

# **Ammeraal Beltech Modular A/S**

Hjulmagervej 21, 7000 Vejle

Annual report for the period  
1 January to 31 December 2017  
(18th Financial year)

Adopted at the annual general meeting on 24 May 2018

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Alex Peter Ludvigsen  
chairman

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## **Statement by management on the annual report**

The supervisory and executive boards have today discussed and approved the annual report of Ammeraal Beltech Modular A/S for the financial year 1 January - 31 December 2017.

The annual report is 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 financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved at the annual general meeting.

Vejle, 24 May 2018

### **Executive board**

Alex Peter Ludvigsen

### **Supervisory board**

Miranda Diana Boon  
chairman

Prakash Krishnaswamy Iyengar      Jorge Comerma Crusafon

Jose Wattez-Krebs  
staff representative

Martin Stoustrup Petersen  
staff representative

## **Independent auditor's report**

*To the shareholder of Ammeraal Beltech Modular A/S*

### **Opinion**

We have audited the financial statements of Ammeraal Beltech Modular A/S for the financial year 1 January - 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017 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 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 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 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

## **Independent auditor's report**

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 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 management's review**

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

## **Independent auditor's report**

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

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

Kolding, 24 May 2018

KMPG  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Nikolaj Møller Hansen  
State Authorised Public Accountant  
MNE no. mne33220

## Company details

### **The company**

Ammeraal Beltech Modular A/S  
Hjulgagervej 21  
7000 Vejle

CVR no.: 25 53 94 19  
Reporting period: 1 January - 31 December 2017  
Domicile: Vejle

### **Supervisory board**

Miranda Diana Boon, chairman  
Prakash Krishnaswamy Iyengar  
Jorge Comerma Crusafon  
Jose Watzek-Krebs, staff representative  
Martin Stoustrup Petersen, staff representative

### **Executive board**

Alex Peter Ludvigsen

### **Auditors**

KMPG  
Statsautoriseret Revisionspartnerselskab  
Jupitervej 4, st.  
6000 Kolding

## Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2017	2016	2015	2014	2013
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
Revenue	359,211	353,886	349,780	302,578	277,263
Gross profit	117,362	153,862	149,978	126,204	118,026
Profit/loss before financial income and expenses	26,581	62,142	51,100	36,057	29,072
Profit/loss for the year	17,214	46,662	36,223	25,938	9,535
Balance sheet total	355,193	276,029	234,005	223,046	236,548
Investment in property, plant and equipment	7,844	7,844	12,295	21,787	12,529
Equity	224,811	207,597	160,532	122,337	94,374
Number of employees	179	173	190	182	177
<b>Financial ratios</b>					
Gross margin	32.7%	43.5%	42.9%	41.7%	42.6%
EBIT margin	7.4%	17.6%	14.6%	11.9%	10.5%
Return on equity	8.0%	25.4%	25.6%	23.9%	10.6%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines (2015). For definitions, see the summary of significant accounting policies.



## **Management's review**

### **Business activities**

The company's activity consists of development, production and sale of modular belts and chains made of plastic and steel for the use on internal conveyors. Primary market segments are the food processing, packaging and automotive industries.

### **Business review**

The growth continued in 2017 for Ammeraal Beltech Modular A/S. Sale of our modular products grew globally with all major products series and on all major markets.

Revenue increased to 359,209 thousand against DKK 353,892 thousand in 2016. The company's income statement for 2017 shows a profit of DKK 17,214 against DKK 46,662 thousand last year, and the balance sheet at 31. December 2017 shows equity of DKK 224,811 thousand.

The decrease in profit is a result of changed transfer pricing principles. The value chain in the Ammeraal Beltech Group has been restructured, and pricing principles has been aligned accordingly to continue to adhere to arms length principles (BEPS). Adjusting for that, performance in 2017 was significantly improved which was in line with expectations and is considered satisfactory.

