ELOGIC SYSTEMS

Elogic Systems A/S

Bjørnkærvej 3, 8783 Hornsyld

Annual report 2017/18

01.05.2017 - 30.04.2018

The annual report has been presented and approved on the Company's AGM in Hornsyld, September 19th, 2018.

Chairman of the General Meeting

27. Annual Report
CVR no. 15 29 07 73

Content

Corporate information

ELOGIC SYSTEMS A/S has many years of experience in projecting, producing, setting up and servicing electric boards for the industry and electrical contractor as well as being one of the leading producers of high-quality solutions of enclosures for power companies, communications companies and fibre companies in Scandinavia.

The company is owned 100% by Elogic Holding ApS, Hornsyld.

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Denmark

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Board of directors:
Peter Thorlund Haahr, Chairman
Jesper Hørsholt
Lars Prisak

Executive board
Lars Prisak, CEO

Auditor
Deloitte Statsautoriseret Revisionspartnerselskab

Statement by management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report for the financial year 1 May 2017 - 30 April 2018 for Elogic Systems A/S.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30 April 2018 and of their financial performance as well as the consolidated cash flow for the financial year 1 May 2017 to 30 April 2018.

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

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

Hornsyld, September 19th, 2018.

Executive Board:

Lars Prisak
CEO

Board of Directors:

Peter Thorlund Haahr
Chairman

Jesper Hørsholt

Lars Prisak

Independent auditor's report

To the shareholders of Elogic Systems A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Elogic Systems A/S for the financial year 01.05.2017 - 30.04.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.04.2018, and of the results of their operations and the consolidated cash flows for the financial year 01.05.2017 - 30.04.2018 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 consolidated financial statements and the parent financial statements* section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent'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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and these parent 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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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.

Odense, September 19th, 2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Erik Holst Jørgensen State-Authorised Public Accountant MNE no mne9943	Lars Leopold Larsen State-Authorised Public Accountant MNE no mne33229

Management report

Primary activity

The companys primary activities are split into two main segments:

Sale, Design, Project Management, Sourcing, Mounting and Installation of electrical panels for both the Construction segment and Industrial applications.

Sale, Development and Production of enclosures for primarily power supply grids and communication nets.

Development in activities and finances

The company were established in 2016 as a merger between Elogic A/S and Triax Systems A/S. Focus has been on establishing common processes and growth in the markets.

The number of employees has been steady in the period and was at year end 85 employees in Hornsyld and 157 employees in Stettin.

The financial development has been affected by the merger and the focus on internal processes. Besides that the company has been pressed on earnings due to the high activity in the marked for enclosures.

The result is therefore below last year and below the expectations.

Unusual circumstances

The company was as of April 30th 2018 acquired by Elogic Holding ApS with VIA Equity as majority shareholder. This means that the current year end result is made separated from the former owner, Micro Matic A/S, and as a stand-alone company group.

Due to this and the merger in 2016 the latest two financial years are not comparable to the previous financial years.

The activities and year end result has in some degree been affected by the merger, acquisition and connected activities.

Particular risks

Business risks

There are no particulary business risks. The main risks are the stability of the construction market and the ability to attract and maintain key employees in a busy market.

Financial exposure

As the main markets are Denmark and the Nordic Countries the company's primary currency exchange challenges is towards PLN due to the subsidiary Elogic Polska.

Management commentary

Intellectual capital resources

The company has focus on being attractive to key employees and has at the moment no challenges with intellectuale capital resources.

Environmental performance

The company holds an ISO14001 certificate and are concerning environmental issues yearly approved by the local authorities.
The audits during the period have resulted in no special activities.

Research and development activities

The activities have been increased during the period and new products and services have been offered with success to the market.

Events after the balance sheet date

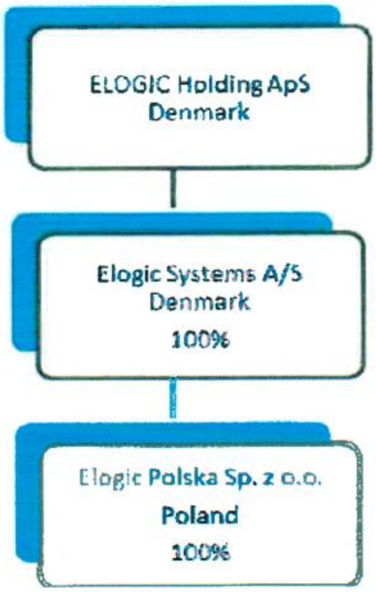
No events have occurred after the balance sheet date to this date which would influence the evaluation of the annual report.

