

Waskonig & Walter Danmark ApS

Kokholm 12
6000 Kolding
Business Registration No
20848111

Annual report 2018

The Annual General Meeting adopted the annual report on 14.03.2019

Chairman of the General Meeting

Name: Brian Kidmose Jensen

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Entity details

Entity

Waskonig & Walter Danmark ApS
Kokholm 12
6000 Kolding

Central Business Registration No (CVR): 20848111

Registered in: Kolding

Financial year: 01.01.2018 - 31.12.2018

Executive Board

Brian Kidmose Jensen
Jörg Waskönig
Michael Waskönig

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Waskonig & Walter Danmark ApS 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.

Kolding, 14.03.2019

Executive Board

Brian Kidmose Jensen

Jörg Waskönig

Michael Waskönig

Independent auditor's extended review report

To the shareholders of Waskonig & Walter Danmark ApS

Conclusion

We have performed an extended review of the financial statements of Waskonig & Walter Danmark ApS 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 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 conclusion

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. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity in accordance with the International Ethics Standards Board for 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

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

Independent auditor's extended review report

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.

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 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 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.

Copenhagen, 14.03.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Jan Larsen

State Authorised Public Accountant

Identification No (MNE) mne16541

Management commentary

Primary activities

The Company's activities consist of import and resale of cables and wires.

Development in activities and finances

Loss for the year amounts to DKK 452 thousands while equity amounts to DKK 25,713 thousand.

The Executive Board considers the development in this years performance unsatisfactory.

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 | | 2.438.966 | 3.178.549 |
| Staff costs | 1 | (2.483.602) | (2.991.181) |
| Depreciation, amortisation and impairment losses | 2 | <u>(219.166)</u> | <u>(383.398)</u> |
| Operating profit/loss | | (263.802) | (196.030) |
| Income from investments in group enterprises | | (15.586) | 2.873.554 |
| Other financial expenses | 3 | <u>(236.608)</u> | <u>(56.975)</u> |
| Profit/loss before tax | | (515.996) | 2.620.549 |
| Tax on profit/loss for the year | 4 | <u>64.249</u> | <u>30.500</u> |
| Profit/loss for the year | | <u>(451.747)</u> | <u>2.651.049</u> |
| Proposed distribution of profit/loss | | | |
| Ordinary dividend for the financial year | | 0 | 18.625.000 |
| Transferred to reserve for net revaluation according to the equity method | | (392.502) | 392.502 |
| Retained earnings | | <u>(59.245)</u> | <u>(16.366.453)</u> |
| | | <u>(451.747)</u> | <u>2.651.049</u> |

Balance sheet at 31.12.2018

| | <u>Notes</u> | <u>2018 DKK</u> | <u>2017 DKK</u> |
|--------------------------------------------------|--------------|---------------------|---------------------|
| Land and buildings | | 5.954.502 | 6.046.359 |
| Other fixtures and fittings, tools and equipment | | 272.587 | 367.896 |
| Property, plant and equipment | 5 | 6.227.089 | 6.414.255 |
| Investments in group enterprises | | 0 | 14.978.502 |
| Fixed asset investments | 6 | 0 | 14.978.502 |
| Fixed assets | | 6.227.089 | 21.392.757 |
| Manufactured goods and goods for resale | | 13.549.147 | 15.181.722 |
| Inventories | | 13.549.147 | 15.181.722 |
| Trade receivables | | 11.068.147 | 8.209.165 |
| Receivables from group enterprises | | 37.715 | 0 |
| Other receivables | | 28.500 | 46.200 |
| Joint taxation contribution receivable | | 0 | 2.446.000 |
| Prepayments | | 129.128 | 128.308 |
| Receivables | | 11.263.490 | 10.829.673 |
| Cash | | 1.077.692 | 7.733.070 |
| Current assets | | 25.890.329 | 33.744.465 |
| Assets | | 32.117.418 | 55.137.222 |

Balance sheet at 31.12.2018

| | <u>Notes</u> | <u>2018 DKK</u> | <u>2017 DKK</u> |
|------------------------------------------------------------|--------------|--------------------------|--------------------------|
| Contributed capital | | 2.500.000 | 2.500.000 |
| Reserve for net revaluation according to the equity method | | 0 | 392.502 |
| Retained earnings | | 23.281.921 | 23.341.166 |
| Proposed dividend | | 0 | 18.625.000 |
| Equity | | <u>25.781.921</u> | <u>44.858.668</u> |
| Deferred tax | | 467.000 | 559.000 |
| Provisions | | <u>467.000</u> | <u>559.000</u> |
| Income tax payable | | 0 | 1.451.500 |
| Non-current liabilities other than provisions | | <u>0</u> | <u>1.451.500</u> |
| Bank loans | | 75 | 0 |
| Trade payables | | 2.335.991 | 3.870.752 |
| Payables to group enterprises | | 0 | 1.019.683 |
| Other payables | | 3.532.431 | 3.377.619 |
| Current liabilities other than provisions | | <u>5.868.497</u> | <u>8.268.054</u> |
| Liabilities other than provisions | | <u>5.868.497</u> | <u>9.719.554</u> |
| Equity and liabilities | | <u>32.117.418</u> | <u>55.137.222</u> |
| Unrecognised rental and lease commitments | 7 | | |
| Assets charged and collateral | 8 | | |

