

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

Annual report 2016/17

The Annual General Meeting adopted the annual report on 8.1. 2018

Chairman of the General Meeting

Name: Carsten Nygaard Knudsen

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Entity details

Entity

Tresu A/S
Eegsvej 14-16
6091 Bjert

Central Business Registration No: 15302798

Registered in: Bjert

Financial year: 01.10.2016 - 30.09.2017

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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

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 01.10.2016 - 30.09.2017.

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 30.09.2017 and of the results of its operations as well as the consolidated cash flows for the financial year 01.10.2016 - 30.09.2017.

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, 18. December 2017

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 01.10.2016 - 30.09.2017, 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 30.09.2017, and of the results of their operations and the consolidated cash flows for the financial year 01.10.2016 - 30.09.2017 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, 18. December 2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Lars Leopold Larsen
State-Authorised Public Accountant

Management commentary

	2016/17	2015/16	2014/15	2013/14	2012/13
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	636.846	433.756	379.507	395.659	373.319
Gross profit/loss	173.687	104.416	87.019	83.751	63.555
Profit/loss ordinary operations	94.716	41.634	24.913	25.220	6.031
Operating profit/loss	94.716	41.634	25.347	25.410	7.709
Net financials	466	(2.657)	218	(335)	(3.205)
Profit/loss for the year	73.591	32.135	19.833	20.404	4.054
Total assets	403.061	281.807	257.411	268.844	227.452
Investments in property, plant and equipment	4.042	1.010	3.493	5.221	6.663
Equity	70.394	99.113	81.816	60.285	51.494
Ratios					
Gross margin (%)	27,3	24,1	22,9	21,2	17,0
Net margin (%)	11,6	7,4	5,2	5,2	1,1
Return on equity (%)	86,8	35,5	27,9	36,5	8,2
Equity ratio (%)	17,5	35,2	31,8	22,4	22,6
Return of assets	23,5	14,6	9,8	9,5	3,4

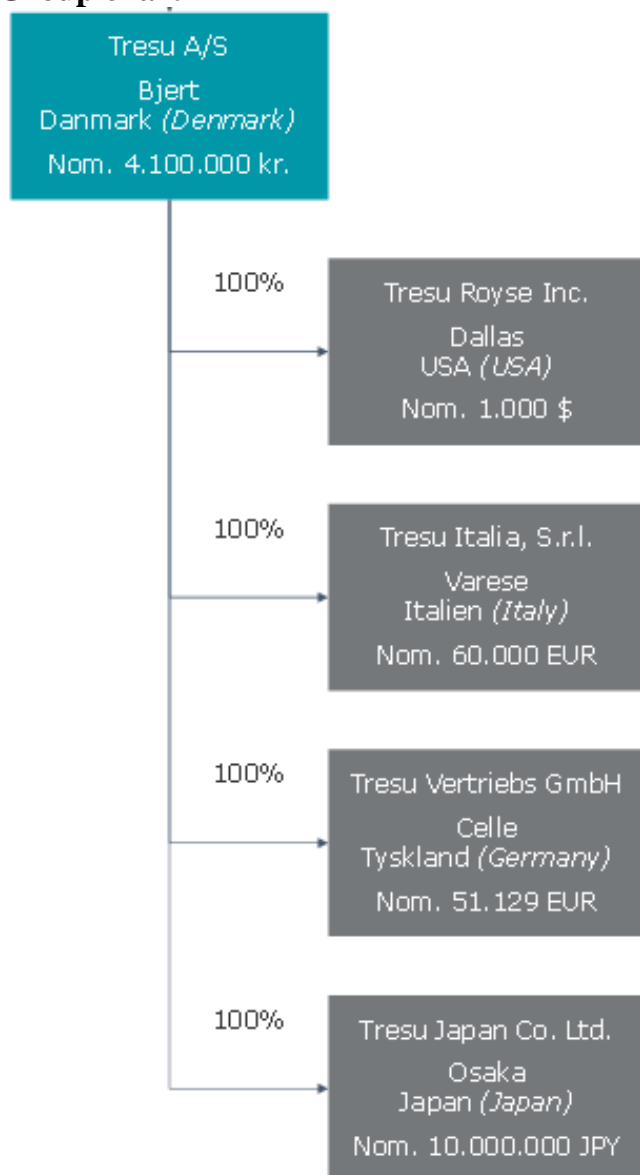
Financial highlights

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

Management commentary

Group chart



Management commentary

Primary activities

The 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 and finances

The past year and follow-up on outlook

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

In 2016/17 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 2016/17 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.