Outlook

The markets are expected to continue the positive develop and the company will be focused on executing the internal process improvement activities and increase activities to ensure growth.

The result for the coming period is expected to improve with between 10-15%.

Group chart



The Group's key figures, million DKK

	2013/14	2014/15	2015/16 (7 mdr.)	2016/17	2017/18
Key figures					
Gross profit	44,2	34,9	34,7	50,1	44,0
Operating profit / loss	2,2	0,7	3,9	22,3	13,4
Financial result	1,1	0,8	0,5	-1,5	-1,3
Profit / loss for the financial year	2,8	1,2	3,5	15,9	10,0
Total Balance	36,0	45,1	41,7	132,5	135,9
Investments in property, plant and equipmei	0,6	0,5	1,4	1,3	4,6
Equity excl. yield	4,9	6,1	9,5	28,2	25,4
Average number of full-time employees	27	27	28	215	235

As a result of merger with intra-Group companies, the two last financial years are not comparable to the previous financial years. Key figures and key ratios are not corrected and therefore only include Elogic Systems A/S and not Triax Systems A/S and Micro Matic Systems A/S.

Key figures, %					
ROI	6%	1%	9%	17%	10%
ROE	79%	22%	46%	84%	37%
Solvency ratio	14%	13%	23%	21%	19%

Accounting policies

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium-size).

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

As a result of merger with intra-Group companies, the two last financial years are not comparable to the previous financial years. Key figures and key ratios are not corrected and therefore only include Elogic Systems A/S and not Triax Systems A/S and Micro Matic Systems A/S.

The company was as of April 30th 2018 acquired by Elogic Holding ApS with VIA Equity as majority shareholder. This means that the current year is made separated from the former owner, Micro Matic A/S, and as a stand-alone company group.

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 Group, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Group 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 Group, and the value of the liabilities 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.

Consolidated financial statements

The consolidated financial statements comprise Elogic Systems A/S (Parent) and the group enterprises (subsidiaries) that are controlled by the Parent, see group chart on page 8. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates, see group chart on page 8.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Elogic Systems and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Consolidation principles
The consolidated financial statements are prepared on the basis of the financial statements of Elogic Systems A/S and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Profits or losses from divestment of equity investments
Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

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, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered as belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate of the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit
Contribution margin comprises revenue and production costs.

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 measured at fair value of the consideration fixed.

Production costs
Production costs comprises direct and indirect costs incurred to earn revenue. In production costs, commercial businesses recognise consumption of goods whereas manufacturing businesses recognise costs of raw materials, consumables, and production staff as well as depreciation.
Production costs also includes research costs, costs of development projects that do not meet the criteria for recognition in the balance sheet, and amortisation of recognised development projects.

Distribution costs
Distribution costs comprise costs incurred for distribution of goods sold and also for sales campaigns, including costs for sales and distribution staff, advertising costs as well as depreciation and amortisation.

Administrative expenses
Administrative expenses comprise expenses incurred for management and administration of the Group, including expenses for the administrative staff and Management, stationery and office supplies as well as depreciation and amortisation.

Income from investments in subsidiaries
Income from investments in subsidiaries is recognized in the Parent Company's income statement less depreciation of goodwill and intra-Group profits.

Financial income and expenses
These items comprise interest income and expenses, the interest portion of finance lease payments, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

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. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

The 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 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.

Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

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.

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

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognised based on a specific assessment of the purpose of the individual subsidiary.

Balance sheet

Goodwill
Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The period of amortisation is 20 years as it is believed to be the better reflection of the benefit of the asset.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Other intangible assets
Other intangible assets comprise acquired intellectual property rights and licenses.

Acquired intellectual property rights in the form of patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Other intangible assets are written down to the lower of recoverable amount and carrying amount.

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

Plant and equipment, fixtures, fittings, tools and equipment and leasehold improvements
Plant and equipment, fixtures, fittings, tools and equipment and leasehold improvements 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. Interest expenses are not included in costs.

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:

5 - 15 years - Leasehold improvements
5 - 15 years - Plant and machinery
3 - 10 years - Other fixtures and fittings, tools and equipment

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

Estimated useful lives and residual values are reassessed annually.

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.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or less unamortised positive, or negative, goodwill and plus or less unrealised intra-group profits or losses.