In order to handle the continuing double digit growth we invested in 2017 in the development company Ultimade ApS, where a new technology platform has been developed. The enhanced technology platform is currently being implemented in operations, and the benefit is expected to materialise in 2019.

Results for 2018 are expected to be in line with 2017.

### **Special risks apart from generally occurring risks in industry**

#### ***Operating risks***

The key business risk of Ammeraal Beltech Modular A/S is related to the potential inability to be competitive in our main markets. Our continuous development and launching of new products reduce this risk.

#### ***Financial risks***

The company invoices in DKK currency as well as a number of foreign currencies, primarily Euro, USD Dollars and Great British Pounds. Purchases are made primarily in DKK kroner and Euro.

## **Management's review**

### **Statutory report on corporate social responsibility**

#### **Policies on environment**

Ammeraal Beltech Modular A/S is working continuously on new initiatives to minimize the resource consumption, waste production and environmental impact. The production of modular products requires a lot of electricity. Our focus is therefore mainly on our electricity consumption.

We have not set specific goals for our electricity consumption, but in investment decisions, especially around manufacturing, the environmental effects are taken into consideration while making the decision. At the end of 2017, the company has no outstanding enforcement orders in relation to its environmental permits.

#### **Policies on social conditions and labor practices**

Health and safety are an important part of the overall business operations. Taking care of (our) people are part of our company fundamental principles. The health & safety manager is responsible for monitoring the compliance with local law and to support and stimulate the awareness in the company. Each and every incident is evaluated, communicated in the broader group and the implementation of related corrective measures are being pursued. The management team participates in bi-weekly Gemba safety walks, with the purpose of identifying potential risks and stimulating safety awareness throughout the entire organisation.

#### **Policies on anti-corruption and bribery**

Worldwide Ammeraal Beltech Modular A/S is constantly dealing with new legislations and regulations in the field of environment. Furthermore, the use of certain raw materials, which are essential for the production process, is being impacted by different regulations including REACH, the European chemicals regulation.

Some suppliers will simply change the formulations of their supply, which could cause changes in specifications of the used raw materials and others will discontinue their supply.

To mitigate this risk, factories execute in this regard, in close consultation with their suppliers, additional acceptance tests and analyses in order to rule out possible adverse changes in the performance of their products. In addition, the group companies as socially responsible companies constantly keep looking for ways to use less and less environmentally harmful materials in the production process and produce environmental awareness.

The investments of the past year(s), are contributing to produce more environmentally friendly.

At the current stage, we haven't implemented any formal policies, in regards to CSR, impacts on climate, environment and human rights.

## **Management's review**

### **Statutory report on the underrepresented gender**

Ammeraal Beltech Modular A/S is of the opinion that a diverse and accommodating organisation makes the Company stronger, fosters a fruitful and innovative working environment and gives the Company additional competitive strength.

We intend to develop and make use of the full potential of our employees and ensure work life balance for our employees in this respect. Gender equality among the management members and focus on diversity is an integrated part of Ammeraal Beltech Modular A/S informal staff policy.

The Board of Directors in Ammeraal Beltech Modular A/S comprises 3 persons, whereof the chairman is female, accounting for a ratio of 33% of the Board of Directors. Employee representatives are not elected by the board and as such does not count as board of directors in relation to gender representative. We have a goal of a ratio of 40% by 2020. However, gender is not decisive to election for the Board of Directors of Ammeraal Beltech Modular A/S. By contrast, board members are elected due to their insight into the lines of business in which Ammeraal Beltech Modular A/S operates.

In addition, Ammeraal Beltech Modular A/S's informal staff policy sets out to ensure that both genders are to be represented on other management levels. To increase the number of females on other management levels and to follow the example of the Board of Directors before 2020, Ammeraal Beltech Modular A/S will, e.g. for the purpose of recruitment processes, require candidates from both genders and in any subsequent planning take into account the underrepresented sex.

