

Scan-Thor Holding ApS

Poppelvej 1
7400 Herning
Denmark

CVR no. 20 97 78 41

Annual report 2017/18

The annual report was presented and approved at
the Company's annual general meeting on

3 July 2018

Frederik Gottorp Thor
chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Scan-Thor Holding ApS for the financial year 1 March 2017 – 28 February 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 28 February 2018 and of the results of the Company's operations for the financial year 1 March 2017 – 28 February 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Herning, 3 July 2018
Executive Board:

Frederik Gottorp Thor

Christian Gottorp Thor
Larsen

Board of Directors:

Frederik Gottorp Thor
Chairman

Robert Wagner
Vice-Chairman

Michael Dumke

Christian Gottorp Thor
Larsen



Independent auditor's report

To the shareholders of Scan-Thor Holding ApS

Opinion

We have audited the financial statements of Scan-Thor Holding ApS for the financial year 1 March 2017 – 28 February 2018 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 28 February 2018 and of the results of the Company's operations for the financial year 1 March 2017 – 28 February 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 the 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 our report. We are independent of the Company 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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

- identify and assess the risks of material misstatement of the company 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.



Independent auditor's report

- 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 Company'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 Company'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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review 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's review.

Aarhus, 3 July 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Michael E. K. Rasmussen
State Authorised
Public Accountant
MNE no. 41364

Scan-Thor Holding ApS
Annual report 2017/18
CVR no. 20 97 78 41

Management's review

Company details

Scan-Thor Holding ApS
Poppelvej 1
7400 Herning
Denmark

CVR no.:	20 97 78 41
Established:	31 March 1998
Registered office:	Herning
Financial year:	1 March – 28 February

Board of Directors

Frederik Gottorp Thor, Chairman
Robert Wagner, Vice-Chairman
Michael Dumke
Christian Gottorp Thor Larsen

Executive Board

Frederik Gottorp Thor
Christian Gottorp Thor Larsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V
Denmark

Management's review

Operating review

Principal activities

The Company's principal activity is to carry out investment and finance activities.

Development in activities and financial position

Profit for the financial year 2017/18 came in at DKK 4,675 thousand as against a profit of DKK 4,473 thousand in 2016/17.

The profit for the year is considered satisfactory and exceeds expectations from last year.

For 2018/19, results are expected to be in line with 2017/18.

Events after the balance sheet date

There have been no events after the financial year that have a significant impact on the financial statements.

Financial statements 1 March – 28 February

Income statement

DKK	Note	2017/18	2016/17
Gross profit/loss		<u>103</u>	<u>-20,000</u>
Operating profit/loss		103	-20,000
Income from equity investments in group entities, net of tax		4,698,097	4,493,912
Financial expenses	2	<u>-22,723</u>	<u>-1,217</u>
Profit before tax		4,675,477	4,472,695
Tax on profit for the year		<u>0</u>	<u>0</u>
Profit for the year		<u><u>4,675,477</u></u>	<u><u>4,472,695</u></u>
Proposed profit appropriation			
Reserve for net revaluation under equity method		-58,978	4,493,912
Proposed dividends for the year		3,329,973	2,229,980
Retained earnings		<u>1,404,482</u>	<u>-2,251,197</u>
		<u><u>4,675,477</u></u>	<u><u>4,472,695</u></u>

Financial statements 1 March – 28 February

Balance sheet

DKK	Note	<u>2017/18</u>	<u>2016/17</u>
ASSETS			
Fixed assets			
Investments	3		
Equity investments in group entities		<u>7,727,493</u>	<u>7,748,431</u>
		<u>7,727,493</u>	<u>7,748,431</u>
Total fixed assets		<u>7,727,493</u>	<u>7,748,431</u>
Current assets			
Receivables			
Receivables from group entities		<u>0</u>	<u>2,229,960</u>
		<u>0</u>	<u>2,229,960</u>
Cash at bank and in hand		<u>1,156,790</u>	<u>32,626</u>
Total current assets		<u>1,156,790</u>	<u>2,262,586</u>
TOTAL ASSETS		<u>8,884,283</u>	<u>10,011,017</u>