The Parent's share of the enterprises' profits or losses after elimination of unrealised intra-group profits and losses and less or plus amortisation of positive, or negative, goodwill is recognised in the income statement.

Subsidiaries with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Parent's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Net revaluation of investments in subsidiaries is taken to reserve for net revaluation according to the equity method under equity if the carrying amount exceeds costs.

The purchase method is applied in the acquisition of investments in subsidiaries; see above description under consolidated financial statements.

Inventories

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

Cost of goods for resale, raw materials and consumables consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs as well as indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of and depreciation and impairment losses on 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.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less provisions for bad debts.

Prepayments

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

Cash

Cash comprises debt to banks.

Bank debt

Bank debt comprises debt to banks.

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 in equity.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments, loss on contract work in progress, decided and published restructurings, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

If goods are sold on approval, a provision is made for the mark-up on the goods estimated to be returned as well as any expenses related to the returns.

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

Once it is likely that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

On acquisition of enterprises and shares in subsidiaries, provisions are made for costs relating to restructurings in the acquired enterprise that were decided and published at the takeover date at the latest.

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

Operating lease commitments
Lease payments on operating leases are recognized on an ongoing basis in the income statement over the term of the lease.

Cash flow statement
The cash flow statement of the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Group's cash and cash equivalents at the beginning and the end of the financial year. No separate cash flow statement has been prepared for the Parent because it is included in the consolidated cash flow statement.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows to acquired enterprises are recognised in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognised up to the time of sale.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the Parent's share capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Financial highlights
Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

The key figures on page 8 are calculated as follows:
Return on investment (ROI) = (Operating profit/loss / total assets at the end of the year) * 100
Return on equity (ROE) = (Profit/loss for the year / average equity excluding dividends) * 100
Solvency ratio = (Equity at year end excluding dividends / total assets at year-end) * 100

Income Statement

PARENT COMPANY			(1.000 DKK)	GROUP	
2016/17	**2017/18**	Note		**2017/18**	2016/17
47.522	39.343	2	**Gross profit**	43.972	50.064
-10.682	-11.690	2	Distribution costs	-11.690	-10.682
-14.057	-15.045	2	Administrative costs	-18.902	-17.105
22.783	12.608		**Operating profit / loss**	13.380	22.277
-392	547		Income from investments in subsidiaries		
293	562	3	Financial income	574	305
-1.743	-1.796	4	Financial expenses	-1.830	-1.762
20.941	11.921		**Operating profit / loss before tax**	12.123	20.820
-5.030	-1.953	5	Tax on profit / loss for the year	-2.156	-4.909
15.911	9.968	6	**Profit / loss for the year**	9.968	15.911

GROUP & PARENT COMPANY BALANCE

PARENT COMPANY			(1.000 DKK)	GROUP	
30.04.17	**30.04.18**	Note		**30.04.18**	30.04.17
		7	**Intangible assets**		
18.075	17.085		Goodwill	17.085	18.075
0	0		Patents & rights	0	3
18.075	17.085		**Intangible assets**	17.085	18.078
		7	**Property, plant and equipment**		
0	3.029		Leasehold improvements	3.910	1.074
12.963	10.551		Plant and machinery	10.867	13.115
2.395	2.091		Fixtures, fittings, tools and equipment	2.474	2.926
3.778	232		Property, plant and equipment in progress	232	3.778
19.136	15.902		**Property, plant and equipment**	17.483	20.893
			Fixed asset investments		
0	0	5	Deferred tax assets	403	331
3.773	4.309	8	Investments in subsidiaries		
3.773	4.309		**Fixed asset investments**	403	331
40.984	37.296		**FIXED ASSETS**	34.971	39.301
			Inventories		
19.546	7.575		Raw materials	7.575	19.546
5.193	11.539		Contract work in progress	11.539	5.193
6.954	18.013		Finished goods	18.013	6.954
31.693	37.127		Inventory	37.127	31.693
			Receivables		
55.712	57.487		Trade receivables	57.487	55.786
1.538	0		Trade receivables MM Group	0	1.538
617	622	9	Prepayments	622	617
161	117		Other receivables	338	380
58.028	58.226		**RECEIVABLES**	58.447	58.321
1.652	3.085		**Cash funds**	5.317	3.227
91.373	98.438		**CURRENT ASSETS**	100.891	93.241
132.357	135.734		**ASSETS**	135.862	132.542