Other management level consists of 7 people whereof one is female and was hired in 2013 as head of human relation.

Through its staff, Ammeraal Beltech Modular A/S wishes to reflect modern society and convey diversity.

## **Accounting policies**

The annual report of Ammeraal Beltech Modular A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied are consistent with those of last year.

The annual report for 2017 is presented in TDKK

Pursuant to section 112 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements. The financial statements of Ammeraal Beltech Modular A/S and group entities are included in the consolidated financial statements of Al Alabama Midco B.V. Herengracht 450-11017 CA Amsterdam, The Netherlands

Pursuant to section 86 of the Danish Financial Statements Act, the company has not prepared a cash flow statement. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Al Alabama Midco B.V.

Pursuant to section 96(3) of the Danish Financial Statements Act, the company has not disclosed fee to auditors appointed at the general meeting. The Company's fee to auditors appointed at the general meeting is included in the consolidated financial statements of Al Alabama Midco B.V.

### **Income statement**

#### **Revenue**

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms.

Revenue from the sale of goods where installation is a condition for significant risks being considered to have been transferred to the buyer is recognised as revenue when installation has been completed.

Revenue from the sale of goods where delivery has been postponed at the buyer's request is recognised as revenue when ownership of the goods has been transferred to the buyer.

A contract is broken down by individual transactions when the fair value of the individual sales transactions may be reliably measured, and the individual sales transactions are of separate value to the buyer. Sales transactions are deemed to be of a separate value to the buyer when the transaction is individually identifiable and usually sold individually. The contract price is broken down by the individual sales transactions in accordance with the fair value method. The separate sales transactions are recognised as revenue when complying with the criteria applying to the sale of goods and services

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue

## **Accounting policies**

For products with a high degree of customisation, revenue is recognised as production takes place, and accordingly, revenue corresponds to the selling price of the work performed for the year (the percentage of completion method). When total income and costs attributable to the contract or the stage of completion at the balance sheet date cannot be estimated reliably, revenue is recognised only at costs incurred and only to the extent that the recovery thereof is likely.

Revenue from the sale of services is recognised on a straight-line basis in the income statement as the services are provided.

Services based on time spent are recognised in revenue as the work is performed.

### **Expenses for raw materials and consumables**

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

### **Other operating income**

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

### **Other external costs**

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

### **Profit/loss from investments in group entities**

Dividend from investments is recognised in the reporting year in which the dividend is declared.

### **Tax on profit/loss for the year**

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

## Accounting policies

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

### Balance sheet

#### Intangible assets

##### *Patents and licences*

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the term of the licence, however not more than 7 years.

#### Tangible assets

Tangible assets are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual parts of a tangible asset have different useful lives, the cost is divided into separate parts, which are depreciated separately.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	10 - 33 years
Plant and machinery	5 - 10 years
Fixtures and fittings, tools, and equipment	5 - 10 years
Leasehold improvements	10 - 14 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured as cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of tangible assets.

Gains or losses from the disposal of tangible assets are recognised in the income statement as other operating income or other operating expenses.

## **Accounting policies**

### **Leases**

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

### **Investments in group entities**

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

### **Stocks**

Stocks are measured using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

### **Impairment of fixed assets**

The carrying amount of tangible and intangible assets as well as investments in group entities are reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there are indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

## **Accounting policies**

The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

### **Receivables**

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Receivables for which there is no objective indication of individual impairment are reviewed for impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's credit risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

### **Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

### **Equity**

#### **Dividend**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

### **Provisions**

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, reconstructions, etc. Provisions are recognised when as a result of a past event the company's has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation concerned is expected to be settled far into the future.



## **Accounting policies**

### **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carry forward are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

### **Liabilities**

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

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

Other liabilities are measured at net realisable value.

### **Deferred income**

Deferred income comprises payments received concerning income in subsequent reporting years.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

## **Accounting policies**

Receivables and 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.

