Tresu A/S
Eegsvej 14-16
6091 Bjert
Central Business Registration No 15302798

Annual report 2017

For the period 01.10.2017-31.12.2017

The Annual General Meeting adopted the annual report on 30.05.2018

Chairman of the General Meeting

Name: Carsten Nygaard Knudsen

Contents

Entity details

Entity

Tresu A/S
Eegsvej 14-16
6091 Bjert

Central Business Registration No: 15302798
Registered in: Bjert
Financial year: 01.10.2017 - 31.12.2017

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Board of Directors

Carsten Nygaard Knudsen, chairman
Ola Harald Erici
Anders Wilhjelm
Søren Dan Johansen
Thomas Stegeager Kvorning
Brian Dencker Brejnbjerg, employee representative
Jesper Ellebæk, employee representative

Executive Board

Søren Maarssø, director
Michael Kjøbsted, director

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33 96 35 56
Egtved Allé 4
6000 Kolding

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Tresu A/S for the financial year 01.10.2017 - 31.12.2017.

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

In our opinion, the consolidated financial statement give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations as well as the consolidated cash flows for the financial year 01.10.2017 - 31.12.2017.

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

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

Bjert, 30. May 2018

Executive Board

Søren Maarssø

Michael Kjøbsted

Board of Directors

Carsten Nygaard Knudsen
Chairman

Ola Harald Erici

Anders Wilhjelm

Søren Dan Johansen

Thomas Stegeager Kvorning

Brian Dencker Brejnbjerg

Jesper Ellebæk

Independent auditor's report

To the shareholders of Tresu A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Tresu A/S for the financial year 01.10.2017 - 31.12.2017, 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 31.12.2017, and of the results of their operations and the consolidated cash flows for the financial year 01.10.2017 - 31.12.2017 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 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.

Independent auditor’s report

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.

Independent auditor's report

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.

Kolding, 30. May 2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Cvr.-no. 33 96 35 56

Lars Leopold Larsen
State-Authorised Public Accountant
MNE-no. mne33229

Management commentary

	2017 (3months) DKK'000	2016/17 DKK'000	2015/16 DKK'000	2014/15 DKK'000	2013/14 DKK'000
Key figures					
Revenue	132.379	636.846	433.756	379.507	395.659
Gross profit/loss	26.529	173.687	104.416	87.019	83.751
Profit/loss ordinary operations	3.518	94.716	41.634	24.913	25.220
Operating profit/loss	3.518	94.716	41.634	25.347	25.410
Net financials	(2.610)	466	(2.657)	218	(335)
Profit/loss for the year	286	73.591	32.135	19.833	20.404
Total assets	434.974	403.061	281.807	257.411	268.844
Investments in property, plant and equipment	920	4.042	1.010	3.493	5.221
Equity	76.887	70.394	99.113	81.816	60.285
Ratios					
Gross margin (%)	20,0	27,3	24,1	22,9	21,2
Net margin (%)	2,7	11,6	7,4	5,2	5,2
Return on equity (%)	0,4	86,8	35,5	27,9	36,5
Equity ratio (%)	17,7	17,5	35,2	31,8	22,4
Return of assets	0,2	23,5	14,6	9,8	9,5

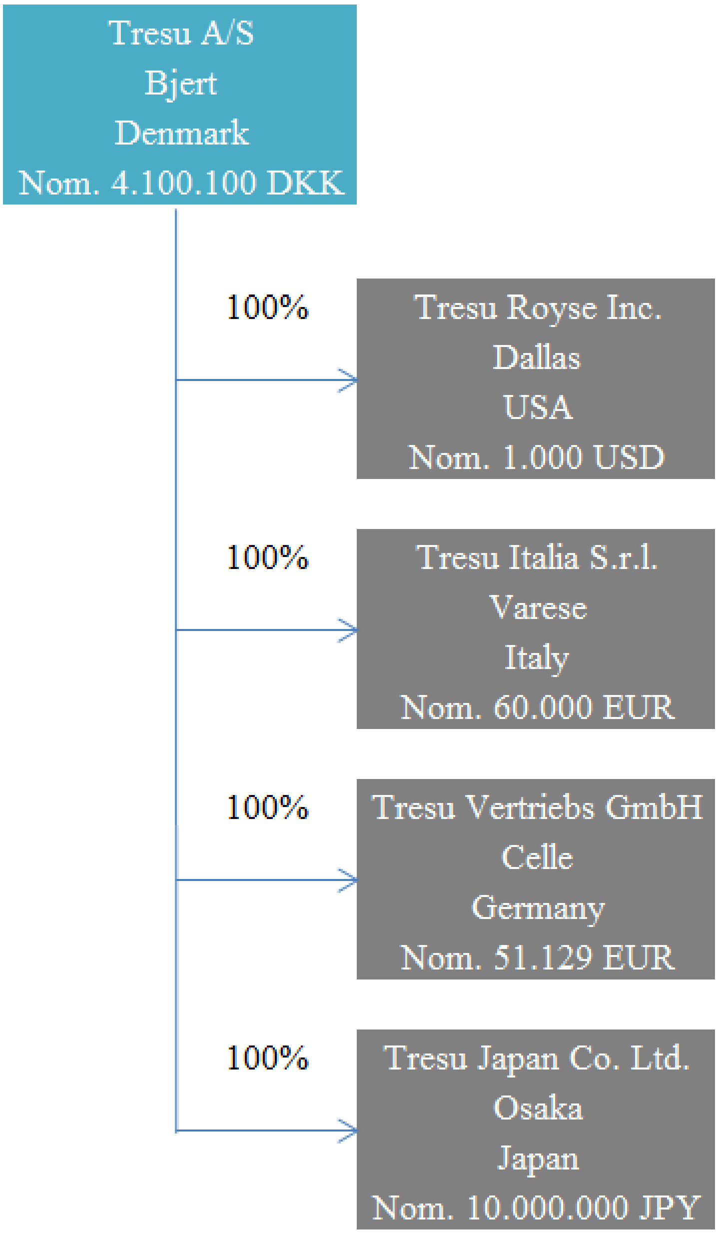
Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	
Gross margin (%)	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the entity.
Return of assests (%)	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$	Profit from invested capital.

