

**Waskönig & Walter  
Danmark ApS**  
Kokholm 12  
6000 Kolding  
Central Business Registration No  
20848111

## **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: Brian Kidmose Jensen

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## Entity details

### Entity

Waskönig & Walter Danmark ApS  
Kokholm 12  
6000 Kolding

Central Business Registration No: 20848111

Registered in: Kolding

Financial year: 01.01.2016 - 31.12.2016

### Executive Board

Michael Waskönig  
Jörg Waskönig  
Brian Kidmose Jensen

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
P.O. Box 1600  
0900 Copenhagen C

## Statement by Management on the annual report

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

Kolding, 29.05.2017

### Executive Board

Michael Waskönig

Jörg Waskönig

Brian Kidmose Jensen

## Independent auditor's reports

### **To the shareholders of Waskönig & Walter Danmark ApS**

#### **Report on extended review of the financial statements**

We have performed an extended review of the financial statements of Waskönig & Walter Danmark ApS for the financial year 01.01.2016 - 31.12.2016. The financial statements, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes, 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 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 assets, liabilities and 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.

#### **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.

Copenhagen, 29.05.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Jan Larsen

State Authorised Public Accountant

## Management commentary

### Primary activities

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

### Development in activities and finances

Loss for the year amounts to DKK 1,819 thousand while equity amounts to DKK 42,208 thousand.

The result for the year has been impacted by an extraordinary revaluation of the Company's inventories of approx. DKK 2.2 million due to lack of turnover or demand for some of the company's products.

The Executive Board considers the development in this year's 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 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
<b>Gross loss</b>	1	<b>(297.049)</b>	<b>3.643.276</b>
Staff costs	2	(2.375.226)	(4.210.924)
Depreciation, amortisation and impairment losses	3	<u>(273.432)</u>	<u>(685.177)</u>
<b>Operating profit/loss</b>		<b>(2.945.707)</b>	<b>(1.252.825)</b>
Income from investments in group enterprises		385.468	569.257
Other financial income	4	1.406	41.944
Other financial expenses	5	<u>(8.803)</u>	<u>(8.258)</u>
<b>Profit/loss before tax</b>		<b>(2.567.636)</b>	<b>(649.882)</b>
Tax on profit/loss for the year	6	<u>748.526</u>	<u>353.200</u>
<b>Profit/loss for the year</b>		<b><u>(1.819.110)</u></b>	<b><u>(296.682)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>(1.819.110)</u>	<u>(296.682)</u>
		<b><u>(1.819.110)</u></b>	<b><u>(296.682)</u></b>



## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Land and buildings		12.685.935	13.061.563
Other fixtures and fittings, tools and equipment		219.519	737.073
<b>Property, plant and equipment</b>	7	<b><u>12.905.454</u></b>	<b><u>13.798.636</u></b>
Investments in group enterprises		12.104.948	11.719.480
<b>Fixed asset investments</b>	8	<b><u>12.104.948</u></b>	<b><u>11.719.480</u></b>
<b>Fixed assets</b>		<b><u>25.010.402</u></b>	<b><u>25.518.116</u></b>
Manufactured goods and goods for resale		14.170.246	15.737.842
<b>Inventories</b>		<b><u>14.170.246</u></b>	<b><u>15.737.842</u></b>
Trade receivables		7.879.894	6.722.773
Receivables from group enterprises		0	1.449.297
Deferred tax		405.000	0
Income tax receivable		0	33.317
Joint taxation contribution receivable		11.700	0
<b>Receivables</b>		<b><u>8.296.594</u></b>	<b><u>8.205.387</u></b>
<b>Cash</b>		<b><u>1.208.294</u></b>	<b><u>1.410.201</u></b>
<b>Current assets</b>		<b><u>23.675.134</u></b>	<b><u>25.353.430</u></b>
<b>Assets</b>		<b><u>48.685.536</u></b>	<b><u>50.871.546</u></b>