Foreign exchange adjustments of balances with unrelated foreign subsidiaries which are considered part of the investment in the subsidiary are taken directly to equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments hedging separate foreign subsidiaries are taken directly to equity.

## Income statement 1 January - 31 December

	Note	2017 TDKK	2016 TDKK
<b>Revenue</b>		<b>359,211</b>	<b>353,886</b>
Change in inventories of finished goods, work in progress and goods for resale		-163,994	-135,080
Other external costs		<u>-77,855</u>	<u>-64,944</u>
<b>Gross profit</b>		<b>117,362</b>	<b>153,862</b>
Staff costs	2	-80,651	-81,028
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-10,130</u>	<u>-10,692</u>
<b>Profit/loss before financial income and expenses</b>		<b>26,581</b>	<b>62,142</b>
Income from investments in subsidiaries		0	-1,248
Financial income	3	3,058	2,875
Financial costs	4	<u>-6,606</u>	<u>-3,458</u>
<b>Profit/loss before tax</b>		<b>23,033</b>	<b>60,311</b>
Tax on profit/loss for the year	5	<u>-5,819</u>	<u>-13,649</u>
<b>Net profit/loss for the year</b>		<b><u>17,214</u></b>	<b><u>46,662</u></b>
Distribution of profit	6		

## Balance sheet 31 December

	Note	2017 TDKK	2016 TDKK
<b>ASSETS</b>			
Software		4,072	1,238
<b>Intangible assets</b>	7	<u>4,072</u>	<u>1,238</u>
Land and buildings		7,848	8,443
Plant and machinery		51,200	42,193
Fixtures and fittings, tools and equipment		755	1,353
Property, plant and equipment in progress		240	301
<b>Tangible assets</b>	8	<u>60,043</u>	<u>52,290</u>
Investments in subsidiaries	9	16,875	1,725
Deposits	10	4,521	4,432
<b>Fixed asset investments</b>		<u>21,396</u>	<u>6,157</u>
<b>Fixed assets total</b>		<u>85,511</u>	<u>59,685</u>
Raw materials and consumables		10,298	12,418
Finished goods and goods for resale		36,566	40,395
<b>Stocks</b>		<u>46,864</u>	<u>52,813</u>
Trade receivables	11	7,208	6,153
Receivables from Group Entity		201,512	154,597
Other receivables		0	843
Prepayments	12	1,645	1,521
<b>Receivables</b>		<u>210,365</u>	<u>163,114</u>
<b>Cash at bank and in hand</b>		<u>12,453</u>	<u>417</u>
<b>Current assets total</b>		<u>269,682</u>	<u>216,344</u>
<b>ASSETS TOTAL</b>		<u><u>355,193</u></u>	<u><u>276,029</u></u>

## Balance sheet 31 December

	Note	2017 TDKK	2016 TDKK
<b>LIABILITIES AND EQUITY</b>			
Share capital		3,000	3,000
Retained earnings		181,811	204,597
Proposed dividend for the year		40,000	0
<b>Equity</b>	13	<u><b>224,811</b></u>	<u><b>207,597</b></u>
Provision for deferred tax	14	8,311	6,128
Other provisions	15	3,536	3,523
<b>Provisions total</b>		<u><b>11,847</b></u>	<u><b>9,651</b></u>
Lease obligations		4,386	5,418
<b>Long-term debt</b>	16	<u><b>4,386</b></u>	<u><b>5,418</b></u>
Short-term part of long-term debt	16	1,032	1,002
Prepayments received from customers		78	0
Trade payables		24,370	25,530
Payables to Group Entity		58,226	0
Corporation tax		2,976	14,721
Other payables		27,467	12,110
<b>Short-term debt</b>		<u><b>114,149</b></u>	<u><b>53,363</b></u>
<b>Debt total</b>		<u><b>118,535</b></u>	<u><b>58,781</b></u>
<b>LIABILITIES AND EQUITY TOTAL</b>		<u><u><b>355,193</b></u></u>	<u><u><b>276,029</b></u></u>
Subsequent events	17		
Contingent assets, liabilities and other financial obligations	18		
Charges and securities	19		
Related parties and ownership	20		

## Notes

### 1 Information on segments

#### Geographical markets

Segment information is provided on geographical markets. The segment information is in line with the Group's accounting policies, risks and internal financial management.