Total revenue for the fiscal year 2016/17 came to DKK 636,8m, which is an increase of 47% compared to fiscal year 2015/16. Operating profit (EBIT) for the fiscal year 2016/17 amounted to DKK 94,7m which is an increase of 127%. Profit for the year came to DKK 73,6m.

In FY 2016/17 cash flow from operating activities amounted to DKK 71,1m and net investments equaled DKK 6,9m.

At the end of FY 2016/17, total assets amounted to DKK 403,1m against DKK 281,8m the previous year.

At the fiscal year-end, total equity amounted to DKK 70,4m against DKK 99,1m in previous fiscal year. In fiscal year 2016/17 an extraordinary dividend of DKK 105,0m was paid.

Objective and outlook

The development of the business has continued over the past year with strong 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.

Management commentary

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 growth drivers in 2018.

Against this outlook Tresu Group expects a stable development in revenue and EBIT as well as a positive cash flow from operating activities for FY 2017/18. We expect FY 2017/18 revenue and EBIT to be in line with 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, EUR and USD. 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 Group policy on assuming credit risks entails that all large customers and other business partners are currently credit rated.

Intellectual capital resources

The competitive advantage of the Group is 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 the Group can recruit 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.

Management commentary

The 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 certification.

Environmental performance

The Group has an environmental strategy.

To control the environmental footprint, an environmental policy has been established. This policy is based on responsible environmental operations and is an integrated part of the Group's targets in terms of both manufacturing our equipment and customers using our equipment in their production.

The environmental footprint in manufacturing equipment is primarily caused by the production in Tresu A/S and involve 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

Research and development

Development activities comprise continuous development of our product range and new development of 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 ISO 9001
- Certified environmental management 14001

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 the Group are the Working Environment Policy and Environmental Policy.

Working Environment Policy

The 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.

Management commentary

This means that the 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 the Group is to be an environmentally aware Group 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 DS/EN ISO 14001:2004
- continuously implements and documents improvement to the environment
- complies with the rules of the authorities in force at any time
- continuously reduces the environmental load
- motivates the employees to be environmentally aware
- documents the environmental load of the products in an objective way
- involves the employees actively to carry out improvements to the environment
- requires that suppliers are environmentally aware
- can explain purchased equipment's impact on the environment
- informs the public of the result of the environmental initiatives

Management commentary

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. The group does not have a policy regarding human rights.

Objectives and action plans

For 2016/17 the aim was to reduce the CO2 emission by 3 tonnes per year and at the same time carry through improvements of the Group's products so that our customers' contribution to the global CO2 emission would be reduced by at least 200 tonnes per year. In 2016/17 our product improvements helped customers reduce their annual CO2 emission by 677 tonnes.

For 2017/18 the aim is to reduce Tresu's CO2 emission by 3 tonnes per year and at the same time carry through improvements of the Group's products so that the customers' contribution to the global CO2 emission will be reduced by at least 500 tonnes per year.

In 2016/17 the goal of the 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.

In 2017/18 the Group will have an increased focus on preventive measures and information and the goal of the Group is an absenteeism of 0.6 hours absence per 1,000 working hours.

Report on the underrepresented gender

The Parent employs less than 50 employees. No policies concerning the composition of genders for the Group as a whole have been prepared, but the Group's Danish subsidiary Tresu A/S has in its annual report disclosed the following:

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.

Management commentary

Tresu A/S' long-term ambition is to achieve equality at management level. At present women are underrepresented at management level. Today, there are no women at management level, but the target is that the share of women should be at least 12,5% (1 woman) at management level.

Tresu A/S has a policy for the underrepresented gender at other management levels. At 30 September 2017 Tresu A/S employs 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 plan 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

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

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 up to 20 years 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.