Management commentary

Group chart



Management commentary

As of 21 June 2017 the parent company of the Tresu Group, Tresu Investment A/S was acquired by the private equity fund Altor Fund IV Holding AB.

As a result of new ownership, the financial year for Tresu Investment Holding A/S was aligned to Altor Fund IV Holding AB, and now follows the calendar year. Consequently, fiscal year 2017 comprise the period from 1 October 2017 to 31 December 2017.

Primary activities

Tresu Group develops, produces and sells custom made in-line flexo printing machines for the packaging manufacturing industry and ancillary products for the digital, flexo and offset printing industry worldwide.

Development in activities

The entity has changed its financial year to follow the calender year, starting the 1 January 2018. This annual report covers the period 1 October 2017 – 31 December 2017. Comparative figure for the financial year 2016/17 has not been changed.

In 2017 we continued working on a number of strategic initiatives with the aim of further strengthening the platform of our core business within custom made in-line flexo printing machines for the packaging manufacturing industry and ancillary products for the digital, flexo and offset printing industry worldwide.

At the end of fiscal year 2017 Tresu Group has a solid business platform focused on the graphical industry in Americas, Europe and Asia, backed up by strong technical competences as well as cost effective production setups in Denmark and the US. This provides a strong platform for securing the competitive strengths that continue to be the basis for value-adding growth for our customers, Tresu Group and for our owners.

Financial developments in the fiscal year 2017

Total revenue for the shortened year 2017 was DKK 132,4m, which is a decrease compared to fiscal year 2016/17. Operating profit (EBIT) for the shortened year 2017 amounted to DKK 3,5m. Profit for the year was DKK 0,3m.

Cash flow (3 months) from operating activities amounted to DKK -11,4m and net investments equaled DKK 0,9m.

At the end of 2017, total assets was DKK 435,0m against DKK 403,1m end of September 2017.
At the year-end, total equity amounted to DKK 76,9m against DKK 70,4m in previous fiscal year. In shortened year 2017 a capital increase of 6,6m was paid.

Management commentary

Objective and outlook

The positive development in Tresu Group has continued over the past year with revenue and EBIT growth driven by our successful entry into the North American folding carton market. Driven by our relentless focus on reducing our customers' total cost per package, we expect to maintain our current momentum as we continue to penetrate the global folding carton market with our Flexo Innovator machines.

We expect continued consolidation within the Folding Carton industry and expect machine demand to be driven by both replacements as well as new installations. Within Digital printing we see a growing market and expect this to be one of the key drivers in the coming years. The ancillary product segment continues to follow the general market development and support our development in the Aftermarket segment.

Against this outlook the Group expects a stable development in revenue and EBIT as well as a positive cash flow from operating activities for FY 2018. We expect FY 2018 revenue and EBIT to be in line with revenue in FY 2016/17.

Particular risks

Operating risks

To ensure a stable supply the Group has entered into necessary long-term agreements with sub-suppliers for the delivery of essential components.

Currency risks

The earnings, cash flows and equity are to a certain degree influenced by the development in the exchange rates of EUR and USD as the main part of the revenue is invoiced in DKK and EUR. The need for hedging is continuously evaluated. No speculative transactions are carried out.

Interest rate risks

Since the interest-bearing net liabilities do not represent a substantial amount, moderate changes in the interest rate level will not have a significant direct effect on the earnings. Therefore, hedging of interest rate risk is not carried out.

Credit risks

The major part of Tresu Group's products is delivered to well-reputed, large international companies with focus on delivering into the international packaging market.

Credit risk is monitored on an ongoing basis, and we perform an in-depth credit assessment of new customers and ongoing assessment of existing customers. In recent years, no significant debtor losses have been recorded

Management commentary

Intellectual capital resources

The competitive advantage of Tresu Group is the development and production of leading technology printing machines and associated products, which entails particularly high demands on the intellectual capital resources both in the development and production divisions.

It is essential that Tresu Group can recruit, develop and retain employees with a high level of education and the right set of skills to maintain our high level of technical competence and innovation.

Tresu Group has implemented a quality management system which documents the individual methods and procedures to secure the critical business processes in relation to development, production and sales. The system is maintained and updated as part of the ISO 9001:2015 certification

Environmental performance

To minimize the environmental footprint; an environmental policy has been implemented. The policy is based on responsible environmental operations and is an integrated part of Tresu Group's targets in terms of both manufacturing our equipment and customers using our equipment in their production. The system is maintained and updated as part of the ISO 14001:2015.