Statement of changes in equity for 2018

| | Contributed capital DKK | Reserve for net revaluation according to the equity method DKK | Retained earnings DKK | Proposed dividend DKK |
|---------------------------|----------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Equity beginning of year | 2.500.000 | 392.502 | 23.341.166 | 18.625.000 |
| Ordinary dividend paid | 0 | 0 | 0 | (18.625.000) |
| Profit/loss for the year | 0 | (392.502) | (59.245) | 0 |
| Equity end of year | 2.500.000 | 0 | 23.281.921 | 0 |
| | | | | Total DKK |
| Equity beginning of year | | | | 44.858.668 |
| Ordinary dividend paid | | | | (18.625.000) |
| Profit/loss for the year | | | | (451.747) |
| Equity end of year | | | | 25.781.921 |

Notes

| | 2018 | 2017 |
|------------------------------------------------------------------------------|------------------|------------------|
| | DKK | DKK |
| 1. Staff costs | | |
| Wages and salaries | 2.184.433 | 2.792.119 |
| Pension costs | 221.960 | 120.529 |
| Other social security costs | 32.855 | 39.273 |
| Other staff costs | 44.354 | 39.260 |
| | 2.483.602 | 2.991.181 |
| | | |
| Average number of employees | 5 | |
| | | |
| | 2018 | 2017 |
| | DKK | DKK |
| 2. Depreciation, amortisation and impairment losses | | |
| Depreciation of property, plant and equipment | 228.695 | 379.209 |
| Profit/loss from sale of intangible assets and property, plant and equipment | (9.529) | 4.189 |
| | 219.166 | 383.398 |
| | | |
| | 2018 | 2017 |
| | DKK | DKK |
| 3. Other financial expenses | | |
| Financial expenses from group enterprises | 200.787 | 30.040 |
| Other interest expenses | 23.525 | 17.376 |
| Other financial expenses | 12.296 | 9.559 |
| | 236.608 | 56.975 |
| | | |
| | 2018 | 2017 |
| | DKK | DKK |
| 4. Tax on profit/loss for the year | | |
| Current tax | 0 | 1.451.500 |
| Change in deferred tax | (92.000) | 964.000 |
| Adjustment concerning previous years | 27.751 | 0 |
| Refund in joint taxation arrangement | 0 | (2.446.000) |
| | (64.249) | (30.500) |

Notes

| | Land and buildings DKK | Other fixtures and fittings, tools and equipment DKK |
|----------------------------------------------------------------------|---------------------------------------|---------------------------------------------------------------------------------|
| 5. Property, plant and equipment | | |
| Cost beginning of year | 10.915.116 | 1.293.541 |
| Additions | 50.000 | 0 |
| Disposals | 0 | (25.408) |
| Cost end of year | <u>10.965.116</u> | <u>1.268.133</u> |
| Depreciation and impairment losses beginning of year | (4.868.757) | (925.645) |
| Depreciation for the year | (141.857) | (86.838) |
| Reversal regarding disposals | 0 | 16.937 |
| Depreciation and impairment losses end of year | <u>(5.010.614)</u> | <u>(995.546)</u> |
| Carrying amount end of year | <u>5.954.502</u> | <u>272.587</u> |
| 6. Fixed asset investments | | |
| Cost beginning of year | | 14.586.000 |
| Disposals | | (14.586.000) |
| Cost end of year | | <u>0</u> |
| Revaluations beginning of year | | 392.502 |
| Reversal regarding disposals | | (392.502) |
| Revaluations end of year | | <u>0</u> |
| Carrying amount end of year | | <u>0</u> |
| | 2018 | 2017 |
| | DKK | DKK |
| 7. Unrecognised rental and lease commitments | | |
| Liabilities under rental or lease agreements until maturity in total | <u>38.000</u> | <u>0</u> |

Notes

8. Assets charged and collateral

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on properties of DKK 10,000k nominal.

The carrying amount of mortgaged properties is DKK 5,955k.

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.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales 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 comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of property, plant and equipment.

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 intra-group profits or losses.

Accounting policies

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 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

Land and buildings 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.

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:

| | |
|--------------------------------------------------|------------|
| Warehouse and office buildings | 50 years |
| Warehouse paving | 10 years |
| Other fixtures and fittings, tools and equipment | 3-10 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.

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 unrealised intra-group profits or losses.

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.

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 writedowns for bad and doubtful debts.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises 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.

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 or the planned settlement of each liability.

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.

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.