Financial statements 1 March – 28 February

Balance sheet

DKK	Note	<u>2017/18</u>	<u>2016/17</u>
EQUITY AND LIABILITIES			
Equity			
	4		
Contributed capital		400,000	400,000
Reserve for net revaluation under equity method		5,099,310	5,158,288
Proposed dividends for the financial year		3,329,973	2,229,980
Retained earnings		<u>35,000</u>	<u>2,167,666</u>
Total equity		<u>8,864,283</u>	<u>9,955,934</u>
Liabilities			
Current liabilities			
Payables to associates		0	35,083
Other payables		<u>20,000</u>	<u>20,000</u>
		<u>20,000</u>	<u>55,083</u>
Total liabilities		<u>20,000</u>	<u>55,083</u>
TOTAL EQUITY AND LIABILITIES		<u>8,884,283</u>	<u>10,011,017</u>
Contractual obligations, contingencies, etc.	5		

Financial statements 1 March – 28 February

Statement of changes in equity

	Contributed capital	Reserve for net revaluation under equity method	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 March 2017	400,000	5,158,288	2,167,666	2,229,980	9,955,934
Dividens distributed	0	0	0	-2,229,980	-2,229,980
Transferred over the profit appropriation	0	-58,978	1,404,482	3,329,973	4,675,477
Extraordinary dividends paid	0	0	-3,537,148	0	-3,537,148
Distributed dividends from investments in subsidiaries	0	0	0	0	0
Equity at 28 February 2018	400,000	5,099,310	35,000	3,329,973	8,864,283

Financial statements 1 March – 28 February

Notes

1 Accounting policies

The annual report of Scan-Thor Holding ApS for 2017/18 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with option from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Income statement

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Upon recognition of foreign subsidiaries and associates that are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Upon recognition of foreign subsidiaries that are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Financial statements 1 March – 28 February

Notes

1 Accounting policies (continued)

Other external costs

Other external costs include cost related to administration.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in group entities are recognised in the income statement in the financial year in which dividend is declared. To the extent that the distributed dividend exceeds accumulated earnings at the acquisition date, the dividend is recognised as write-down of the cost of the equity investment.

Income from equity investments in group entities and associates

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

The proportionate share of the individual associates' profit/loss after tax is recognised in the Group's and the Parent Company's income statements after elimination of a proportionate share of intra-group gains/losses and amortisation of goodwill.

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 March – 28 February

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1 Accounting policies (continued)

Balance sheet

Equity investments in group entities

Equity investments in group entities are measured at fair value. If the fair value cannot be determined reliably, equity investments in group entities are recognised at cost. If cost exceeds the net realisable value, write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Net revaluation of investments in subsidiaries is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Financial statements 1 March – 28 February

Notes

1 Accounting policies (continued)

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

2 Financial expenses

DKK	<u>2017/18</u>	<u>2016/17</u>
Interest expense to group entities	-20,938	-280
Other financial expenses	<u>-1,785</u>	<u>-937</u>
	<u>-22,723</u>	<u>-1,217</u>

Financial statements 1 March – 28 February

Notes

3 Investments

Investments in group entities were specified as follows at 28 February 2018:

Name/legal form	Registered office	Contributed capital	Equity	Profit for the year
Subsidiaries:			DKK	DKK
SIA Scan-Thors Baltikum	Riga (Latvia)	317,738	5,283,753	3,570,708
Scan-Thor Group Poland	Warsaw (Poland)	88,000	1,486,613	1,127,586
			<u>6,770,366</u>	<u>4,698,294</u>

4 Equity

The contributed capital consists of four shares of a nominal value of DKK 100,000 each.

All shares rank equally.

5 Contractual obligations, contingencies, etc.

The Company had an unrecognised tax asset of DKK 24 thousand as per 28 february 2018.

No deferred tax assets have been recognised in the balance sheet as Management plans to close down the Company within a few years and therefore does not anticipate any future taxable income.