## Balance sheet at 31.12.2016

<u>Notes</u>	<u>2016</u> <u>DKK</u>	<u>2015</u> <u>DKK</u>
Contributed capital	2.500.000	2.500.000
Retained earnings	39.707.619	41.526.729
<b>Equity</b>	<b>42.207.619</b>	<b>44.026.729</b>
Deferred tax	0	286.800
Other provisions	132.300	0
<b>Provisions</b>	<b>132.300</b>	<b>286.800</b>
Trade payables	2.891.335	2.204.050
Payables to group enterprises	43.422	0
Other payables	3.410.860	4.353.967
<b>Current liabilities other than provisions</b>	<b>6.345.617</b>	<b>6.558.017</b>
<b>Liabilities other than provisions</b>	<b>6.345.617</b>	<b>6.558.017</b>
<b>Equity and liabilities</b>	<b>48.685.536</b>	<b>50.871.546</b>

Contingent liabilities

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## Statement of changes in equity for 2016

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity beginning of year	2.500.000	41.526.729	44.026.729
Profit/loss for the year	0	(1.819.110)	(1.819.110)
<b>Equity end of year</b>	<b><u>2.500.000</u></b>	<b><u>39.707.619</u></b>	<b><u>42.207.619</u></b>

## Notes

### 1. Gross loss

The gross loss for the year has been impacted by an extraordinary revaluation of the Company's inventories of approx. DKK 2.2 million due to lack of turnover or demand for some of the company's products.

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Staff costs</b>		
Wages and salaries	2.158.750	4.013.263
Pension costs	127.869	114.075
Other social security costs	39.848	59.505
Other staff costs	48.759	24.081
	<b>2.375.226</b>	<b>4.210.924</b>
Average number of employees	<b>5</b>	

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	508.432	685.177
Profit/loss from sale of intangible assets and property, plant and equipment	(235.000)	0
	<b>273.432</b>	<b>685.177</b>

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>4. Other financial income</b>		
Financial income arising from group enterprises	1.406	40.989
Other financial income	0	955
	<b>1.406</b>	<b>41.944</b>

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>5. Other financial expenses</b>		
Interest expenses	429	0
Other financial expenses	8.374	8.258
	<b>8.803</b>	<b>8.258</b>

## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
	<u>                    </u>	<u>                    </u>
<b>6. Tax on profit/loss for the year</b>		
Change in deferred tax for the year	(691.800)	(353.200)
Adjustment concerning previous years	(45.026)	0
Refund in joint taxation arrangement	(11.700)	0
	<u><b>(748.526)</b></u>	<u><b>(353.200)</b></u>
	<b>Land and</b>	<b>Other</b>
	<b>buildings</b>	<b>fixtures and</b>
	<b>DKK</b>	<b>fittings,</b>
	<u>                    </u>	<b>tools and</b>
		<b>equipment</b>
		<b>DKK</b>
		<u>                    </u>
<b>7. Property, plant and equipment</b>		
Cost beginning of year	20.050.802	2.776.475
Additions	0	84.415
Disposals	0	(1.508.835)
<b>Cost end of year</b>	<u><b>20.050.802</b></u>	<u><b>1.352.055</b></u>
Depreciation and impairment losses beginning of the year	(6.989.239)	(2.039.402)
Depreciation for the year	(375.628)	(132.804)
Reversal regarding disposals	0	1.039.670
<b>Depreciation and impairment losses end of the year</b>	<u><b>(7.364.867)</b></u>	<u><b>(1.132.536)</b></u>
<b>Carrying amount end of year</b>	<u><b>12.685.935</b></u>	<u><b>219.519</b></u>
		<b>Investments</b>
		<b>in group</b>
		<b>enterprises</b>
		<b>DKK</b>
		<u>                    </u>
<b>8. Fixed asset investments</b>		
Cost beginning of year		14.586.000
<b>Cost end of year</b>		<u><b>14.586.000</b></u>
Impairment losses beginning of year		(2.866.520)
Share of profit/loss for the year		385.468
<b>Impairment losses end of year</b>		<u><b>(2.481.052)</b></u>
<b>Carrying amount end of year</b>		<u><b>12.104.948</b></u>

## Notes

### **9. Contingent liabilities**

The Company serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 01.07.2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

## 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 enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### 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.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and other external expenses.

## Accounting policies

### 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

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as 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.

### 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 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 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.



## Accounting policies

The Entity is jointly taxed with all Danish consolidated enterprises. 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

#### 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 unamortised goodwill and 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. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

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

## Accounting policies

### Receivables

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

### 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 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.

### Income tax payable or receivable

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

### Cash

Cash comprises bank deposits.

### Other provisions

Other provisions comprise loss on contracts in progress.

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.

### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.