The distribution of revenue across business segments is, in accordance with the Danish Financial Statements Act, section 96, not disclosed, as information about the may cause material damage to the Group.

	Europe	USA	Latin America	Asia	Other	Total
<b>TDKK 2017</b>						
Revenue	275,254	40,122	2,988	35,281	5,564	359,209
<b>2016</b>						
Revenue	259,698	50,899	5,881	31,692	5,722	353,892

### 2 Staff costs

	2017 TDKK	2016 TDKK
Wages and salaries	73,167	73,513
Pensions	6,040	6,107
Other social security costs	1,444	1,408
	<u><b>80,651</b></u>	<u><b>81,028</b></u>
 Average number of employees	 <u>175</u>	 <u>179</u>

Staff costs include remuneration of the Executive Board and Supervisory Board of t.DKK 2,022 (2016: t.DKK 2,124).

### 3 Financial income

Other financial income	926	765
Exchange gains	2,132	2,110
	<u><b>3,058</b></u>	<u><b>2,875</b></u>

## Notes

	2017 TDKK	2016 TDKK
<b>4 Financial costs</b>		
Interest paid to subsidiaries	0	7
Other financial costs	266	295
Exchange loss	6,340	3,156
	<u>6,606</u>	<u>3,458</u>
	<u><u>6,606</u></u>	<u><u>3,458</u></u>
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	5,819	14,522
Deferred tax for the year	0	-873
	<u>5,819</u>	<u>13,649</u>
	<u><u>5,819</u></u>	<u><u>13,649</u></u>
<b>6 Distribution of profit</b>		
Proposed dividend for the year	40,000	0
Retained earnings	-22,786	46,662
	<u>17,214</u>	<u>46,662</u>
	<u><u>17,214</u></u>	<u><u>46,662</u></u>
<b>7 Intangible assets</b>		Software
Cost at 1 January 2017		22,790
Additions for the year		3,701
Cost at 31 December 2017		<u>26,491</u>
Impairment losses and amortisation at 1 January 2017		21,552
Depreciation for the year		867
Impairment losses and amortisation at 31 December 2017		<u>22,419</u>
<b>Carrying amount at 31 December 2017</b>		<u><u>4,072</u></u>

## Notes

### 8 Tangible assets

	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2017	24,525	259,206	15,218	301	299,250
Additions for the year	25	17,449	35	683	18,192
Disposals for the year	0	-544	0	-744	-1,288
Cost at 31 December 2017	<u>24,550</u>	<u>276,111</u>	<u>15,253</u>	<u>240</u>	<u>316,154</u>
Impairment losses and depreciation at 1 January 2017	16,081	217,013	13,865	0	246,959
Depreciation for the year	621	8,211	633	0	9,465
Reversal of impairment and depreciation of sold assets	0	-313	0	0	-313
Impairment losses and depreciation at 31 December 2017	<u>16,702</u>	<u>224,911</u>	<u>14,498</u>	<u>0</u>	<u>256,111</u>
<b>Carrying amount at 31 December 2017</b>	<b><u>7,848</u></b>	<b><u>51,200</u></b>	<b><u>755</u></b>	<b><u>240</u></b>	<b><u>60,043</u></b>
Value of leased assets	<u>0</u>	<u>5,488</u>	<u>0</u>	<u>0</u>	