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, sub-suppliers 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 year is 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 2016/17

	<u>Notes</u>	2016/17 DKK'000	2015/16 DKK'000
Revenue	1	636.846	433.756
Production costs	3,4	<u>(463.159)</u>	<u>(329.340)</u>
Gross profit/loss		173.687	104.416
Research and development costs		(4.125)	(2.878)
Distribution costs		(38.037)	(37.466)
Administrative costs	2	<u>(36.809)</u>	<u>(22.438)</u>
Operating profit/loss		94.716	41.634
Other financial income	5	1.759	818
Other financial expenses	6	<u>(1.293)</u>	<u>(3.475)</u>
Profit/loss before tax		95.182	38.977
Tax on profit/loss for the year	7	<u>(21.591)</u>	<u>(6.842)</u>
Profit/loss for the year	8	<u>73.591</u>	<u>32.135</u>

Consolidated balance sheet at 30.09.2017

	<u>Notes</u>	<u>30.09.2017</u> <u>DKK'000</u>	<u>30.09.2016</u> <u>DKK'000</u>
Completed development projects		23.323	26.223
Goodwill		<u>8.284</u>	<u>8.641</u>
Intangible assets	9,18	<u>31.607</u>	<u>34.864</u>
Land and buildings		19.594	20.710
Plant and machinery		1.900	2.916
Other fixtures and fittings, tools and equipment		3.963	2.789
Leasehold improvements		<u>777</u>	<u>714</u>
Property, plant and equipment	10	<u>26.234</u>	<u>27.129</u>
Deposits		<u>311</u>	<u>164</u>
Fixed asset investments	11	<u>311</u>	<u>164</u>
Fixed assets		<u>58.152</u>	<u>62.157</u>
Raw materials and consumables		45.146	39.658
Work in progress		3.300	2.144
Manufactured goods and goods for resale		11.851	11.235
Prepayments for goods		<u>33.826</u>	<u>7.907</u>
Inventories		<u>94.123</u>	<u>60.944</u>
Trade receivables		61.966	81.850
Contract work in progress	13	170.606	29.892
Receivables group enterprices		278	0
Other short-term receivables		7.376	27.153
Income tax receivable		0	278
Prepayments		<u>1.788</u>	<u>977</u>
Receivables		<u>242.014</u>	<u>140.150</u>
Cash		<u>8.772</u>	<u>18.556</u>
Current assets		<u>344.909</u>	<u>219.650</u>
Assets		<u>403.061</u>	<u>281.807</u>

Consolidated balance sheet at 30.09.2017

	<u>Notes</u>	<u>30.09.2017</u> <u>DKK'000</u>	<u>30.09.2016</u> <u>DKK'000</u>
Contributed capital		4.100	4.100
Retained earnings		<u>66.294</u>	<u>95.013</u>
Equity		<u>70.394</u>	<u>99.113</u>
Provisions for deferred tax	14	31.550	14.323
Other provisions	15	<u>1.273</u>	<u>1.231</u>
Provisions		<u>32.823</u>	<u>15.554</u>
Mortgage debt		0	8.810
Finance lease liabilities		0	886
Other payables		<u>7.204</u>	<u>7.630</u>
Non-current liabilities other than provisions	16	<u>7.204</u>	<u>17.326</u>
Current portion of long-term liabilities other than provisions	16	1.620	3.230
Bank loans		59.364	10.821
Prepayments received from customers	13	3.506	1.718
Trade payables		183.215	68.370
Payables to group enterprises		12.450	17.021
Income tax payable		4.129	4.875
Other payables		<u>28.356</u>	<u>43.779</u>
Current liabilities other than provisions		<u>292.640</u>	<u>149.814</u>
Liabilities other than provisions		<u>299.844</u>	<u>167.140</u>
Equity and liabilities		<u>403.061</u>	<u>281.807</u>
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 2016/17

	Contri- buted capital DKK'000	Retained earnings DKK'000	Proposed extraordina- ry dividend DKK'000	Total DKK'000
Equity at 01.10.2016	4.100	95.013	0	99.113
Extraordinary dividends distributed	0	0	(105.000)	(105.000)
Exchange rate adjustments	0	(1.603)	0	(1.603)
Group contribution	0	4.293	0	4.293
Profit/loss	<u>0</u>	<u>(31.409)</u>	<u>105.000</u>	<u>73.591</u>
Equity at 30.09.2017	<u>4.100</u>	<u>66.294</u>	<u>0</u>	<u>70.394</u>

