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L.P. WEIDEMANN A/S
Bjerggade 4 K
6200 Aabenraa
Business Registration No
18706946

Annual report 2017

The Annual General Meeting adopted the annual report on 12.04.2018

Chairman of the General Meeting

Name: Ines Santos

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Entity details

Entity

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

Central Business Registration No (CVR): 18706946
Registered in: Aabenraa
Financial year: 01.01.2017 - 31.12.2017

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 01.01.2017 - 31.12.2017.

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

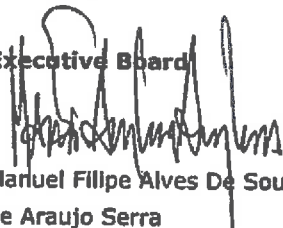
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

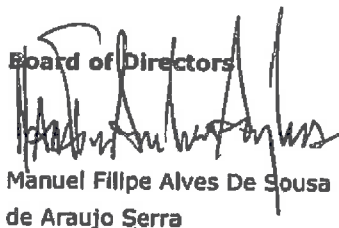
Aabenraa, 12.04.2018

Executive Board

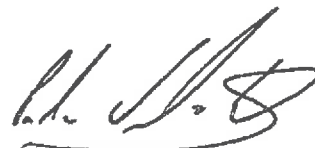


Manuel Filipe Alves De Sousa
de Araujo Serra
Chief Executive Officer

Board of Directors



Manuel Filipe Alves De Sousa
de Araujo Serra



Pedro Américo Violas de
Oliveira e Sá



Carlos Manuel Gomes da Silva



Manuel Soares De Oliveira
Violas

Independent auditor's reports

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

Report on extended review of the financial statements

We have performed an extended review of the financial statements of L.P. WEIDEMANN A/S for the financial year 01.01.2017 - 31.12.2017. The financial statements, which comprise the Income statement, balance sheet, statement of changes in equity, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

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.

Independent auditor's reports

In connection with our extended review 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 extended review 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 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, 12.04.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556



Henrik Buch

State Authorised Public Accountant
Identification No (MNE) mne19714

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, (1,163K) DKK unsatisfactory. With the loss for the year equity accounts to (1,875K) DKK at 31/12-2017. Management expects that a debt conversion will be approved after which the share capital will be re-established.

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 2018.

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 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Gross profit		1.037.683	1.988.234
Distribution costs	1	(1.096.310)	(2.228.273)
Administrative expenses	1	<u>(938.204)</u>	<u>(816.343)</u>
Operating profit/loss		(996.831)	(1.056.382)
Other financial income		(3.029)	234.411
Financial expenses from group enterprises		(149.348)	(280.107)
Other financial expenses		<u>(14.078)</u>	<u>(243.805)</u>
Profit/loss before tax		(1.163.286)	(1.345.883)
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		(1.163.286)	(1.345.883)
Proposed distribution of profit/loss			
Retained earnings		<u>(1.163.286)</u>	<u>(1.345.883)</u>
		(1.163.286)	(1.345.883)

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Other fixtures and fittings, tools and equipment		12.326	9.113
Property, plant and equipment		<u>12.326</u>	<u>9.113</u>
Other receivables		0	24.341
Fixed asset investments		<u>0</u>	<u>24.341</u>
Fixed assets		<u>12.326</u>	<u>33.454</u>
Raw materials and consumables		2.581.769	2.792.597
Inventories		<u>2.581.769</u>	<u>2.792.597</u>
Trade receivables		181.456	2.366.548
Other receivables		20.160	48.601
Prepayments		20.693	18.476
Receivables		<u>222.309</u>	<u>2.433.625</u>
Cash		<u>456.290</u>	<u>163.116</u>
Current assets		<u>3.260.368</u>	<u>5.389.338</u>
Assets		<u>3.272.694</u>	<u>5.422.792</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK</u>
Contributed capital		600.000	600.000
Retained earnings		<u>(2.475.187)</u>	<u>(1.311.901)</u>
Equity		<u>(1.875.187)</u>	<u>(711.901)</u>
Prepayments received from customers		0	186.559
Trade payables		686.012	217.589
Payables to group enterprises		4.393.127	4.923.375
Other payables	2	<u>68.742</u>	<u>807.170</u>
Current liabilities other than provisions		<u>5.147.881</u>	<u>6.134.693</u>
Liabilities other than provisions		<u>5.147.881</u>	<u>6.134.693</u>
Equity and liabilities		<u>3.272.694</u>	<u>5.422.792</u>
Group relations	3		

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	600.000	(1.311.901)	(711.901)
Profit/loss for the year	0	(1.163.286)	(1.163.286)
Equity end of year	600.000	(2.475.187)	(1.875.187)

Notes

	2017	2016
	DKK	DKK
1. Staff costs		
Wages and salaries	766.341	1.082.912
Pension costs	39.843	7.862
Other staff costs	392.004	613.829
	<u>1.198.188</u>	<u>1.704.603</u>
Average number of employees	<u>4</u>	<u>4</u>

	2017	2016
	DKK	DKK
2. Other payables		
VAT and duties	(202.063)	0
Wages and salaries, personal income taxes, social security costs, etc payable	117.801	124.995
Other costs payable	153.004	682.175
	<u>68.742</u>	<u>807.170</u>

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 Têxtels 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
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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.