

# Atlas Copco Kompressortechnik A/S

Naverland 22  
2600 Glostrup

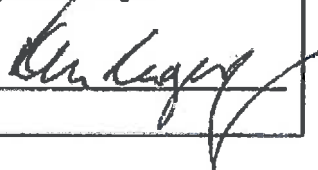
CVR no. 15 16 44 17

**Annual report 2017**

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

28 March 2018

Kenneth Lagerberg  
chairman



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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Atlas Copco Kompressortechnik A/S for the financial year 1 January – 31 December 2017.

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

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

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

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

Albertslund, 28 March 2018  
Executive Board



Dalila Assous

### Board of Directors



Kenneth Lagerborg  
Chairman



Thomas Dahlgren



Dalila Assous



Lars Sieman



Jesper Hering Hansen



Iben Sønderup

## **Independent auditor's report**

### **To the shareholder of Atlas Copco Kompressorteknik A/S**

#### **Opinion**

We have audited the financial statements of Atlas Copco Kompressorteknik A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

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

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

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

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

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

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

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

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

## Independent auditor's report

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

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

## Statement on the Management's review

Management is responsible for the Management's review.

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


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

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

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

Copenhagen, 28 March 2018  
Deloitte Statsautoriseret  
Revisionspartnerselskab

CVR no.33 96 35 56



Christian Sanderhage  
State Authorised  
Public Accountant  
MNE no. 23347

Atlas Copco Kompressortechnik A/S  
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## Management's review

### Company details

Atlas Copco Kompressortechnik A/S  
Naverland 22  
2600 Glostrup

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Fax: 43632120  
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E-mail: [ndapost@atlascopco.com](mailto:ndapost@atlascopco.com)

CVR no.: 15 16 44 17  
Registered office: Albertslund  
Financial year: 1 January – 31 December

### Board of Directors

Kenneth Lagerborg, Chairman  
Thomas Dahlgren  
Dalila Assous  
Lars Siemen  
Jesper Hering Hansen  
Iben Sønderup

### Executive Board

Dalila Assous

### Auditor

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
0900 Copenhagen C

## Management's review

### Financial highlights

DKK'000	2017	2016	2015	2014	2013
<b>Key figures</b>					
Gross profit	44,822	43,348	42,048	42,912	39,661
Ordinary operating profit/loss	5,647	4,667	4,851	4,226	2,215
Net financials	-16	-96	-75	-35	-30
Profit/loss for the year	4,378	3,553	3,613	3,115	1,615
<b>Total assets</b>					
Equity	14,635	13,257	12,704	12,091	10,576
Investment in property, plant and equipment	29	568	390	0	63
<b>Ratios</b>					
Return on equity	31.4%	27.3%	29.1%	27.5%	15.7%
Solvency ratio	26.2%	19.4%	24.3%	25.5%	25.5%

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". The financial ratios have been calculated as follows:

Return on equity 
$$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$$

Solvency ratio 
$$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

## **Management's review**

### **Operating review**

#### **Primary activities**

As in previous years, the primary activity consisted of selling and servicing compressors. The Company's products are manufactured at two sister subsidiaries in Belgium.

#### **Development in activities and finances**

Gross profit for the year amounts to DKK 44,822 thousand compared to DKK 43,348 thousand last year. Profit after tax is DKK 4,378 against DKK 3,553 thousand last year, which is considered satisfactory.

Profit before tax for 2018 is expected to reach a level of DKK 6,000 - 7,000 thousand.