Consolidated cash flow statement for the year 2016/17

	<u>Notes</u>	<u>2016/17</u> <u>DKK'000</u>	<u>2015/16</u> <u>DKK'000</u>
Operating profit/loss		94.716	41.634
Amortisation, depreciation and impairment losses		10.731	11.921
Other provisions, group contribution		4.335	230
Working capital changes	17	<u>(38.682)</u>	<u>31.708</u>
Cash flows from ordinary operating activities		<u>71.100</u>	<u>85.493</u>
Financial income received		1.759	818
Financial expenses paid		(1.293)	(3.335)
Income taxes refunded/(paid)		<u>(5.108)</u>	<u>(7.438)</u>
Cash flows from operating activities		<u>(4.642)</u>	<u>(9.955)</u>
Acquisition etc of intangible assets		(2.684)	(7.557)
Acquisition etc of property, plant and equipment		(4.042)	(1.011)
Acquisition etc of fixed assets		<u>(147)</u>	<u>0</u>
Cash flows from investing activities		<u>(6.873)</u>	<u>(8.568)</u>
Instalments on loans etc		(11.732)	(3.039)
Dividends		<u>(105.000)</u>	<u>(15.000)</u>
Cash flows from financing activities		<u>(116.732)</u>	<u>(18.039)</u>
Increase/decrease in cash and cash equivalents		(57.147)	48.931
Cash and cash equivalents 01.10.2016		7.735	(41.196)
Unrealised exchange rate adjustments		<u>(1.180)</u>	<u>0</u>
Cash and cash equivalents end of year	19	<u>(50.592)</u>	<u>7.735</u>
Cash and cash equivalents at year end are composed of:			
Cash		8.772	18.556
Short-term debt to banks		<u>(59.364)</u>	<u>(10.821)</u>
Cash and cash equivalents end of year		<u>(50.592)</u>	<u>7.735</u>

Notes to consolidated financial statements

	<u>2016/17</u> <u>DKK'000</u>	<u>2015/16</u> <u>DKK'000</u>
1. Revenue		
Denmark	19.045	19.045
Other countries	<u>617.801</u>	<u>414.711</u>
	<u>636.846</u>	<u>433.756</u>
<p>For competitive reasons the Group does not wish to disclose how revenue is distributed on activities, cf. Sec. 96(1) of the Danish Financial Statements Act.</p> <p>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.</p>		
2. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	250	225
Tax services	10	53
Other services	<u>252</u>	<u>20</u>
	<u>512</u>	<u>298</u>
3. Staff costs		
Wages and salaries	127.678	108.010
Pension costs	8.518	7.033
Other social security costs	<u>2.885</u>	<u>3.378</u>
	<u>139.081</u>	<u>118.421</u>
Average number of employees	<u>258</u>	<u>213</u>
	<u>Remune-</u>	<u>Remune-</u>
	<u>ration of</u>	<u>ration of</u>
	<u>manage-</u>	<u>manage-</u>
	<u>ment</u>	<u>ment</u>
	<u>2016/17</u>	<u>2015/16</u>
	<u>DKK'000</u>	<u>DKK'000</u>
Executive Board	6.688	2.411
Board of Directors	<u>33</u>	<u>48</u>
	<u>6.721</u>	<u>2.459</u>

Notes to consolidated financial statements

	2016/17	2015/16
	<u>DKK'000</u>	<u>DKK'000</u>
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	5.941	6.224
Depreciation on property, plant and equipment	<u>4.790</u>	<u>5.697</u>
	<u>10.731</u>	<u>11.921</u>
5. Other financial income		
Exchange rate adjustment	1.539	677
Other financial income	<u>220</u>	<u>141</u>
	<u>1.759</u>	<u>818</u>
6. Other financial expenses		
Interest expenses group companies	248	1.789
Interest expenses	670	547
Exchange rate adjustment	315	1.074
Other financial expenses	<u>60</u>	<u>65</u>
	<u>1.293</u>	<u>3.475</u>
7. Tax on profit/loss for the year		
Tax on current year taxable income	4.372	4.783
Change in deferred tax for the year	17.227	2.059
Adjustment concerning previous years	<u>(8)</u>	<u>0</u>
	<u>21.591</u>	<u>6.842</u>
8. Proposed distributions of Profit/loss		
Ordinary dividend for the financial year	0	0
Extraordinary dividend distributed in the financial year	105.000	0
Retained earnings	<u>(31.409)</u>	<u>32.135</u>
	<u>73.591</u>	<u>32.135</u>

