

Novatech Denmark A/S

Industrivej 2

6690 Gørding

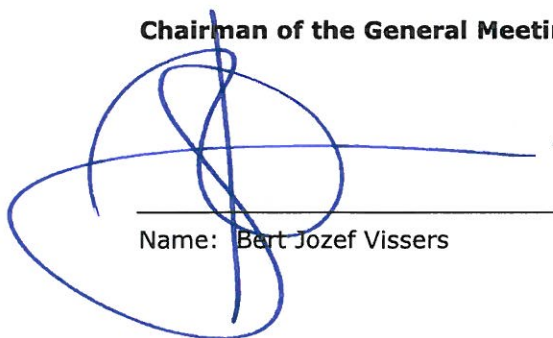
Business Registration No

20229136

Annual report 2018

The Annual General Meeting adopted the annual report on 21.05.2019

Chairman of the General Meeting



Name: Bert Jozef Vissers

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2018	7
Balance sheet at 31.12.2018	8
Statement of changes in equity for 2018	10
Notes	11
Accounting policies	13

Entity details

Entity

Novatech Denmark A/S

Industrivej 2

6690 Gørding

Central Business Registration No (CVR): 20229136

Registered in: Esbjerg

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Bert Jozef Vissers

Marjan Vermeulen

Hans Jørgen Torborg Jensen

Walter Joanna J Vandenbulcke

Executive Board

Kristian Sønderby Voss

Entity auditors

BDO Statsautoriseret Revisionspartnerselskab

Bavnehøj 6

6700 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Novatech Denmark A/S for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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.

Gørding, 19.03.2019

Executive Board


Kristian Sønderby Voss

Board of Directors


Bert Jozef Vissers


Walter Joanna J.
Vandenbulcke


Marjan Vermeulen


Hans Jørgen Torborg Jensen

Independent auditor's report

To the shareholders of Novatech Denmark A/S

Opinion

We have audited the financial statements of Novatech Denmark A/S for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.

Esbjerg, 19.03.2019

BDO

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 20222670



Flemming Bro Lund

State Authorised Public Accountant

Identification No (MNE) mne31433

Management commentary

Primary activities

The company's main activity is to import, market and sell Tec7, Novatio, Top-Tek and Omega maintenance products.

Development in activities and finances

The profit for the year was DKK 199k where the profit for 2017 was DKK 458k. The profit for the year is considered satisfying.

At the end of 2018 Novatech Denmark ApS merged with Top-Tek A/S (With Top-Tek A/S as the surviving company), changing name to Novatech Denmark A/S. The merger has effect from January 1, 2018. As a result of the merger the comparative figures are restated.

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 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Gross profit		10.883.648	11.961.692
Staff costs	1	(10.388.534)	(11.121.155)
Depreciation, amortisation and impairment losses	2	<u>(155.988)</u>	<u>(139.823)</u>
Operating profit/loss		339.126	700.714
Other financial income		9.474	5.217
Financial expenses from group enterprises		(71.348)	0
Other financial expenses		<u>(37.267)</u>	<u>(114.738)</u>
Profit/loss before tax		239.985	591.193
Tax on profit/loss for the year	3	<u>(41.334)</u>	<u>(133.000)</u>
Profit/loss for the year		<u>198.651</u>	<u>458.193</u>
Proposed distribution of profit/loss			
Retained earnings		<u>198.651</u>	<u>458.193</u>
		<u>198.651</u>	<u>458.193</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Other fixtures and fittings, tools and equipment		155.997	311.985
Property, plant and equipment	4	155.997	311.985
Deposits		484.380	475.000
Fixed asset investments		484.380	475.000
Fixed assets		640.377	786.985
Manufactured goods and goods for resale		3.926.976	4.100.974
Prepayments for goods		89.245	57.216
Inventories		4.016.221	4.158.190
Trade receivables		2.657.956	2.062.625
Deferred tax		1.000	166.000
Other receivables		0	53.300
Prepayments		266.694	88.651
Receivables		2.925.650	2.370.576
Cash		376.211	6.180
Current assets		7.318.082	6.534.946
Assets		7.958.459	7.321.931

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		1.000.000	125.000
Retained earnings		1.381.955	2.058.304
Equity		<u>2.381.955</u>	<u>2.183.304</u>
Bank loans		1.016.869	1.570.514
Trade payables		426.680	330.899
Payables to group enterprises		1.571.348	531.229
Income tax payable		49.000	114.000
Other payables		2.512.607	2.591.985
Current liabilities other than provisions		<u>5.576.504</u>	<u>5.138.627</u>
Liabilities other than provisions		<u>5.576.504</u>	<u>5.138.627</u>
Equity and liabilities		<u>7.958.459</u>	<u>7.321.931</u>
Unrecognised rental and lease commitments	5		
Assets charged and collateral	6		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	920.603	1.420.603
Effect of mergers and business combinations	500.000	262.701	762.701
Profit/loss for the year	0	198.651	198.651
Equity end of year	1.000.000	1.381.955	2.381.955

Notes

	2018	2017
	DKK	DKK
1. Staff costs		
Wages and salaries	9.803.466	10.520.595
Pension costs	536.985	504.560
Other staff costs	48.083	96.000
	10.388.534	11.121.155
Average number of employees	20	20
	2018	2017
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	155.988	139.823
	155.988	139.823
	2018	2017
	DKK	DKK
3. Tax on profit/loss for the year		
Current tax	(123.666)	114.000
Change in deferred tax	165.000	19.000
	41.334	133.000

Notes

	Other fixtures and fittings, tools and equipment DKK	
	<u>2018</u>	<u>2017</u>
	DKK	DKK
4. Property, plant and equipment		
Cost beginning of year	1.514.940	
Disposals	<u>(20.083)</u>	
Cost end of year	<u>1.494.857</u>	
Depreciation and impairment losses beginning of year	(1.202.955)	
Depreciation for the year	(155.988)	
Reversal regarding disposals	<u>20.083</u>	
Depreciation and impairment losses end of year	<u>(1.338.860)</u>	
Carrying amount end of year		<u>155.997</u>
	<u>2018</u>	<u>2017</u>
	DKK	DKK
5. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	<u>461.909</u>	<u>150.751</u>

In addition to the liabilities above the company has entered into a lease with an annual rent of DKK 484.380. The lease can not be terminated until 1/8 2019. The lease can then be terminated with 3 months notice.

6. Assets charged and collateral

Mortgage debt is secured by way of mortgage on plant and machinery as well as other fixtures, receivables and inventory of DKK 6.500k. The carrying amount on plant and machinery as well as goodwill, other fixtures, receivables and inventory is DKK 6.717k.

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.

Business combinations

The uniting-of-interests method is applied on mergers etc where the enterprises concerned are controlled by the Parent. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity. The comparative figures are restated.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

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.

Cost of sales

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

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables

Accounting policies

and transactions in foreign currencies, 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, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, 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.

Balance sheet

Property, plant and equipment

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

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

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	3-10s years
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Items of property, plant and equipment 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.

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 writedowns for bad and doubtful debts.

Accounting policies

Deferred tax

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

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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.

Income tax receivable or payable

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

