juvel A/S for the financial year 1 January - 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

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

INDEPENDENT AUDITOR'S REPORT

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

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

Management is responsible for management's review.

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

INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.


Based on the work we have performed, we conclude that 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 management's review.

Copenhagen, 31 May 2018

MAZARS

Statsautoriseret Revisionspartnerselskab

CVR no. 31 06 17 41



Kurt Christensen
Statsautoriseret Revisor
MNE no. mne26824

COMPANY DETAILS

The company	Juvel A/S Københavnsvej 222 4600 Køge
	Telephone: 36340288 Fax: 36340289
	CVR no.: 11 56 07 76
	Reporting period: 1 January - 31 December 2017
	Domicile: Køge
Supervisory board	Stefan Wolfgang Hötzl, chairman Pablo Vilaseca Muñoz Jorg Adrianus Johannes Wouterus Kleijssen Jan Bertelsen
Executive board	Jan Bertelsen, director
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Østerfælled Torv 10, 2. sal 2100 København Ø

MANAGEMENT'S REVIEW

Business activities

The main activity from the sales and logistics centre in Køge is sale and distribution of stainless steel kitchen and bathroom sinks, sale of stainless steel sanitary products, mini kitchens and other kitchen and bathroom sinks. Here, the products are completed and distributed to Denmark, Europe, and North America, primarily.

Business review

The Company's income statement for the year ended 31 December shows a profit of DKK 2.426.486, and the balance sheet at 31 December 2017 shows equity of DKK 22.988.828.

Significant events occurring after end of reporting period

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

ACCOUNTING POLICIES

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

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

The annual report for 2017 is presented in DKK

Changes in accounting policies

Changes have been applied in the annual report for 2017 regarding following classification errors:

Intangible Assets, TDKK 190, is reclassified in the balance sheet, previously recognized under Tangible Assets as "Other fixtures and fittings, tools and equipment" to be recognized hereafter under Intangible Assets as "Software".

Corrected errors have neither had any effect on total assets as of 31 December 2017, net profit for the year 2017, nor the equity as of 31 December 2017.

Comparison figures have not been adjusted.

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

Basis of recognition and measurement

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

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

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

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

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

ACCOUNTING POLICIES

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

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

Revenue

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

Raw materials and consumables

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external expenses

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

Staff costs

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions.

ACCOUNTING POLICIES

Tax on profit/loss for the year

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

Balance sheet

Intangible assets

Software

Software is measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line depreciation that is provided on the basis of the following estimated useful lives of the intangible assets.

Tangible assets

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

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Plant and machinery	5-10 years	0 %
Other fixtures and fittings, tools and equipment	3-6 years	0 %
Leasehold improvements	5-10 years	0 %

Other Financial Fixed Asset including deposits are measured at cost and is regulated annually.

Stocks

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

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

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

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and cash pool scheme with other nordic companies. Consequently, a considerable portion of the company's bank deposits and debt is included in receivables from and payables to group enterprises, respectively.

Equity

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, reconstructions, etc. Provisions are recognised when as a result of a past event the company's has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income tax and deferred tax

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

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

Deferred tax assets, including the tax base of tax loss allowed for carry forward are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

ACCOUNTING POLICIES

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities, which include trade receivables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2017 DKK	2016 TDKK
Gross profit		11.736.185	11.925
Staff costs	1	-8.343.409	-9.060
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-154.553	-315
Profit/loss before financial income and expenses		3.238.223	2.550
Financial costs		-117.954	-48
Profit/loss before tax		3.120.269	2.502
Tax on profit/loss for the year	3	-693.783	-552
Net profit/loss for the year		2.426.486	1.950
Proposed dividend for the year		1.243.820	0
Retained earnings		1.182.666	1.950
		2.426.486	1.950

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2017</u> DKK	<u>2016</u> TDKK
ASSETS			
Software		189.960	0
Prepayment		0	14
Intangible assets	4	189.960	14
Plant and machinery		5.376	38
Other fixtures and fittings, tools and equipment		486	262
Leasehold improvements		18.962	55
Tangible assets	5	24.824	355
Deposits		1.656.910	1.649
Fixed asset investments		1.656.910	1.649
Fixed assets total		1.871.694	2.018
Raw materials and consumables		1.559.795	2.016
Finished goods and goods for resale		8.678.751	7.973
Stocks		10.238.546	9.989
Trade receivables		16.964.184	15.658
Receivables from subsidiaries		6.827.605	4.290
Other receivables		806	1
Deferred tax asset		332.731	207
Prepayments		558.352	400
Receivables		24.683.678	20.556
Cash at bank and in hand		3.352	126
Current assets total		34.925.576	30.671
Assets total		36.797.270	32.689