#### **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.



## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2017	2016
Gross profit		44,822	43,348
Staff costs	2	-38,953	-38,469
Depreciation, amortisation and impairment losses	3	-222	-212
Operating profit		5,647	4,667
Financial income	4	57	31
Financial expenses	5	-74	-127
Profit before tax		5,630	4,571
Tax on profit for the year	6	-1,252	-1,018
Profit for the year	7	4,378	3,553

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2017	2016
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	8		
Fixtures and fittings, tools and equipment		488	681
		<u>488</u>	<u>681</u>
<b>Investments</b>	9		
Deposits		598	598
		<u>598</u>	<u>598</u>
<b>Total fixed assets</b>		<u>1,086</u>	<u>1,279</u>
<b>Current assets</b>			
<b>Inventories</b>			
Work in progress		613	6,851
Finished goods and goods for resale		2,217	3,851
		<u>2,830</u>	<u>10,702</u>
<b>Receivables</b>			
Trade receivables		40,140	31,510
Receivables from group entities		6,072	18,686
Other receivables		634	126
Deferred tax asset	10	157	253
Prepayments		4,933	5,217
		<u>51,936</u>	<u>55,792</u>
<b>Cash at bank and in hand</b>		<u>3</u>	<u>18</u>
<b>Total current assets</b>		<u>54,769</u>	<u>66,512</u>
<b>TOTAL ASSETS</b>		<u>55,855</u>	<u>67,791</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2017	2016
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	11		
Contributed capital		4,000	4,000
Proposed dividends for the financial year		0	3,000
Retained earnings		10,635	6,257
<b>Total equity</b>		<u>14,635</u>	<u>13,257</u>
<b>Provisions</b>	12		
Other provisions		299	162
<b>Total provisions</b>		<u>299</u>	<u>162</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Prepayments received from customers		10,777	21,744
Trade payables		2,150	2,620
Payables to group entities		14,597	16,546
Corporation tax		264	647
Other payables	13	13,133	12,815
		<u>40,921</u>	<u>54,372</u>
<b>Total liabilities other than provisions</b>		<u>40,921</u>	<u>54,372</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>55,855</u>	<u>67,791</u>
<b>Unrecognised rental and leasing commitments</b>	14		
<b>Contingent liabilities</b>	15		
<b>Contractual obligations, contingencies, etc.</b>	16		
<b>Related party disclosures</b>	17		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends	Total
Equity beginning of year	4,000	6,257	3,000	13,257
Ordinary dividend paid	0	0	-3,000	-3,000
Profit for the year	0	4,378	0	4,378
Equity at 31 December 2017	4,000	10,635	0	14,635

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Atlas Copco Kompressorteknik A/S for 2017 has been prepared in accordance with the provisions applying to reporting class C (medium) under the Danish Financial Statements Act.

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

#### Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Atlas Copco AB, Sweden A/S.

#### 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 transaction 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 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Income statement

###### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and other external costs.

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

###### 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 fair value of the consideration fixed.

###### Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress.

This item includes ordinary writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

###### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income.

###### 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 costs

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 writedowns 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Amortisation, depreciation and impairment losses

Depreciation and impairment losses relating to property, plant and equipment comprise 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.

##### Financial income

Other financial income comprises dividends etc received on interest income, interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

##### Financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

##### Income taxes

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.

### Balance sheet

#### Property, plant and equipment

Other 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 it is ready to be put into operation.

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:

Fixtures and fittings, tools and equipment	3-7 years
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement as adjustment to depreciation and impairment losses, or under other operating income if the selling price exceeds original cost.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Other receivables

Other receivables consists of rent deposits.

##### Inventories

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

Cost of finished goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

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

##### Receivables

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

##### 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 taxbased value of assets is calculated based on the planned use of each asset.

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.

##### Prepayments

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

##### Cash

Cash comprises cash in hand and bank deposits.

##### Equity

###### *Dividends*

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

##### Other provisions

Other provisions comprise anticipated costs of nonrecourse guarantee commitments and service contracts.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Provisions are measured and recognized based on the experience with non-recourse guarantee work and service contracts.

#### Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

#### Other financial liabilities

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

#### Income tax payable or receivable

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

## Financial statements 1 January – 31 December

### Notes

DKK'000	2017	2016
<b>2 Staff costs</b>		
Wages and salaries	34,812	32,007
Pensions	2,938	2,677
Other social security costs	202	112
Other staff costs	1,001	3,673
	<u>38,953</u>	<u>38,469</u>
Average number of full-time employees	<u>54</u>	<u>50</u>
According to section 98b(3)(ii) of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
<b>3 Amortisation, depreciation and impairment losses</b>		
Property, plant and equipment	222	212
	<u>222</u>	<u>212</u>
<b>4 Financial income</b>		
Other financial income	6	3
Exchange adjustments	51	28
	<u>57</u>	<u>31</u>
<b>5 Financial expenses</b>		
Other financial costs	17	18
Exchange losses	57	109
	<u>74</u>	<u>127</u>
<b>6 Tax on profit for the year</b>		
Current tax for the year	1,156	1,025
Change in deferred tax	96	-7
	<u>1,252</u>	<u>1,018</u>
<b>7 Proposed profit appropriation</b>		
Proposed dividends for the year	0	3,000
Retained earnings	4,378	553
	<u>4,378</u>	<u>3,553</u>

## Financial statements 1 January – 31 December

### Notes

#### 8 Property, plant and equipment

DKK'000	<u>Fixtures and fittings, tools and equipment</u>
Cost at 1 January 2017	1,408
Additions for the year	<u>29</u>
Cost at 31 December 2017	1,437
Depreciation and impairment losses at 1. januar 2017	-727
Depreciation for the year	<u>-222</u>
Depreciation and impairment losses at 31 December 2017	-949
Carrying amount at 31 December 2017	<u><u>488</u></u>

#### 9 Fixed asset investments

DKK'000	<u>Deposits</u>
Cost at 1 January 2017	<u>598</u>
Cost at 31 December 2017	<u>598</u>
Carrying amount at 31 December 2017	<u><u>598</u></u>

#### 10 Deferred tax

DKK'000	<u>2017</u>	<u>2016</u>
Property, plant and equipment	72	93
Receivables	<u>85</u>	<u>160</u>
	<u><u>157</u></u>	<u><u>253</u></u>

#### 11 Equity

The contributed capital consists of 4,000 shares of a nominal value of DKK 1,000 each.

All shares rank equally.

#### 12 Provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments not utilised. Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

## Financial statements 1 January – 31 December

### Notes

#### 13 Other payables

DKK'000	2017	2016
VAT and duties	4,244	4,378
Wages and salaries, personal income taxes, social security costs, etc. payables	1,740	1,443
Holiday pay obligations	5,130	4,863
Other accrued expenses	2,019	2,250
	<u>13,133</u>	<u>12,934</u>

#### 14 Unrecognised rental and lease commitments

DKK'000	2017	2016
Commitments under rental agreements or leases until expiry	5,075	2,466
	<u>5,075</u>	<u>2,466</u>

#### 15 Contingent liabilities

The Company is the administration company being party to a Danish joint taxation scheme. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefor liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from July 1 2012 also obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these companies.

Together with Atlas Copco Finance S.á.r.l., the Company is jointly and severally liable for the Group's cash pool scheme in SEB. The consolidated balance at 31 December 2017 amounts to DKK 3,142 thousand.

#### 16 Contractual obligations, contingencies, etc.

At 31 December 2017, bank guarantees issued totals DKK 739 thousand.

#### 17 Related party disclosures

##### Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the contributed capital:

Atlas Copco AB, Sweden

Atlas Copco Kompressortechnik A/S  
Annual report 2017  
CVR no. 15 16 44 17

## **Financial statements 1 January – 31 December**

### **Notes**

#### **Consolidated financial statements**

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Atlas Copco AB, Sweden

Name and registered office of the Parent preparing consolidated financial statements of the smallest group:

Atlas Copco AB, Sweden

The consolidated financial statements are available at Atlas Copco AB's website, [www.atlascopco.com](http://www.atlascopco.com).