### 9 Investments in subsidiaries

	2017 TDKK	2016 TDKK
Cost at 1 January 2017	11,915	11,915
Additions for the year	<u>15,150</u>	<u>0</u>
Cost at 31 December 2017	<u>27,065</u>	<u>11,915</u>
Revaluations at 1 January 2017	<u>-10,190</u>	<u>-10,190</u>
Revaluations at 31 December 2017	<u>-10,190</u>	<u>-10,190</u>
<b>Carrying amount at 31 December 2017</b>	<b><u>16,875</u></b>	<b><u>1,725</u></b>



## Notes

### 10 Fixed asset investments

	Deposits
Cost at 1 January 2017	4,433
Additions for the year	88
Cost at 31 December 2017	4,521
<b>Carrying amount at 31 December 2017</b>	<b>4,521</b>

### 11 Receivables

Receivables from group entities comprise t.DKK 68,335 regarding cash pool (2016: t.DKK 83,293).

### 12 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest.

### 13 Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2017	3,000	204,597	0	207,597
Net profit/loss for the year	0	-22,786	40,000	17,214
<b>Equity at 31 December 2017</b>	<b>3,000</b>	<b>181,811</b>	<b>40,000</b>	<b>224,811</b>

The share capital consists of 3 shares of a nominal value of TDKK 1,000,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

## Notes

	2017 TDKK	2016 TDKK		
<b>14 Provision for deferred tax</b>				
Provision for deferred tax at 1 January 2017	6,128	7,001		
Provision in year	<u>2,183</u>	<u>-873</u>		
<b>Provision for deferred tax at 31 December 2017</b>	<b><u><u>8,311</u></u></b>	<b><u><u>6,128</u></u></b>		
Intangible assets	407	272		
Property, plant and equipment	7,847	6,122		
Investments (intra-group gains)	-1,687	-573		
Inventories	7,434	1,801		
Lease commitments	-5,417	-1,412		
Leasehold improvements	-1,114	-310		
Prepaid expenses and accrued revenue	<u>841</u>	<u>228</u>		
	<b><u><u>8,311</u></u></b>	<b><u><u>6,128</u></u></b>		
<b>15 Other provisions</b>				
Balance at beginning of year at 1 January 2017	3,523	3,523		
Provision in year	<u>13</u>	<u>0</u>		
<b>Balance at 31 December 2017</b>	<b><u><u>3,536</u></u></b>	<b><u><u>3,523</u></u></b>		
<b>16 Long term debt</b>				
	Debt	Debt		
	at 1 January	at 31 December	Payment	Debt
	2017	2017	within 1 year	after 5 years
Lease obligations	<u>5,418</u>	<u>4,386</u>	<u>1,032</u>	<u>0</u>
	<b><u><u>5,418</u></u></b>	<b><u><u>4,386</u></u></b>	<b><u><u>1,032</u></u></b>	<b><u><u>0</u></u></b>

### 17 Subsequent events

No significant events have occurred subsequent to the financial year.

## Notes

### 18 Contingent assets, liabilities and other financial obligations

#### Other contingent liabilities

The company is jointly taxed with its parent company, Ammeraal Beltech Danmark A/S (management company), and is jointly and severally liable with the other jointly taxed entities for the payment of income taxes for income years 2013 onwards and withholding taxes on dividends, interest and royalties falling due for payment on or after 1 July 2012.

### 19 Charges and securities

The Company is part of a financing agreement entered into by the Group. As collateral for the Group's financing agreement, the Company has issued a company charge to Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A secured upon the Company's group receivables and shares.

### 20 Related parties and ownership

#### Controlling interest

Ammeraal Beltech Modular A/S' related parties comprise the following:

#### Transactions

In accordance with section 98c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

#### Ownership

According to the Company's register of shareholders, the following shareholders hold a minimum of 5% of the voting rights or a minimum of 5% of the share capital:

Ammeraal Beltech Danmark A/S

Hjulmagervej 21

DK-7100 Vejle