Notes to consolidated financial statements

	Completed development projects DKK'000	Goodwill DKK'000
9. Intangible assets		
Cost beginning of year	49.493	12.843
Additions	2.684	0
Disposals	<u>(1.599)</u>	<u>0</u>
Cost end of year	<u>50.578</u>	<u>12.843</u>
Amortisation and impairment losses beginning of year	(23.270)	(4.202)
Amortisation for the year	(5.584)	(357)
Reversal regarding disposals	<u>1.599</u>	<u>0</u>
Amortisation and impairment loss end of year	<u>(27.255)</u>	<u>(4.559)</u>
Carrying amount end of year	<u>23.323</u>	<u>8.284</u>

Notes to consolidated financial statements

	<u>Land and buildings DKK'000</u>	<u>Plant and machinery DKK'000</u>	<u>Other fix- tures and fittings, tools and equipment DKK'000</u>	<u>Leasehold improve- ments DKK'000</u>
10. Property, plant and equipment				
Cost beginning of year	52.151	72.432	25.130	1.429
Exchange rate adjustments	(378)	(208)	5	0
Additions	657	1.105	1.955	325
Disposals	<u>0</u>	<u>(3.284)</u>	<u>(3.560)</u>	<u>0</u>
Cost end of year	<u>52.430</u>	<u>70.045</u>	<u>23.530</u>	<u>1.754</u>
Depreciation and impairment losses				
Beginning of the year	(31.441)	(69.516)	(22.341)	(715)
Exchange rate adjustments	243	201	(10)	0
Depreciation for the year	(1.638)	(2.114)	(776)	(262)
Reversal regarding disposals	<u>0</u>	<u>3.284</u>	<u>3.560</u>	<u>0</u>
Depreciation and impairment losses end of year	<u>(32.836)</u>	<u>(68.145)</u>	<u>(19.567)</u>	<u>(977)</u>
Carrying amount end of year	<u>19.594</u>	<u>1.900</u>	<u>3.963</u>	<u>777</u>
Recognised assets not owned by entity	<u>-</u>	<u>51</u>	<u>-</u>	<u>-</u>
				<u>Deposit DKK'000</u>
11. Fixed asset investments				
Cost beginning of year				164
Additions				<u>147</u>
				<u>311</u>
Carrying amount end of year				<u>311</u>

Notes to consolidated financial statements

	<u>Registered in</u>	<u>Corpo- rateform</u>	<u>Interest %</u>
12. Subsidiaries			
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

	<u>2016/17 DKK'000</u>	<u>2015/16 DKK'000</u>
13. Contract work in progress		
Contract work in progress	374.784	47.990
Progress billings regarding contract work in progress	(207.684)	(19.816)
Transferred to liabilities other than provisions	<u>3.506</u>	<u>1.718</u>
	<u>170.606</u>	<u>29.892</u>

14. Deferred tax

Intangible assets	5.790	6.131
Property, plant and equipment	1.212	1.448
Inventories	3.166	4.529
Receivables	21.567	2.615
Liabilities and other provisions	<u>(185)</u>	<u>(400)</u>
	<u>31.550</u>	<u>14.323</u>

Changes during the year

Beginning of year	14.323
Recognised in income statement	17.227
Recognised directly in equity	<u>0</u>
End of year	<u>31.550</u>

15. Other provisions

Other provisions consists of warranties.

Notes to consolidated financial statements

	Installments within 12 months 2016/17 DKK'000	Installments within 12 months 2015/16 DKK'000	Installments beyond 12 months 2016/17 DKK'000	Outstanding after 5 years DKK'000
16. Long-term liabilities other than provisions				
Mortgage debts	0	1.060	0	0
Finance lease liabilities	548	918	0	0
Other payables	<u>1.072</u>	<u>1.252</u>	<u>7.204</u>	<u>0</u>
	<u>1.620</u>	<u>3.230</u>	<u>7.204</u>	<u>0</u>

	<u>2016/17 DKK'000</u>	<u>2015/16 DKK'000</u>
17. Changes in working capital		
Increase/decrease in inventories	(33.179)	3.045
Increase/decrease in receivables	(104.578)	(21.213)
Increase/decrease in trade payables etc	<u>99.076</u>	<u>49.876</u>
	<u>(38.681)</u>	<u>31.708</u>

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 years 2017 - 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 1,378k within year 1 and DKK 163k between 2 and 5 years. There are no obligations after 5 years.

21. Contingent liabilities

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. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is liable from the financial year 2013 for income taxes etc for the jointly taxed entities and from 1 July 2012 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 23.323k.