GROUP & PARENT COMPANY BALANCE

PARENT COMPANY			(1.000 DKK)	GROUP	
30.04.17	30.04.18	Note		30.04.18	30.04.17
5.200	5.200		Share capital	5.200	5.200
1.960	2.496		Reserve for net revaluation acc. to the equity method		
21.057	17.687		Retained earnings	20.183	23.017
0	0		Proposed dividend for the financial year	0	0
28.217	25.383		**EQUITY**	25.383	28.217
819	1.359	5	Deferred tax liabilities	1.359	822
1.255	450	10	Other provisions	632	1.394
2.074	1.809		**Provisions**	1.991	2.216
0	0		Current portion of long-term liabilities other than provisions	143	205
0	49.769		Other bank debt	49.769	0
33.878	37.572		Trade payables	37.985	34.210
2.946	3.605		Trade payables, IC Group	0	0
1.340	0		Trade payables, MM Group	0	1.362
48.743	0		Trade payables, Intercompany	0	48.743
5.191	2.182		Income taxes	2.190	4.857
9.968	15.414		Other payables	18.401	12.732
102.066	108.542		**Short term liabilities other than provisions**	108.488	102.109
102.066	108.542		**Liabilities other than provisions**	108.488	102.109
132.357	135.734		**EQUITY AND LIABILITIES**	135.862	132.542

1 Events after the end of the financial year
11 Guarantees, pledges and contingent liabilities
12 Working capital changes
13 Cash and cash equivalents
14 Related parties
15 Related party transactions

STATEMENT OF CHANGES IN EQUITY FOR 2017/2018

PARENT COMPANY

(1.000 DKK)	Share capital	Reserve for net revaluation acc. to the equity method	Retained earnings	Proposed dividend for the financial year	Total
Equity April 30th 2016	5.100	2.214	2.167	0	9.481
Addition due to merger	100	0	2.587	9.700	12.387
Paid dividend	0	0	0	-9.700	-9.700
Profit / loss of the year	0	-392	16.303	0	15.911
Exchange adjustment of foreign subsidiaries	0	138	0	0	138
Equity April 30th 2017	5.200	1.960	21.057	0	28.217
Extraordinary dividend distributed	0	0	-12.791	12.791	0
Paid dividend	0	0	0	-12.791	-12.791
Profit / loss of the year	0	547	9.421	0	9.968
Exchange adjustment of foreign subsidiaries	0	-11	0	0	-11
Equity April 30th 2018	**5.200**	**2.496**	**17.687**	**0**	**25.383**

GROUP

(1.000 DKK)	Share capital	Retained earnings	Proposed dividend for the financial year	Total
Equity April 30th 2016	5.100	4.381	0	9.481
Addition due to merger	100	2.587	9.700	12.387
Paid dividend	0	0	-9.700	-9.700
Profit / loss of the year	0	15.911	0	15.911
Exchange adjustment of foreign subsidiaries	0	138	0	138
Equity April 30th 2017	5.200	23.017	0	28.217
Extraordinary dividend distributed	0	-12.791	12.791	0
Paid dividend	0	0	-12.791	-12.791
Profit / loss of the financial year	0	9.968	0	9.968
Exchange adjustment of foreign subsidiaries	0	-11	0	-11
Equity April 30th 2018	**5.200**	**20.183**	**0**	**25.383**

CASH FLOW STATEMENT

(1.000 DKK)	Note	GROUP 2017/18	2016/17
Operating activities			
Operating profit / loss		13.380	22.277
Depreciation, amortisations and impairment losses		4.942	4.994
Other provisions		-762	0
Working capital changes	13	2.522	-12.192
Financial income received		126	305
Financial expenses paid		-1.354	-1.762
Tax paid in the year		-4.376	-3.650
Cash flow from operating activities		14.479	9.972
Investing activities			
Investments in tangible fixed assets		-4.596	-1.289
Change in assets under construction		3.546	-3.515
Proceeds from sale of fixed assets		300	211
Cash flow from investing activities		-750	-4.594
Dividend paid		-12.791	-9.700
Change in long-term debt (net)		-62	74
Change in cash pool accounts (net)		0	4.301
Change in loans from MM and affiliated companies		-48.743	36
Other financing cash flows		0	-5
Cash flow from financing activities		-61.595	-5.293
Net change in cash and cash equivalents		-47.867	85
Cash and equivalents 01.05.2017		3.227	3.030
Exchange gains/losses on cash and cash equivalents		187	112
Cash and equivalents 30.04.2018	14	-44.453	3.227

NOTES FOR THE ANNUAL REPORT

All amounts are in 1.000 DKK, unless otherwise stated

1 EVENTS AFTER THE FINANCIAL YEAR END

There have been no events after the end of the financial year that significantly affect the company's financial position.