The environmental footprint in manufacturing equipment is primarily caused by the production in Tresu A/S and involves the consumption of electricity, natural gas and water as well as discharge from waste water, waste and emission. Efforts to reduce the environmental impact are on-going in all these areas.

Research and development activities

Development activities comprise continuous development of our product range and development of new ancillary products with the ultimate objective of increasing our customers' uptime and reducing their cost of operations.

Corporate social responsibility

Requirements, guidelines and daily practice for social responsibility and working environment conditions are fully incorporated parts of the company's management system which consists of:

- Certified quality management system DNV/ISO 9001:2015
- Certified environmental management system DNV/ISO 14001:2015

The basic idea of the management system is involvement of the employees and a high degree of decentralisation in decisions making. In this way we foster a high level of social capital, good working climate and job satisfaction among the employees.

Important policies of Tresu Group are the Working Environment Policy and Environmental Policy.

Management commentary

Working Environment Policy

Tresu Group prioritizes safety and health and wants to be regarded as a company with high standards in relation to the physical and psychological working environment. Preventive measures and high ethical standards are central themes in our Working Environment Policy.
This means that Tresu Group:

- complies with the rules of the authorities in force at any time
- continuously implements improvements to the working environment
- documents improvements to the working environment
- has a workplace smoking policy
- has a senior policy
- has an alcohol policy
- motivates the employees to be aware of the working environment and to understand the importance of the efforts of each individual person
- involves the employees actively in the working environment work
- identifies the working environment effects on the company's activities
- monitors working environment performances
- improves the working environment by means of planned and preventive measures
- ensures an active safety organisation
- requires that suppliers are aware of the working environment
- can explain purchased equipment's impact on the working environment
- carries out risk assessment of manufactured products
- informs the public of the result of the working environment initiatives

Environmental policy

The environmental policy of Tresu Group acts as an environmentally aware company at the forefront of the expectations of customers and surroundings and at all time to be in compliance with the requirements of the authorities.

This means that the Group:

- complies with the requirements of DNV/EN ISO 14001:2015
- continuously implements and documents improvement to the environment
- complies with the rules of the authorities in force at any time
- continuously reduces the environmental footprint
- motivates the employees to be environmentally aware
- documents the environmental footprint of the products in an objective way
- involves the employees actively to carry out improvements to the environment
- requires that suppliers are environmentally aware

Management commentary

- can explain purchased equipment's impact on the environment
- informs the public of the result of the environmental initiatives

Corporate responsibility

Tresu Group is dedicated to being a responsible employer and a good corporate citizen. Our Code of Conduct (CoC) represents our core values and reflects our continued commitment to ethical business practice and regulatory compliance.

We take a serious view of any suspicion of breach of Tresu Group's Code of Conduct, and in case of non-compliance with the Code of Conduct, we will act immediately.

Tresu Group strives to continually improve our work environment. We aim to strengthen and implement a shared corporate culture to help us treat all colleagues equally. Tresu Group will support and respect the protection of the UN's Universal Declaration of Human Rights and the Core Conventions of the International Labour Organization (ILO), and make sure that Tresu is not complicit in abuse of human rights.

Objectives and action plans

For 2017 the aim was to reduce the CO2 emission by 3 tonnes per year and at the same time carry through improvements of our products so that our customers' contribution to the global CO2 emission would be reduced by at least 200 tonnes per year. In 2017 our product improvements helped customers reduce their annual CO2 emission by estimated 677 tonnes.

For 2018 the aim is to reduce Tresu Group's CO2 emission by 3 tonnes per year and at the same time carry through improvements of products so that the customers' contribution to the global CO2 emission will be reduced by at least 500 tonnes per year.

In 2017 the goal of Tresu Group was an absenteeism of 0,6 hours absence per 1.000 working hours. The increased focus on the working environment has entailed that the absenteeism has only been 0,25 hour absence per 1.000 working hours.

2018 will have an increased focus on preventive measures and information. The goal of Tresu Group is an absenteeism of 0,6 hours absence per 1.000 working hours.

Management commentary

Report on the underrepresented gender

All Tresu A/S staff was recruited based on professional skills without regard to religion, race, gender, handicap or age. As a group, we look upon diversity as a strength, and we actively combat discrimination and aspire to promote equal treatment. This applies to the management level as well as all other levels in the organisation.

Tresu A/S' long-term ambition is to achieve a composition of the underrepresented gender at Board of Directors, reflecting the composition of gender in the total organization. Today, there are no women at the Board of Directors level, but the target is that the share of women should be at least 14,3% (1 woman) at management level in 2020. The target has not been met in 2017, as the right competences were not met in the search process.

Tresu A/S has a policy for the underrepresented gender at other management levels. At 30 September 2017 Tresu A/S employed a total of 10% women and 90% men at other management levels which also reflects the composition of gender in the remaining part of the organisation.

We want to work towards ensuring a greater balance in the composition of gender at management level, and we seek e.g. to make female management talents more visible and motivate female talents to submit an application when recruitments are made for various management positions.

Through policies for the underrepresented gender at management level we have succeeded in maintaining 10% women at other management levels, but we still aim at ensuring a greater balance in the composition of gender among managers of the Company.

Events after the balance sheet date

Quarterly dividends are paid from Tresu A/S through Tresu Investment A/S to Tresu Investment Holding A/S to pay bond interest to investors. In March, 2018 (Q1-2018) DKK 6,5m, was paid out as dividend to Tresu Investment Holding A/S.