Bank warranties regarding customers amounting to DKK 334,9k have been made.

23. Consolidation

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

- Tresu Investment A/S, CVR-nr. 33078897, Eegsvej 14-19, 6091 Bjert.

Parent income statement for 2016/17

	<u>Notes</u>	<u>2016/17</u> <u>DKK'000</u>	<u>2015/16</u> <u>DKK'000</u>
Revenue	1	598.202	389.386
Production costs	3,4	<u>(442.633)</u>	<u>(301.277)</u>
Gross profit/loss		155.569	88.109
Research and development costs		(4.125)	(2.878)
Distribution costs		(29.646)	(35.383)
Administrative costs	2	<u>(31.709)</u>	<u>(18.839)</u>
Operating profit/loss		90.089	31.009
Income from investments in group enterprises		3.456	10.069
Other financial income	5	1.948	897
Other financial expenses	6	<u>(971)</u>	<u>(3.557)</u>
Profit/loss before tax		94.522	38.418
Tax on profit/loss for the year	7	<u>(20.931)</u>	<u>(6.283)</u>
Profit/loss for the year	8	<u>73.591</u>	<u>32.135</u>

Parent balance sheet at 30.09.2017

	<u>Notes</u>	<u>30.09.2017</u> <u>DKK'000</u>	<u>30.09.2016</u> <u>DKK'000</u>
Completed development projects		23.323	26.222
Goodwill		<u>8.284</u>	<u>8.642</u>
Intangible assets	9, 16	<u>31.607</u>	<u>34.864</u>
Land and buildings		17.319	18.289
Plant and machinery		1.555	2.766
Other fixtures and fittings. tools and equipment		3.918	2.726
Leasehold improvements		<u>777</u>	<u>715</u>
Property, plant and equipment	10	<u>23.569</u>	<u>24.496</u>
Investments in group enterprises		27.951	26.096
Deposits		<u>311</u>	<u>163</u>
Fixed asset investments	11	<u>28.262</u>	<u>26.259</u>
Fixed assets		<u>83.438</u>	<u>85.619</u>
Raw materials and consumables		35.794	31.310
Work in progress		3.082	1.926
Manufactured goods and goods for resale		9.198	9.491
Prepayments for goods		<u>33.827</u>	<u>7.906</u>
Inventories		<u>81.901</u>	<u>50.633</u>
Trade receivables		51.210	63.389
Contract work in progress	12	170.606	29.892
Receivable group enterprises		6.188	11.435
Other short-term receivables		7.085	26.761
Prepayments		<u>1.686</u>	<u>885</u>
Receivables		<u>236.775</u>	<u>132.362</u>
Cash		<u>1.380</u>	<u>9.758</u>
Current assets		<u>320.056</u>	<u>192.753</u>
Assets		<u>403.494</u>	<u>278.372</u>

Parent balance sheet at 30.09.2017

	<u>Notes</u>	<u>30.09.2017</u> <u>DKK'000</u>	<u>30.09.2016</u> <u>DKK'000</u>
Contributed capital	13	4.100	4.100
Retained earnings		65.637	95.013
Reserve for development expenditure		<u>657</u>	<u>0</u>
Equity		<u>70.394</u>	<u>99.113</u>
Provisions for deferred tax	14	31.550	14.323
Other provisions		<u>800</u>	<u>800</u>
Provisions		<u>32.350</u>	<u>15.123</u>
Mortgage debt		0	8.810
Finance lease liabilities		0	886
Other payables		<u>7.204</u>	<u>7.630</u>
Non-current liabilities other than provisions	15	<u>7.204</u>	<u>17.326</u>
Current portion of long-term liabilities other than provisions	15	1.620	3.231
Bank loans		59.364	10.820
Prepayments received from customers	12	2.914	1.719
Trade payables		180.537	64.279
Payables to group enterprises		17.876	20.576
Income tax payable		4.539	4.216
Other payables		<u>26.696</u>	<u>41.969</u>
Current liabilities other than provisions		<u>293.546</u>	<u>146.810</u>
Liabilities other than provisions		<u>300.750</u>	<u>164.136</u>
Equity and liabilities		<u>403.494</u>	<u>278.372</u>
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 2016/17