BALANCE SHEET 31 DECEMBER

	Note	2017 DKK	2016 TDKK
LIABILITIES AND EQUITY			
Share capital		6.000.000	6.000
Retained earnings		15.745.008	14.562
Proposed dividend for the year		1.243.820	0
Equity	6	22.988.828	20.562
Other provisions		650.000	235
Provisions total		650.000	235
Trade payables		5.215.343	5.572
Payables to subsidiaries		4.808.713	3.620
Corporation tax		516.893	451
Other payables		2.617.493	2.249
Short-term debt		13.158.442	11.892
Debt total		13.158.442	11.892
Liabilities and equity total		36.797.270	32.689
Rental agreements and lease commitments	7		
Contingent assets, liabilities and other financial obligations	8		

NOTES

	<u>2017</u>	<u>2016</u>
	DKK	TDKK
1 STAFF COSTS		
Wages and salaries	7.736.987	8.474
Pensions	367.079	371
Other social security costs	198.387	215
Other staff costs	40.956	0
	<u>8.343.409</u>	<u>9.060</u>
Average number of employees	<u>15</u>	<u>15</u>
2 DEPRECIATION, AMORTISATION AND IMPAIRMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT		
Depreciation intangible assets	77.570	0
Depreciation tangible assets	<u>76.983</u>	<u>315</u>
	<u>154.553</u>	<u>315</u>

NOTES

	2017 DKK	2016 TDKK
3 TAX ON PROFIT/LOSS FOR THE YEAR		
Current tax for the year	822.492	642
Deferred tax for the year	-125.576	-84
Adjustment of tax concerning previous years	-3.133	-6
	693.783	552

4 INTANGIBLE ASSETS

	Software	Prepayment
Cost at 1 January 2017	1.687.740	42.750
Cost at 31 December 2017	1.687.740	42.750
Revaluations at 31 December 2017	0	0
Impairment losses and amortisation at 1 January 2017	1.434.460	28.500
Amortisation for the year	63.320	14.250
Impairment losses and amortisation at 31 December 2017	1.497.780	42.750
Carrying amount at 31 December 2017	189.960	0

NOTES

5 TANGIBLE ASSETS

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2017	2.118.570	3.506.870	1.653.223
Transfers for the year	0	-1.687.740	0
Cost at 31 December 2017	<u>2.118.570</u>	<u>1.819.130</u>	<u>1.653.223</u>
Revaluations at 1 January 2017	<u>0</u>	<u>0</u>	<u>0</u>
Revaluations at 31 December 2017	<u>0</u>	<u>0</u>	<u>0</u>
Impairment losses and depreciation at 1 January 2017	2.080.942	3.244.686	1.597.948
Depreciation for the year	32.252	8.418	36.313
Transfers for the year	0	-1.434.460	0
Impairment losses and depreciation at 31 December 2017	<u>2.113.194</u>	<u>1.818.644</u>	<u>1.634.261</u>
Carrying amount at 31 December 2017	<u><u>5.376</u></u>	<u><u>486</u></u>	<u><u>18.962</u></u>

NOTES

6 EQUITY

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2017	6.000.000	14.562.342	0	20.562.342
Net profit/loss for the year	0	1.182.666	1.243.820	2.426.486
Equity at 31 December 2017	6.000.000	15.745.008	1.243.820	22.988.828

There have been no changes in the share capital during the last 5 years.

	2017 DKK	2016 TDKK
7 RENTAL AGREEMENTS AND LEASE COMMITMENTS		
RENTAL AND LEASE COMMITMENTS		
Operating lease commitments.		
Total future lease payments:		
Between 1 and 5 years	204.665	303
After 5 years	158.855	204
	363.520	507

NOTES

8 CONTINGENT ASSETS, LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Other contingent liabilities

Juvel A/S has entered into a lease of the Company's premises which is interminable and which runs until 1. October 2020. The obligations amounts to TDKK 6.086.

The company is liable for a bankguarantee of TDKK 771.

The company is jointly and severally liable along with the other Group companies for unauthorised exceeding of the Groups total credit maximum with regards to the Group's cash-pool agreement. The Group's total drawing right has not been fully utilised at 31. December 2017.