In Q1-2018 Tresu Group increased its Revolving Credit Facility with Nykredit by EUR 5,0m in order to further strengthen the funding for continued operations and development of Tresu Group.

In May 2018 Tresu Group Holding A/S received DKK 45,8m from Tresu Group Shareholders to support growth in the business and capital expenditure outlays related to a new production site. Additional DKK 4,2m is expected to be received in June 2018.

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

Accounting policies

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

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

The entity has changed its financial year to follow the calender year, starting the 1 January 2018. This annual report covers the period 1 October 2017 – 31 December 2017 (3 months). Comparative figure for the financial year 2016/17 (12 months) has not been changed.

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.

Consolidated financial statements

The consolidated financial statements comprise the Parent (Tresu A/S) and the group enterprises (subsidiaries) that are controlled by the Parent. 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. See also Group chart under management commentary.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the annual report of the Parent 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.

Accounting policies

Subsidiaries' financial statement items are recognised in full in the interim consolidated financial statements.

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

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 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 write-down. 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.

Accounting policies

Income statement

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 from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Production costs

Production costs comprise expenses incurred to earn revenue for the financial period. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Also, provisions for loss on contract work in progress are recognised under production costs.

Research and development costs

Research and development costs include research costs, costs of development projects that do not meet the criteria for recognition in the balance sheet.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity’s products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment attached to the distribution process.

Administrative costs

Administrative costs comprise costs incurred for the Entity’s administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises’ profit/loss after full elimination of internal profits or losses.

Accounting policies

Other financial income

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

Other financial expenses

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

Tax on profit/loss for the year

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

The Entity participates in a Danish Joint taxation arrangement in which the former parent company Tresu Investment A/S serves as the administration company until 21.06.2017. At this point the entity Nortre Administration ApS serves as the administration company. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

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 amortisation period consists of management’s estimates 3 years, however, in certain cases it may be higher for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources, and on the basis of an individual assessment based on an agreement with third parties. Useful lives are reassed on annual basis.

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

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Accounting policies

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is five years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights, but no more than 20 years. Development projects are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sales of other intangible assets are calculated as the difference between selling price less selling costs and the carrying amount at the time of the sale. Profits or losses are recognised in the income statement under other operating income/-expenses.

Estimated useful lives and residual values are reassessed annually.

Property, plant and equipment
Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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. For company-manufactured assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset’s fair value and present value of future lease payments.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each asset

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:

Accounting policies

Buildings	33 years
Plant and machinery	3-7 years
Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

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 under other operating income/-expenses.

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity are valued at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative value exceeds the amount recoverable, the remaining amount is recognized under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

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

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

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

Accounting policies

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.

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources. For some projects where the consumption of resources cannot be applied as a basis, the ratio between completed and total subactivities of the individual projects has been applied.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

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

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial yearis recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Accounting policies

Deferred tax

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

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

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.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, 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.

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.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Finance lease commitments

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

Accounting policies

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

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

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.

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and 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, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed 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 loans.

Consolidated income statement for the period 01.10.2017-31.12.2017

	Notes	2017 (3 months) DKK'000	2016/17 (12 months) DKK'000
Revenue	1	132.379	636.846
Production costs	3,4	(105.850)	(463.159)
Gross profit/loss		**26.529**	**173.687**
Research and development costs		(1.684)	(4.125)
Distribution costs		(9.718)	(38.037)
Administrative costs	2	(11.609)	(36.809)
Operating profit/loss		**3.518**	**94.716**
Other financial income	5	27	1.759
Other financial expenses	6	(2.637)	(1.293)
Profit/loss before tax		**908**	**95.182**
Tax on profit/loss for the year	7	(622)	(21.591)
Profit/loss for the year	8	**286**	**73.591**

Consolidated balance sheet at 31.12.2017

	Notes	31.12.2017 DKK'000	30.09.2017 DKK'000
Completed development projects		22.091	23.323
Goodwill		8.284	8.284
Intangible assets	9,18	**30.375**	**31.607**
Land and buildings		19.183	19.594
Plant and machinery		1.906	1.900
Other fixtures and fittings, tools and equipment		4.096	3.963
Leasehold improvements		699	777
Property, plant and equipment	10	**25.884**	**26.234**
Deposits		311	311
Fixed asset investments	11	**311**	**311**
Fixed assets		**56.570**	**58.152**
Raw materials and consumables		50.490	45.146
Work in progress		47.821	3.300
Manufactured goods and goods for resale		13.241	11.851
Prepayments for goods		21.683	33.826
Inventories		**133.235**	**94.123**
Trade receivables		50.516	61.966
Contract work in progress	13	175.551	170.606
Receivables group enterprices		283	278
Other short-term receivables		5.884	7.376
Income tax receivable		0	0
Prepayments		2.449	1.788
Receivables		**234.683**	**242.014**
Cash		**10.488**	**8.772**
Current assets		**378.406**	**344.909**
Assets		**434.976**	**403.061**

