

## **L.P. WEIDEMANN A/S**

Bjerggade 4K

6200 Aabenraa

Central Business Registration No

18706946

## **Annual report 2016**

The Annual General Meeting adopted the annual report on 29.05.2017

### **Chairman of the General Meeting**

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Name: Ines Santos

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## Entity details

### Entity

L.P. WEIDEMANN A/S  
Bjerggade 4K  
6200 Aabenraa

Central Business Registration No: 18706946

Registered in: Aabenraa

Financial year: 01.01.2016 - 31.12.2016

### Board of Directors

Manuel Filipe Alves De Sousa de Araujo Serra  
Pedro Américo Violas de Oliveira e Sá  
Carlos Manuel Gomes da Silva  
Manuel Soares De Oliveira Violas

### Executive Board

Manuel Filipe Alves De Sousa de Araujo Serra, Chief Executive Officer

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of L.P. WEIDEMANN A/S for the financial year 01.01.2016 - 31.12.2016.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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.

Aabenraa, 29.05.2017

### Executive Board

Manuel Filipe Alves De Sousa  
de Araujo Serra  
Chief Executive Officer

### Board of Directors

Manuel Filipe Alves De Sousa  
de Araujo Serra

Pedro Américo Violas de Oliveira  
e Sä

Carlos Manuel Gomes da Silva

Manuel Soares De Oliveira  
Violas

# Independent auditor's report

## To the shareholders of L.P. WEIDEMANN A/S

### Opinion

We have audited the financial statements of L.P. WEIDEMANN A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity 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 financial statements

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

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

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

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

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:

## Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### **Statement on the management commentary**

Management is responsible for the management commentary.

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

## Independent auditor's report

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

Aarhus, 29.05.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Henrik Buch

State Authorised Public Accountant

## Management commentary

### Primary activities

The Company's main activity consists of trade in natural and synthetic baler twines.

### Development in activities and finances

The Company's Management considers the loss for the year, DKK (1,346) unsatisfactory. With the loss for the year equity accounts to (712) K DKK at 31/12-2016. Management expects that the company will show a profit in the coming years and thereby re-establish the share capital.

The Company has received a letter of indemnity from the Parent which states that the Parent shall grant sufficient financial support in order to enable the Company to pay its liabilities and commitments as they fall due. The letter of indemnity is valid until the approval of the Company's annual report for 2017.

### 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.



## Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
<b>Gross profit</b>		<b>1.988.230</b>	<b>(866.810)</b>
Distribution costs	1	(2.228.273)	(2.172.488)
Administrative costs	1	<u>(816.339)</u>	<u>(1.036.334)</u>
<b>Operating profit/loss</b>		<b>(1.056.382)</b>	<b>(4.075.632)</b>
Other financial income		234.411	296.982
Financial expenses from group enterprises		(280.107)	(633.642)
Other financial expenses		<u>(243.805)</u>	<u>(322.640)</u>
<b>Profit/loss before tax</b>		<b>(1.345.883)</b>	<b>(4.734.932)</b>
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
<b>Profit/loss for the year</b>		<b><u>(1.345.883)</u></b>	<b><u>(4.734.932)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>(1.345.883)</u>	<u>(4.734.932)</u>
		<b><u>(1.345.883)</u></b>	<b><u>(4.734.932)</u></b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Other fixtures and fittings, tools and equipment		9.113	0
<b>Property, plant and equipment</b>		<b>9.113</b>	<b>0</b>
Other receivables		24.341	1.000
<b>Fixed asset investments</b>		<b>24.341</b>	<b>1.000</b>
<b>Fixed assets</b>		<b>33.454</b>	<b>1.000</b>
Raw materials and consumables		2.792.597	3.805.244
<b>Inventories</b>		<b>2.792.597</b>	<b>3.805.244</b>
Trade receivables		2.366.548	586.968
Other receivables		48.601	316.089
Prepayments		18.476	0
<b>Receivables</b>		<b>2.433.625</b>	<b>903.057</b>
<b>Cash</b>		<b>163.116</b>	<b>674.050</b>
<b>Current assets</b>		<b>5.389.338</b>	<b>5.382.351</b>
<b>Assets</b>		<b>5.422.792</b>	<b>5.383.351</b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		600.000	805.000
Retained earnings		<u>(1.311.901)</u>	<u>(4.771.018)</u>
<b>Equity</b>		<b><u>(711.901)</u></b>	<b><u>(3.966.018)</u></b>
Prepayments received from customers		186.559	131.992
Trade payables		217.589	151.015
Payables to group enterprises		4.923.375	8.498.683
Other payables	2	<u>807.170</u>	<u>567.679</u>
<b>Current liabilities other than provisions</b>		<b><u>6.134.693</u></b>	<b><u>9.349.369</u></b>
<b>Liabilities other than provisions</b>		<b><u>6.134.693</u></b>	<b><u>9.349.369</u></b>
<b>Equity and liabilities</b>		<b><u>5.422.792</u></b>	<b><u>5.383.351</u></b>
Group relations	3		

## Statement of changes in equity for 2016

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	805.000	(4.771.018)	(3.966.018)
Increase of capital	100.000	4.500.000	4.600.000
Decrease of capital	(305.000)	305.000	0
Profit/loss for the year	0	(1.345.883)	(1.345.883)
<b>Equity end of year</b>	<b>600.000</b>	<b>(1.311.901)</b>	<b>(711.901)</b>

## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	1.082.912	1.025.004
Pension costs	7.862	21.384
Other staff costs	613.829	490.489
	<b>1.704.603</b>	<b>1.536.877</b>

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Other payables</b>		
Wages and salaries, personal income taxes, social security costs, etc payable	124.995	78.423
Other costs payable	682.175	489.256
	<b>807.170</b>	<b>567.679</b>

### 3. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Violas, SGPS, S.A., Portugal

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Cotesi – Companhia de Têxteis Sintéticos, S.A., Portugal.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these 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.

### 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 rate 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.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue and production costs.

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

## Accounting policies

### Production costs

Production costs comprise cost of sales for the financial year, including ordinary write-down of inventories and other costs incurred to earn revenue for the financial year, including wages and salaries as well as amortisation, depreciation and impairment losses relating to property, plant and equipment.

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### 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 for property, plant and equipment attached to the distribution process.

### Administrative costs

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationary and office supplies as well as amortisation, depreciation and impairment losses for property, plant and equipment used for administration of the Entity.

### Other financial income

Other financial income comprises interest income, net capital gains on payables and foreign currency transactions, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

### Other financial expenses

Other financial expenses comprise interest expenses, net capital losses on payables and foreign currency transactions, 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.

### Balance sheet

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

## Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment 2-3 years

Estimated useful lives and residual values are reassessed annually.

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

### Receivables

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

### Inventories

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

Cost consists of purchase price plus delivery costs.

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

### Prepayments

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

### Cash

Cash comprises cash in hand and bank deposits.

### 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.