2 EMPLOYEES

Specification of Employee costs

	PARENT COMPANY		GROUP	
	2017/18	2016/17	**2017/18**	2016/17
Wages and salaries	26.285	23.294	28.822	27.101
Pensions	3.053	2.758	3.057	2.758
Other social security costs	254	337	617	1.054
Other employee costs	1.311	779	1.315	-2.271
Total employee costs	30.903	27.168	33.811	28.642
Of this, total remuneration for				
Executive board (previous and current)	2.017	2.123	2.017	2.123
Board of directors	278	290	278	290

The Group's average number of full-time employees has been 238 (2016/17: 215) calculated as full-time employees. The parent company's average number of employees has constituted 82 people (2016/17: 75).

3 FINANCIAL INCOME

	PARENT COMPANY		GROUP	
	2017/18	2016/17	**2017/18**	2016/17
Exchange rate gain	449	255	447	254
Other financial income	113	37	126	51
Total financial income	562	293	574	305

4 FINANCIAL EXPENSES

	PARENT COMPANY		GROUP	
	2017/18	**2016/17**	**2017/18**	2016/17
Financial expenses from subsidiaries	947	1.011	947	1012
Exchange rate loss	466	508	476	510
Other financial costs	383	224	407	240
Total financial costs	1.796	1.743	1.830	1.762

5 TAXES

	PARENT COMPANY		GROUP	
	2017/18	2016/17	**2017/18**	2016/17
Income tax expense				
Parent company	1.953	5.030	1.953	5.030
Subsidiaries	0	0	203	-121
Total income tax	1.953	5.030	2.156	4.909
Specification:				
Current tax on net profit for the year	2.182	3.942	2.460	3.942
Adjustment of current tax related to prior years	-769	0	-769	0
Change in deferred tax	540	1.088	466	967
Total income tax	1.953	5.030	2.156	4.909

Deferred tax	PARENT COMPANY		GROUP	
	2017/18	2016/17	**2017/18**	2016/17
Specification:				
Intangible fixed assets	0	220	0	220
Tangible fixed assets	-1.173	-1.350	-767	-1.681
Inventories	-263	151	-263	151
Receivables	0	0	0	0
Loss carryforwards	0	0	0	0
Other provisions	77	160	74	163
Other	0	0	0	656
Total deferred tax	-1.359	-819	-956	-491
The net value is recognized in the balance sheet as follows:				
Deferred tax assets	0	0	-403	-331
Deferred tax liabilities	1.359	819	1.359	822
	1.359	819	956	491

6 PROPOSED DISTRIBUTION OF PROFIT / LOSS

	PARENT COMPANY		GROUP	
	2017/18	2016/17	**2017/18**	2016/17
Reserve for net revaluation acc. to the equity method	547	-392		
Retained eamings	-3.370	6.603	-2.823	6.211
Extraordinary dividend for the year	12.791	9.700	12.791	9.700
	9.968	15.911	9.968	15.911

7 FIXED ASSETS GROUP

	Intangible fixed assets			Tangible fixed assets				
	Goodwill	Patents and licenses	Total	Leasehold improvements	Plant and machinery	Fixtures, fittings, tools and equipment	Assets under construction	Total
Cost price primo	19.065	96	19.161	1.920	36.436	14.586	3.778	56.719
Adjustment at the beginning of the year	0	0	0	0	0	86	0	86
Additions during the year	0	0	0	3.276	319	1.001	477	5.072
Disposals during the year	0	0	0	0	-90	-687	-4.023	-4.800
Cost price ultimo	19.065	96	19.161	5.196	36.665	14.985	232	57.078
Depreciation and amortization primo	990	93	1.083	846	23.321	11.660	0	35.827
Reclassification / primo regulations	0	0	0	0	0	264		264
Exchange rate adjustments	0	0	0	0	0	1	0	1
Depreciation of period disposals	0	0	0	0	-42	-404	0	-446
Depreciation and write-down for the year	990	3	993	439	2.519	991	0	3.949
Depreciation and amortization ultimo	1.980	96	2.076	1.285	25.798	12.511	0	39.595
Book value ultimo	17.085	0	17.085	3.910	10.867	2.474	232	17.483
Of which are financial leasing assets at April 30th 2018				0	0	0	0	