Consolidated balance sheet at 31.12.2017

	Notes	31.12.2017 (3 months) DKK'000	30.09.2017 (12 months) DKK'000
Contributed capital		4.100	4.100
Retained earnings		72.787	66.294
Equity		**76.887**	**70.394**
Provisions for deferred tax	14	30.111	31.550
Other provisions	15	1.340	1.273
Provisions		**31.451**	**32.823**
Finance lease liabilities		164	0
Other payables		7.204	7.204
Non-current liabilities other than provisions	16	**7.368**	**7.204**
Current portion of long-term liabilities other than provisions	16	1.279	1.620
Bank loans		67.516	59.364
Prepayments received from customers	13	3.911	3.506
Trade payables		202.300	183.215
Payables to group enterprises		12.467	12.450
Income tax payable		5.704	4.129
Other payables		26.093	28.356
Current liabilities other than provisions		**319.270**	**292.640**
Liabilities other than provisions		**326.638**	**299.844**
Equity and liabilities		**434.976**	**403.061**

Subsidiaries	12
Description development projects	18
Unrecognised rental and lease commitments	20
Contingent liabilities	21
Mortgages and securities	22
Consolidation	23

Consolidated statement of changes in equity for 2017

	Contri-buted capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 01.10.2017	4.100	66.294	70.394
Capital increase	0	6.564	6.564
Exchange rate adjustments	0	(357)	(357)
Profit/loss	0	286	286
Equity at 31.12.2017	**4.100**	**72.787**	**76.887**

Consolidated cash flow statement for the year 2017

	Notes	2017 (3 months) DKK'000	2016/17 (12 months) DKK'000
Operating profit/loss		3.518	94.716
Amortisation. depreciation and impairment losses		2.620	10.731
Other provisions, group contribution		66	4.335
Working capital changes	17	(14.536)	(38.682)
Cash flows from ordinary operating activities		**(8.332)**	**71.100**
Financial income received		27	1.759
Financial expenses paid		(2.637)	(1.293)
Income taxes refunded/(paid)		(440)	(5.108)
Cash flows from operating activities		**(11.382)**	**(4.642)**
Acquisition etc of intangible assets		(158)	(2.684)
Acquisition etc of property, plant and equipment		(920)	(4.042)
Acquisition etc of fixed assets		0	(147)
Cash flows from investing activities		**(1.078)**	**(6.873)**
Instalments on loans etc		(177)	(11.732)
Capital increase		6.564	(11.732)
Dividends		0	(105.000)
Cash flows from financing activities		**6.387**	**(116.732)**
Increase/decrease in cash and cash equivalents		**(6.073)**	**(57.147)**
Cash and cash equivalents 01.10.2017		(50.592)	7.735
Unrealised exchange rate adjustments		(363)	(1.180)
Cash and cash equivalents end of year	19	**(57.028)**	**(50.592)**
Cash and cash equivalents at year end are composed of:			
Cash		10.488	8.772
Short-term debt to banks		(67.516)	(59.364)
Cash and cash equivalents end of year		**(57.028)**	**(50.592)**

Notes to consolidated financial statements

	2017 (3 months) DKK'000	2016/17 (12 months) DKK'000
1. Revenue		
Denmark	2.539	19.610
Other countries	129.840	617.236
	132.379	**636.846**

For competitive reasons the Group does not wish to disclose how revenue is distributed on activites, cf. Sec. 96(1) of the Danish Financial Statements Act.

The Group's markets are characterized by strong competition and few players and disclosure of such above information may have financial effects on the Group and thereby be damaging the Group.

2. Fees to the auditor appointed by the Annual General Meeting

	2017 (3 months) DKK'000	2016/17 (12 months) DKK'000
Statutory audit services	88	250
Tax services	83	10
Other services	191	252
	362	**512**

3. Staff costs

	2017 (3 months) DKK'000	2016/17 (12 months) DKK'000
Wages and salaries	38.564	127.678
Pension costs	2.595	8.518
Other social security costs	1.167	2.885
	42.326	**139.081**
Average number of employees	**301**	**258**

	Remuneration of management 2017 DKK'000	Remuneration of management 2016/17 DKK'000
Executive Board	719	6.688
Board of Directors	18	33
	737	**6.721**

Notes to consolidated financial statements

	2017 (3 months) DKK'000	2016/17 (12 months) DKK'000
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	1.390	5.941
Depreciation on property, plant and equipment	1.230	4.813
	2.620	**10.754**
5. Other financial income		
Exchange rate adjustment	0	1.539
Other financial income	27	220
	27	**1.759**
6. Other financial expenses		
Interest expenses group companies	46	248
Interest expenses	422	670
Exchange rate adjustment	2.139	315
Other financial expenses	30	60
	2.637	**1.293**
7. Tax on profit/loss for the year		
Tax on current year taxable income	2.045	4.372
Change in deferred tax for the year	(1.439)	17.227
Adjustment concerning previous years	16	(8)
	622	**21.591**
8. Proposed distributions of Profit/loss		
Ordinary dividend for the financial year	0	0
Extraordinary dividend distributed in the financial year	0	105.000
Retained earnings	286	(31.409)
	286	**73.591**

Notes to consolidated financial statements

9. Intangible assets

	Completed development projects DKK'000	Goodwill DKK'000
Cost beginning of year	50.578	12.843
Additions	158	0
Disposals	0	0
Cost end of year	**50.736**	**12.843**
Amortisation and impairment losses beginning of year	(27.255)	(4.559)
Amortisation for the year	(1.390)	0
Reversal regarding disposals	0	0
Amortisation and impairment loss end of year	**(28.645)**	**(4.559)**
Carrying amount end of year	**22.091**	**8.284**

