

Annual report for 2018

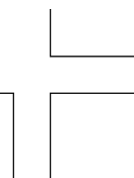
**Danrol of Denmark A/S
Byleddet 7
4000 Roskilde
CVR no. 13 11 83 96**

Adopted at the annual general meeting on 2 May 2019

Carsten Spanggaard
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	3
Independent auditor's report	4
Management's review	
Company details	7
Management's review	8
Financial statements	
Income statement	9
1 January 2018 - 31 December 2018	
Balance sheet at 31 December 2018	10
Notes to the annual report	12
Accounting policies	14



Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Danrol of Denmark A/S for the financial year 1. januar - 31. december 2018.

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 2018 and of the results of the company's operations for the financial year 1. januar - 31. december 2018.

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 by the company in general meeting.

Roskilde, 12 April 2019

Executive board

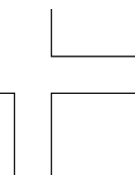
Peter Lutz
Managing director

Supervisory board

Carsten Spanggaard
chairman

Marco Atilio Ghisalberti

Peter Lutz



Independent auditor's report

To the shareholder of Danrol of Denmark A/S

Opinion

We have audited the financial statements of Danrol of Denmark A/S for the financial year 1. januar - 31. december 2018, which comprise income statement, balance sheet, notes and summary of significant accounting policies. 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 2018 and of the results of the company's operations for the financial year 1. januar - 31. december 2018 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.

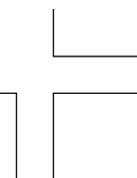
Management's responsibilities for the financial statements

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 the 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.



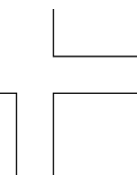
Independent auditor's report

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.



Independent auditor's report

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.

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.

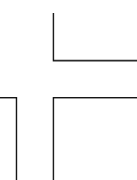
Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

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.

København Ø, 12 April 2019

Hartzberg+
statsautoriseret revisionsvirksomhed
CVR no. 17 25 09 81

Hans Peter Hartzberg
statsautoriseret revisor
MNE no. mne24818



Company details

The company

Danrol of Denmark A/S
Byledet 7
4000 Roskilde

CVR no.: 13 11 83 96

Reporting period: 1. januar - 31. december 2018
Incorporated: 1. May 1989

Domicile: Roskilde

Supervisory board

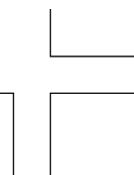
Carsten Spanggaard, chairman
Marco Atilio Ghisalberti
Peter Lutz

Executive board

Peter Lutz
Managing director

Auditors

Hartzberg+
statsautoriseret revisionsvirksomhed
Øster Allé 56, 1.
2100 København Ø



Management's review

Business activities

The company's main activity consist of holding shares in subsidiary Rulmeca Poland Spolka Z o.o.

Recognition and measurement uncertainties

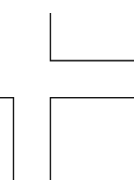
The recognition and measurement of items in the financial statements is not subject to any uncertainty.

Business review

The company's income statement for the year ended 31 December shows a loss of DKK 150.927, and the balance sheet at 31. december 2018 shows equity of DKK 6.691.408.

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.



Income statement

1 January 2018 - 31 December 2018

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Gross profit		-130.137	-187.065
Profit/loss before net financials		-130.137	-187.065
Financial income	1	-4.583	4.358
Financial costs	2	<u>-16.207</u>	<u>-38.903</u>
Profit/loss before tax		-150.927	-221.610
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		<u>-150.927</u>	<u>-221.610</u>
Retained earnings		<u>-150.927</u>	<u>-221.610</u>
		<u>-150.927</u>	<u>-221.610</u>

Balance sheet at 31 December 2018

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Assets			
Investments in subsidiaries	3	<u>2.559.819</u>	<u>2.559.819</u>
Fixed asset investments		<u>2.559.819</u>	<u>2.559.819</u>
Total non-current assets		<u>2.559.819</u>	<u>2.559.819</u>
Trade receivables		5	5
Receivables from subsidiaries		139.397	0
Other receivables		43.536	36
Corporation tax		<u>0</u>	<u>229.523</u>
Receivables		<u>182.938</u>	<u>229.564</u>
Cash at bank and in hand		<u>4.013.040</u>	<u>4.267.601</u>
Total current assets		<u>4.195.978</u>	<u>4.497.165</u>
Total assets		<u><u>6.755.797</u></u>	<u><u>7.056.984</u></u>

Balance sheet at 31 December 2018

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Equity and liabilities			
Share capital		500.000	500.000
Retained earnings		<u>6.191.408</u>	<u>6.342.335</u>
Equity	4	<u>6.691.408</u>	<u>6.842.335</u>
Trade payables		64.389	0
Other payables		<u>0</u>	<u>214.649</u>
Total current liabilities		<u>64.389</u>	<u>214.649</u>
Total liabilities		<u>64.389</u>	<u>214.649</u>
Total equity and liabilities		<u><u>6.755.797</u></u>	<u><u>7.056.984</u></u>

Notes

	<u>2018</u>	<u>2017</u>
	DKK	DKK
1 Financial income		
Other financial income	-4.583	4.358
	<u>-4.583</u>	<u>4.358</u>
2 Financial costs		
Other financial costs	16.207	21.738
Exchange adjustments costs	0	17.165
	<u>16.207</u>	<u>38.903</u>
3 Investments in subsidiaries		
Cost at 1 January 2018	<u>2.559.819</u>	<u>2.559.819</u>
Cost at 31 December 2018	<u>2.559.819</u>	<u>2.559.819</u>
Carrying amount at 31 December 2018	<u>2.559.819</u>	<u>2.559.819</u>

Investments in subsidiaries are specified as follows:

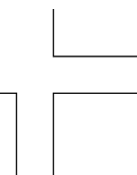
<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>	<u>Equity</u>	<u>Profit/loss for the year</u>
Rulmeca Poland Spolka z o.o.	Poland, Dzierzoniów	100%	13.666.000	1.205.000

Notes

4 Equity

	Share capital	Retained earnings	Total
Equity at 1 January 2018	500.000	6.342.335	6.842.335
Net profit/loss for the year	0	-150.927	-150.927
Equity at 31 December 2018	500.000	6.191.408	6.691.408

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



Accounting policies

The annual report of Danrol of Denmark A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

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

The annual report for 2018 is presented in DKK

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.

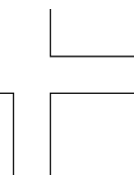
Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

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.

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.



Accounting policies

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 costs of raw materials and consumables and other external expenses.

Other external costs

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

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, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

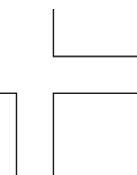
Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

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



Accounting policies

Balance sheet

Fixed asset investments

Investments in subsidiaries and associates

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

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.

Liabilities

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