	Contri- Buted capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Proposed extraordina- ry dividend DKK'000	Total DKK'000
Equity beginning of year	4.100	0	95.013	0	99.113
Extraordinary dividends distributed	0	0	0	(105.000)	(105.000)
Exchange rate adjustments	0	0	(1.603)	0	(1.603)
Reserve for development expenditure	0	657	(657)	0	0
Group contribution	0	0	4.293	0	4.293
Profit/loss	0	0	(31.409)	105.000	73.591
Equity end of year	<u>4.100</u>	<u>657</u>	<u>65.637</u>	<u>0</u>	<u>70.394</u>

Notes to the parent financial statements

	<u>2016/17</u> <u>DKK'000</u>	<u>2015/16</u> <u>DKK'000</u>
1. Revenue		
Denmark	19.045	19.045
Other countries	<u>579.157</u>	<u>370.341</u>
	<u>598.202</u>	<u>389.386</u>
<p>For competitive reasons the Group does not wish to disclose how revenue is distributed on activities, cf. Sec. 96(1) of the Danish Financial Statements Act.</p> <p>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.</p>		
2. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	250	225
Tax services	10	53
Other services	<u>252</u>	<u>30</u>
	<u>512</u>	<u>308</u>
3. Staff costs		
Wages and salaries	106.968	90.480
Pension costs	8.210	6.738
Other social security costs	<u>1.015</u>	<u>948</u>
	<u>116.193</u>	<u>98.166</u>
Average number of employees	<u>217</u>	<u>179</u>
	<u>Remune-</u> <u>ration of</u> <u>manage-</u> <u>ment</u> <u>2016/17</u> <u>DKK'000</u>	<u>Remune-</u> <u>ration of</u> <u>manage-</u> <u>ment</u> <u>2015/16</u> <u>DKK'000</u>
Executive Board	6.688	2.411
Board of Directors	<u>33</u>	<u>48</u>
	<u>6.721</u>	<u>2.459</u>

Notes to the parent financial statements

	2016/17	2015/16
	DKK'000	DKK'000
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	5.941	6.224
Depreciation on property, plant and equipment	<u>4.444</u>	<u>5.317</u>
	<u>10.385</u>	<u>11.541</u>
5. Other financial income		
Financial income from group enterprises	190	452
Exchange rate adjustment	1.538	304
Other financial income	<u>220</u>	<u>141</u>
	<u>1.948</u>	<u>897</u>
6. Other financial expenses		
Interest expenses group companies	248	1.888
Interest expenses	670	543
Exchange rate adjustment	0	1.071
Other financial expenses	<u>53</u>	<u>55</u>
	<u>971</u>	<u>3.557</u>
7. Tax on profit/loss for the year		
Tax on current year taxable income	3.704	4.224
Change in deferred tax for the year	<u>17.227</u>	<u>2.059</u>
	<u>20.931</u>	<u>6.283</u>
8. Proposed distributions of Profit/loss		
Ordinary dividend for the financial year	0	0
Extraordinary dividend distributed in the financial year	105.000	0
Reserve for development expenditures	657	0
Retained earnings	<u>(32.066)</u>	<u>32.135</u>
	<u>73.591</u>	<u>32.135</u>

Notes to the parent financial statements

	Completed development projects DKK'000	Goodwill DKK'000
9. Intangible assets		
Cost beginning of year	49.493	12.843
Additions	2.684	0
Disposals	<u>(1.599)</u>	<u>0</u>
Cost end of year	<u>50.578</u>	<u>12.843</u>
Amortisation and impairment losses beginning of year	(23.271)	(4.201)
Amortisation for the year	(5.583)	(358)
Reversal regarding disposals	<u>1.599</u>	<u>0</u>
Amortisation and impairment losses end of year	<u>(27.255)</u>	<u>(4.559)</u>
Carrying amount end of year	<u>23.323</u>	<u>8.284</u>

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fix- tures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000
10. Property, plant and equipment				
Cost beginning of year	45.384	68.410	24.392	1.429
Additions	393	852	1.948	325
Disposals	<u>0</u>	<u>(3.284)</u>	<u>(3.560)</u>	<u>0</u>
Cost end of year	<u>45.777</u>	<u>65.978</u>	<u>22.780</u>	<u>1.754</u>
Depreciation and impairment losses Beginning of the year	(27.095)	(65.644)	(21.666)	(715)
Depreciation for the year	(1.363)	(2.063)	(756)	(262)
Reversal regarding disposals	<u>0</u>	<u>3.284</u>	<u>3.560</u>	<u>0</u>
Depreciation and impairment losses end of year	<u>(28.458)</u>	<u>(64.423)</u>	<u>(18.862)</u>	<u>(977)</u>
Carrying amount end of year	<u>17.319</u>	<u>1.555</u>	<u>3.918</u>	<u>777</u>
Recognised assets not owned by entity	<u>-</u>	<u>51</u>	<u>-</u>	<u>-</u>