Notes to consolidated financial statements

10. Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	52.430	69.996	23.580	1.754
Exchange rate adjustments	(101)	(77)	(27)	0
Additions	29	330	556	5
Disposals	0	(228)	0	0
Cost end of year	**52.358**	**70.021**	**24.109**	**1.759**
Depreciation and impairment losses Beginning of the year	(32.836)	(68.145)	(19.567)	(977)
Exchange rate adjustments	66	76	22	0
Depreciation for the year	(405)	(274)	(468)	(83)
Reversal regarding disposals	0	228	0	0
Depreciation and impairment losses end of year	**(33.175)**	**(68.115)**	**(20.013)**	**(1.060)**
Carrying amount end of year	**19.183**	**1.906**	**4.096**	**699**
Recognised assets not owned by entity	**-**	**201**	**-**	**-**

11. Fixed asset investments

	Deposit DKK'000
Cost beginning of year	311
Additions	0
	311
Carrying amount end of year	**311**

Notes to consolidated financial statements

12. Subsidiaries

	Registered in	Corpo-rateform	Interest %
Tresu Italia S.r.l.	Varese, Italy	S.r.l.	100,0
Tresu Royce Inc.	Dallas, USA	Inc.	100,0
Tresu Japan Co. Ltd.	Osaka, Japan	Ltd.	100,0
Tresu Vertiebs GmbH	Celle, Germany	GmbH	100,0

	2017 DKK'000	2016/17 DKK'000
13. Contract work in progress		
Contract work in progress	357.328	374.784
Progress billings regarding contract work in progress	(185.688)	(207.684)
Transferred to liabilities other than provisions	3.911	3.506
	175.551	**170.606**
14. Deferred tax		
Intangible assets	5.649	5.790
Property, plant and equipment	1.044	1.212
Inventories	3.762	3.166
Receivables	19.714	21.567
Liabilities and other provisions	(58)	(185)
	30.111	**31.550**

Changes during the year

Beginning of year	31.550
Recognised in income statement	(1.439)
Recognised directly in equity	0
End of year	**30.111**

15. Other provisions

Other provisions consists of warranties.

Notes to consolidated financial statements

16. Long-term liabilities other than provisions

	Installments within 12 months 2017 DKK'000	Installments within 12 months 2016/17 DKK'000	Installments beyond 12 months 2017 DKK'000	Outstanding after 5 years DKK'000
Finance lease liabilities	207	548	164	0
Other payables	1.072	1.072	7.204	0
	1.279	**1.620**	**7.368**	**0**

17. Changes in working capital

	2017 DKK'000	2016/17 DKK'000
Increase/decrease in inventories	(39.110)	(33.179)
Increase/decrease in receivables	7.331	(104.579)
Increase/decrease in trade payables etc	17.243	99.076
	(14.536)	**(38.682)**

18. Description development projects

Development activities comprise continuous development of the present product range and new development of ancillary products, including standardization of the ancillary products in order to achieve better earnings.

The Group regularly reviews the carrying amounts of its finite-lived intangible assets to determine whether there is an indication of an impairment loss.

Development projects are tested for impairment annually if there is an indication that the asset should be impaired.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

19. Cash and cash equivalents

Cash in the cash flow statement consists of cash holdings and short-term bank loans.

Notes to consolidated financial statements

20. Unrecognised rental and lease commitments

For the year 2018 the Group has concluded lease contracts regarding operating leases of tools and rental. The future minimum payments according to contracts are distributed by DKK 1,841m within year 1 and DKK 2,215m between 2 and 5 years. There are no obligations after 5 years.

21. Contingent liabilities

The Danish Group Entities participates in a Danish Joint taxation arrangement in which the former parent company Tresu Investment A/S serves as the administration company until 21.06.2017. The Entity is liable for income taxes etc. for the jointly taxed entities and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities up until 21 June 2017.

From 21 June 2017 the entity Nortre Administration ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is liable from June 21 2017 for income taxes etc. for the jointly taxed entities and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

22. Mortgages and securities

There has been given a negative pledge in the entity’s assets.

For third parties security has been given a mortgage deed of DKK 10.000k

The carrying amount of mortgaged development projects are DKK 22.091k.

Bank warranties regarding customers amounting to DKK 3.636,7k have been made.

23. Consolidation

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

- Tresu Investment A/S, CBR-no. 33078897, Eegsvej 14-16, 6091 Bjert.

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

- Tresu Group Holding A/S, CBR-no. 37752088, Eegsvej 14, 6091 Bjert.

Parent income statement for the period 01.10.2017-31.12.2017

	Notes	2017 (3 months) DKK'000	2016/17 (12 months) DKK'000
Revenue	1	122.850	598.202
Production costs	3,4	(100.264)	(442.633)
Gross profit/loss		**22.586**	**155.569**
Research and development costs		(1.684)	(4.125)
Distribution costs		(7.121)	(29.646)
Administrative costs	2	(9.213)	(31.709)
Operating profit/loss		**4.568**	**90.089**
Income from investments in group enterprises		(1.250)	3.456
Other financial income	5	34	1.948
Other financial expenses	6	(2.579)	(971)
Profit/loss before tax		**773**	**94.522**
Tax on profit/loss for the year	7	(487)	(20.931)
Profit/loss for the year	8	**286**	**73.591**