	2017/18	2016/17
Period depreciation comprises:		
Intangible assets	993	990
Tangible assets	3.949	4.004
In total	4.942	4.994
Depreciation is divided into the following items:		
Production costs	3.703	4.004
Administrative expenses	1.239	990
In total	4.942	4.994

7 FIXED ASSETS PARENT COMPANY

	Intangible fixed assets		Tangible fixed assets				
	Goodwill	Total	Leasehold improvements	Plant and machinery	Fixtures, fittings, tools and equipment	Assets under construction	Total
Cost price primo	19.065	19.065	0	35.848	12.581	3.778	52.207
Additions during the year	0	0	3.274	74	960	761	5.069
Disposals during the year	0	0	0	0	-560	-4.308	-4.868
Cost price ultimo	19.065	19.065	3.274	35.922	12.981	232	52.409
Depreciation and amortization primo	990	990	0	22.885	10.186	0	33.071
Depreciation of period disposals	0	0	0	0	-119	0	-119
Depreciation and write-down for the year	990	990	246	2.486	823	0	3.555
Depreciation and amortization ultimo	1.980	1.980	246	25.371	10.890	0	36.507
Book value ultimo	17.085	17.085	3.029	10.550	2.091	232	15.902
Of which are financial leasing assets at April 30th 2018			0	0	0	0	

	2017/18	2016/17
Period depreciation comprises:		
Intangible assets	990	990
Tangible assets	3.555	2.933
In total	4.545	3.923
Depreciation is divided into the following items:		
Production costs	3.309	2.933
Administrative expenses	1.236	990
In total	4.545	3.923

8 INVESTMENT IN SUBSIDIARIES

Cost price primo		1.813
Cost price ultimo		1.813
Net revaluations primo		1.960
Exchange rate adjustment		-11
Period result in subsidiaries		547
Net revaluations ultimo		2.496
Book value ultimo		4.309
Book value primo		1.813
	Share ratio	Equity value 30/4 2018
Elogic Polska Sp. z o.o.	**100%**	4.309
		4.309

9 PREPAYMENTS

Prepayments comprise expenses incurred relating to subsequent financial years.

10 OTHER PROVISIONS

	PARENT COMPANY		GROUP	
	2017/18	2016/17	**2017/18**	2016/17
Primo	1.255	311	1.394	311
Addition due to merger	0	2.557	0	2.557
Change in the financial year	-805	-1.613	-762	-1.474
Ultimo	450	1.255	632	1.394

Other provisions include costs for guarantees and general claims.

11 GUARANTEES, PLEDGES AND CONTINGENT LIABILITIES

Parent company:

The Parent company has guaranteed debt in connection with common credit facilities in banks. The total guarantee is maximized to DKK 50 million.

Pledges are secured by DKK 10 million floating charge (production plants, machinery etc) and equity mortgage in Elogic Systems and Elogic Polska.

Rent and operating lease commitments total DKK 23.4 million.
Commitments relating to lease agreements for premises amount to a total of DKK 19.8 million thereof.

Bank guarantees have been issued totaling DKK 0.6 million.

The company was until April 30th 2018 part of a Danish joint taxation with Micro Matic A/S as administrative company. As from April 30th 2018, the Company is no longer be part of the joint taxation with Micro Matic A/S but included in a joint taxation with the company's new owner, Elogic Holding ApS.

Group:

The Group has guaranteed debt in connection with common credit facilities in banks. The total guarantee is maximized to DKK 50 million.

Rent and operating lease commitments total DKK 30.8 million.
Commitments relating to lease agreements for premises amount to a total of DKK 27.1 million thereof.

Bank guarantees have been provided with a total of DKK 0.6 million.

Pledges are secured by DKK 10 million floating charge (production plants, machinery etc) and equity mortgage in Elogic Systems and Elogic Polska.

12 Working capital changes

	GROUP	
	2017/18	2016/17
Change in inventory	-5.434	-8.619
Change in trade accounts receivable	-163	-10.098
Change in trade accounts payable	2.413	6.262
Change in other receivables	37	-288
Change in other debts	5.669	552
	2.522	-12.192

13 Cash and cash equivalents

	GROUP	
	2017/18	2016/17
Cash	5.317	3.227
Short-term bank debt	-49.769	0
	-44.452	3.227

14 RELATED PARTIES

Controlling interest:
Elogic Holding ApS, Hornsyld, majority shareholder (100%)

15 RELATED PARTY TRANSACTIONS

All transactions with related parties are entered into on market terms.

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