Notes to the parent financial statements

	Investments In group enterprises DKK'000	Deposits DKK'000
11. Fixed asset investment		
Cost beginning of year	28.058	163
Additions	<u>0</u>	<u>148</u>
Cost end of year	<u>28.058</u>	<u>311</u>
Revaluations beginning of year	(1.960)	0
Exchange rate adjustments	(1.603)	0
Share of profit/loss for the year	<u>3.456</u>	<u>0</u>
Amortisation and impairment losses end of year	<u>(107)</u>	<u>0</u>
Carrying amount end of year	<u>27.951</u>	<u>311</u>
	<u>2016/17 DKK'000</u>	<u>2015/16 DKK'000</u>
12. Contract work in progress		
Contract work in progress	374.784	47.990
Progress billings regarding contract work in progress	(207.092)	(19.817)
Transferred to liabilities other than provisions	<u>2.914</u>	<u>1.719</u>
	<u>170.606</u>	<u>29.892</u>
	<u>Number</u>	<u>Nominal value DKK'000</u>
13. Contributed capital		
Ordinary shares	<u>4.100</u>	<u>4.100</u>

Notes to the parent financial statements

	<u>2016/17</u> <u>DKK'000</u>	<u>2015/16</u> <u>DKK'000</u>
14. Deferred tax		
Intangible assets	5.790	6.131
Property, plant and equipment	1.212	1.448
Inventories	3.166	4.529
Receivables	21.567	2.615
Liabilities and other provisions	<u>(185)</u>	<u>(400)</u>
	<u>31.550</u>	<u>14.323</u>

Changes during the year

Beginning of year	14.323
Recognised in income statement	17.227
Recognised directly in equity	<u>0</u>
End of year	<u>31.550</u>

	<u>Installments</u> <u>within 12</u> <u>months</u> <u>2016/17</u> <u>DKK'000</u>	<u>Installments</u> <u>within 12</u> <u>months</u> <u>2015/16</u> <u>DKK'000</u>	<u>Installments</u> <u>beyond 12</u> <u>months</u> <u>2016/17</u> <u>DKK'000</u>	<u>Outstanding</u> <u>after 5 years</u> <u>DKK'000</u>
15. Long-term liabilities other than provisions				
Mortgage debts	0	1.061	0	0
Finance lease liabilities	548	918	0	0
Other payables	<u>1.072</u>	<u>1.252</u>	<u>7.204</u>	<u>0</u>
	<u>1.620</u>	<u>3.231</u>	<u>7.204</u>	<u>0</u>

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. At this point 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 the financial year 2013 for income taxes etc for the jointly taxed entities and from 1 July 2012 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 years 2017 - 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 896k within year 1. There are no obligations after 2 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 23.323k.

Bank warranties regarding customers amounting to DKK 334,9k 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, share owner.
- Altor Fund IV (No. 2) AB, Stockholm, share owner.
- Altor Fund IV Holding AB, Stockholm, share owner.
- Tresu Group Holding A/S, CVR-nr. 37752088, Bjert, share owner.
- Tresu Investment Holding A/S, CVR-nr.37553727, Bjert, share owner.
- Tresu Investment A/S, CVR-nr. 33078897, Bjert, share owner.

21. Transaction with related parties

	<u>2016/17</u> <u>DKK'000</u>	<u>2015/16</u> <u>DKK'000</u>
Group		
Financial expenses to group enterprises	248	1.789
Receivables from group enterprises	278	0
Payables to group enterprises	12.450	17.021
Parent		
Sale of goods to group enterprises	27.092	40.212
Purchase of goods from group enterprises	11.336	7.027
Financial income from group enterprises	286	453
Financial expenses to group enterprises	344	1.987
Receivables from group enterprises	6.188	11.435
Payables to group enterprises	17.876	20.576

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 A/S, CVR-nr. 33078897, Eegsvej 14-16, 6091 Bjert.