Parent balance sheet at 31.12.2017

	Notes	31.12.2017 DKK'000	30.09.2017 DKK'000
Completed development projects		22.091	23.323
Goodwill		8.284	8.284
Intangible assets	9, 16	**30.375**	**31.607**
Land and buildings		17.013	17.319
Plant and machinery		1.320	1.555
Other fixtures and fittings. tools and equipment		3.945	3.918
Leasehold improvements		699	777
Property, plant and equipment	10	**22.977**	**23.569**
Investments in group enterprises		26.344	27.951
Deposits		311	311
Fixed asset investments	11	**26.655**	**28.262**
Fixed assets		**80.007**	**83.438**
Raw materials and consumables		39.112	35.794
Work in progress		47.266	3.082
Manufactured goods and goods for resale		11.545	9.198
Prepayments for goods		21.683	33.827
Inventories		**119.606**	**81.901**
Trade receivables		40.081	51.210
Contract work in progress	12	175.551	170.606
Receivable group enterprices		7.129	6.188
Other short-term receivables		5.616	7.085
Prepayments		2.090	1.686
Receivables		**230.467**	**236.775**
Cash		**5.322**	**1.380**
Current assets		**355.395**	**320.056**
Assets		**435.402**	**403.494**

Parent balance sheet at 31.12.2017

	Notes	31.12.2017 DKK'000	30.09.2017 DKK'000
Contributed capital	13	4.100	4.100
Retained earnings		72.101	65.637
Reserve for development expenditure		686	657
Equity		**76.887**	**70.394**
Provisions for deferred tax	14	30.111	31.550
Other provisions		800	800
Provisions		**30.911**	**32.350**
Other payables		7.204	7.204
Non-current liabilities other than provisions	15	**7.204**	**7.204**
Current portion of long-term liabilities other than provisions	15	1.236	1.620
Bank loans		67.516	59.364
Prepayments received from customers	12	3.911	2.914
Trade payables		198.877	180.537
Payables to group enterprises		19.014	17.876
Income tax payable		5.614	4.539
Other payables		24.232	26.696
Current liabilities other than provisions		**320.400**	**293.546**
Liabilities other than provisions		**317.604**	**300.750**
Equity and liabilities		**435.402**	**403.494**

	Notes
Description development projects	16
Contingent liabilities	17
Unrecognised rental and lease commitments	18
Mortgages and securities	19
Related parties with controlling interest	20
Transaction with related parties	21
Consolidation	22

Parent statement of changes in equity for 2017

	Contri-Buted capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 01.10.2,17	4.100	657	65.637	70.394
Capital increase	0	0	6.564	6.564
Exchange rate adjustments	0	0	(357)	(357)
Reserve for development expenditure	0	29	(29)	0
Profit/loss	0	0	286	286
Equity at 31.12.2017	**4.100**	**686**	**72.101**	**76.887**

Notes to the parent financial statements

	2017 (3 months) DKK'000	2016/17 (12 months) DKK'000
1. Revenue		
Denmark	2.539	19.610
Other countries	120.311	578.592
	122.850	**598.202**

For competitive reasons the Group does not wish to disclose how revenue is distributed on activites, cf. Sec. 96(1) of the Danish Financial Statements Act.

The Group's markets are characterized by strong competition and few players and disclosure of such above information may have financial effects on the Group and thereby be damaging the Group.

2. Fees to the auditor appointed by the Annual General Meeting

Statutory audit services	88	250
Tax services	40	10
Other services	191	252
	319	**512**

3. Staff costs

Wages and salaries	33.491	106.968
Pension costs	2.505	8.210
Other social security costs	282	1.015
	36.278	**116.193**
Average number of employees	**256**	**217**

	Remuneration of management 2017 DKK'000	Remuneration of management 2015/16 DKK'000
Executive Board	719	2.411
Board of Directors	18	48
	737	**2.459**

Notes to the parent financial statements

	2017 (3 months) DKK'000	2016/17 (12 months) DKK'000
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	1.390	5.941
Depreciation on property, plant and equipment	1.132	4.444
	2.522	**10.385**
5. Other financial income		
Financial income from group enterprises	9	190
Exchange rate adjustment	0	1.538
Other financial income	25	220
	34	**1.948**
6. Other financial expenses		
Interest expenses group companies	46	248
Interest expenses	420	670
Exchange rate adjustment	2.085	0
Other financial expenses	28	53
	2.579	**971**
7. Tax on profit/loss for the year		
Tax on current year taxable income	1.926	3.704
Change in deferred tax for the year	(1.439)	17.227
	487	**20.931**
8. Proposed distributions of Profit/loss		
Ordinary dividend for the financial year	0	0
Extraordinary dividend distributed in the financial year	0	105.000
Reserve for development expenditures	29	657
Retained earnings	257	(32.066)
	286	**73.591**
Dividend distributed after the balance date:		
Extraordinary dividend	6.500	

Notes to the parent financial statements

9. Intangible assets

	Completed development projects DKK'000	Goodwill DKK'000
Cost beginning of year	50.578	12.843
Additions	158	0
Disposals	0	0
Cost end of year	**50.736**	**12.843**
Amortisation and impairment losses beginning of year	(27.255)	(4.559)
Amortisation for the year	(1.390)	0
Reversal regarding disposals	0	0
Amortisation and impairment losses end of year	**(28.645)**	**(4.559)**
Carrying amount end of year	**22.091**	**8.284**

10. Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	45.777	65.978	22.780	1.754
Additions	29	21	485	5
Disposals	0	(42)	0	0
Cost end of year	**45.806**	**65.957**	**23.265**	**1.759**
Depreciation and impairment losses Beginning of the year	(28.458)	(64.423)	(18.862)	(977)
Depreciation for the year	(335)	(256)	(458)	(83)
Reversal regarding disposals	0	42	0	0
Depreciation and impairment losses end of year	**(28.793)**	**(64.637)**	**(19.320)**	**(1.060)**
Carrying amount end of year	**17.013**	**1.320**	**3.945**	**699**
Recognised assets not owned by entity	**-**	**11**	**-**	**-**

Notes to the parent financial statements

11. Fixed asset investment

	Investments In group enterprises DKK'000	Deposits DKK'000
Cost beginning of year	28.058	311
Additions	0	0
Cost end of year	**28.058**	**311**
Revaluations beginning of year	(107)	0
Exchange rate adjustments	(357)	0
Share of profit/loss for the year	(1.250)	0
Amortisation and impairment losses end of year	**(1.714)**	**0**
Carrying amount end of year	**26.344**	**311**

12. Contract work in progress

	2017 DKK'000	2016/17 DKK'000
Contract work in progress	357.328	374.784
Progress billings regarding contract work in progress	(185.688)	(207.092)
Transferred to liabilities other than provisions	3.911	2.914
	175.551	**170.606**

13. Contributed capital

	Number	Nominal value DKK'000
Ordinary shares	**4.100**	**4.100**

On 6 December 2017, the company's share capital was increased by 100 shares with a nominal value of DKK 100.

Notes to the parent financial statements

	31.12.2017 DKK'000	30.09.2017 DKK'000

14. Deferred tax

	31.12.2017 DKK'000	30.09.2017 DKK'000
Intangle assets	5.649	5.790
Property, plant and equipment	1.044	1.212
Inventories	3.762	3.166
Receivables	19.714	21.567
Liabilities and other provisions	(58)	(185)
	30.111	**31.550**

Changes during the year

Beginning of year	31.550
Recognised in income statement	(1.439)
Recognised directly in equity	0
End of year	**30.111**

15. Long-term liabilities other than provisions

	Installments within 12 months 2017 DKK'000	Installments within 12 months 2016/17 DKK'000	Installments beyond 12 months 2017 DKK'000	Outstanding after 5 years DKK'000
Finance lease liabilities	164	548	0	0
Other payables	1.072	1.072	7.204	0
	1.236	**1.620**	**7.204**	**0**

Notes to the parent financial statements

16. Development projects

Development activities comprise continuous development of the present product range and new development of ancillary products, including standardization of the ancillary products in order to achieve better earnings.

The Group regularly reviews the carrying amounts of its finite-lived intangible assets to determine whether there is an indication of an impairment loss.

Development projects are tested for impairment annually if there is an indication that the asset should be impaired.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

17. Contingent liabilities

The Danish Group Entities participates in a Danish Joint taxation arrangement in which the former parent company Tresu Investment A/S serves as the administration company until 21.06.2017. The Entity is liable for income taxes etc. for the jointly taxed entities and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities up until 21 June 2017.
From 21 June 2017 the entity Nortre Administration ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is liable from June 21 2017 for income taxes etc. for the jointly taxed entities and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

18. Unrecognised rental and lease commitments

For the year 2018 the Entity has concluded lease contracts regarding operating leases of tools and rental. The future minimum payments according to contracts are distributed by DKK 1,236m within year and DKK 1,63 m between 2 and 5 years. There are no obligations after 5 years.

19. Mortgages and securities

There has been given a negative pledge in the entity’s assets.

For third parties security has been given a mortgage deed of DKK 10.000k

The carrying amount of mortgaged development projects are DKK 22.091k.

Bank warranties regarding customers amounting to DKK 3.636,7k have been made.

Notes to the parent financial statements

20. Related parties with controlling interest

The following parties have a controlling interest:

- Harald Mix, Bragevägen 4, Stockholm, indirect real owner.
- Altor Fund IV (No. 1) AB, Stockholm, shareholder.
- Altor Fund IV (No. 2) AB, Stockholm, shareholder.
- Altor Fund IV Holding AB, Stockholm, shareholder.
- Tresu Group Holding A/S, CBR-no. 37752088, Bjert, shareholder.
- Tresu Investment Holding A/S, CBR-no.37553727, Bjert, shareholder.
- Tresu Investment A/S, CBR-no. 33078897, Bjert, shareholder.

21. Transaction with related parties

	2017 DKK'000	**2016/17 DKK'000**
Group		
Financial expenses to group enterprises	46	248
Receivables from group enterprises	283	278
Payables to group enterprises	12.467	12.450
Parent		
Sale of goods to group enterprises	7.797	27.092
Purchase of goods from group enterprises	1.582	11.336
Financial income from group enterprises	56	286
Financial expenses to group enterprises	47	344
Receivables from group enterprises	7.129	6.188
Payables to group enterprises	19.014	17.876

In addition to the distribution of dividends there have been no transactions with the capital owners. Remuneration of management is shown in note 3.

22. Consolidation

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

- Tresu Investment Holding A/S, CBR-no. 37553727, Eegsvej 14-16, 6091 Bjert.

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

- Tresu Group Holding A/S, CBR-no. 37752088, Eegsvej 14, 6091 Bjert.