

B E CableCon A/S
Lundvej 50
8800 Viborg
Business Registration No
27985378

Annual report 2017

The Annual General Meeting adopted the annual report on 25.05.2018

Chairman of the General Meeting

Name: Klaus Møller

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2017	7
Balance sheet at 31.12.2017	8
Statement of changes in equity for 2017	10
Notes	11
Accounting policies	13

Entity details

Entity

B E CableCon A/S
Lundvej 50
8800 Viborg

Central Business Registration No (CVR): 27985378
Registered in: Viborg
Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Alain Henri Caradec Robic, chairman of the Board
Anne-Lise Aukner
Klaus Møller

Executive Board

Klaus Møller

Bank

Danske Bank
Sct. Mathiasgade 52
8800 Viborg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Værkmestergade 2
8000 Århus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of B E CableCon A/S for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

Viborg, 07.03.2018

Executive Board

Klaus Møller

Board of Directors

Alain Henri Caradec Robic
chairman of the Board

Anne-Lise Aukner

Klaus Møller

Independent auditor's report

To the shareholders of B E CableCon A/S

Opinion

We have audited the financial statements of B E CableCon A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

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

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 07.03.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

Peder Østergaard
State Authorised Public Accountant
Identification No (MNE) 35450

Søren Lykke
State Authorised Public Accountant
Identification No (MNE) 32785

Management commentary

Primary activities

The purpose of the company is production and manufacturing of cables.

Development in activities and finances

The company's operations during the current financial year, shows a profit of DKK 9,243k after tax, which is characterized by a satisfactory result.

Events after the balance sheet date

The company has been sold at the 2th of January 2018 to Nexans Participations SA, France.

Beside the above, no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Gross profit		34.181.179	26.656.094
Staff costs	1	(21.712.431)	(15.661.858)
Depreciation, amortisation and impairment losses		<u>(587.579)</u>	<u>(561.660)</u>
Operating profit/loss		11.881.169	10.432.576
Income from investments in group enterprises		0	(9.420)
Other financial income		50.995	72.028
Other financial expenses		<u>(81.153)</u>	<u>(24.846)</u>
Profit/loss before tax		11.851.011	10.470.338
Tax on profit/loss for the year	2	<u>(2.608.400)</u>	<u>(2.303.578)</u>
Profit/loss for the year		<u>9.242.611</u>	<u>8.166.760</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		0	4.000.000
Retained earnings		<u>9.242.611</u>	<u>4.166.760</u>
		<u>9.242.611</u>	<u>8.166.760</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Plant and machinery		576.588	654.985
Other fixtures and fittings, tools and equipment		84.892	339.574
Property, plant and equipment	3	<u>661.480</u>	<u>994.559</u>
Investments in group enterprises		484.900	40.580
Fixed asset investments		<u>484.900</u>	<u>40.580</u>
Fixed assets		<u>1.146.380</u>	<u>1.035.139</u>
Raw materials and consumables		7.729.269	5.741.016
Work in progress		32.877	47.009
Manufactured goods and goods for resale		798.994	626.305
Inventories		<u>8.561.140</u>	<u>6.414.330</u>
Trade receivables		17.571.887	11.682.142
Deferred tax		245.000	246.000
Other receivables		278.596	2.776.512
Prepayments		303.977	237.439
Receivables		<u>18.399.460</u>	<u>14.942.093</u>
Cash		<u>9.632.332</u>	<u>9.042.245</u>
Current assets		<u>36.592.932</u>	<u>30.398.668</u>
Assets		<u>37.739.312</u>	<u>31.433.807</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		2.000.000	2.000.000
Retained earnings		28.778.873	19.536.262
Proposed dividend		<u>0</u>	<u>4.000.000</u>
Equity		<u>30.778.873</u>	<u>25.536.262</u>
Bank loans		1.147	100
Trade payables		3.464.457	1.873.623
Income tax payable		624.400	10.926
Other payables		<u>2.870.435</u>	<u>4.012.896</u>
Current liabilities other than provisions		<u>6.960.439</u>	<u>5.897.545</u>
Liabilities other than provisions		<u>6.960.439</u>	<u>5.897.545</u>
Equity and liabilities		<u>37.739.312</u>	<u>31.433.807</u>
Unrecognised rental and lease commitments	4		
Contingent liabilities	5		

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	2.000.000	19.536.262	4.000.000	25.536.262
Ordinary dividend paid	0	0	(4.000.000)	(4.000.000)
Profit/loss for the year	0	9.242.611	0	9.242.611
Equity end of year	2.000.000	28.778.873	0	30.778.873

Notes

	2017	2016
	DKK	DKK
1. Staff costs		
Wages and salaries	18.999.957	13.717.970
Pension costs	2.289.416	1.601.447
Other social security costs	423.058	342.441
	<u>21.712.431</u>	<u>15.661.858</u>
Number of employees at balance sheet date	<u>54</u>	<u>43</u>
	2017	2016
	DKK	DKK
2. Tax on profit/loss for the year		
Current tax	2.607.400	2.510.926
Change in deferred tax	1.000	(207.348)
	<u>2.608.400</u>	<u>2.303.578</u>
	Plant and machinery	Other fixtures and fittings, tools and equipment
	DKK	DKK
3. Property, plant and equipment		
Cost beginning of year	2.899.359	764.045
Additions	364.500	0
Disposals	(302.000)	0
Cost end of year	<u>2.961.859</u>	<u>764.045</u>
Depreciation and impairment losses beginning of year	(2.244.374)	(424.471)
Depreciation for the year	(352.296)	(254.682)
Reversal regarding disposals	211.399	0
Depreciation and impairment losses end of year	<u>(2.385.271)</u>	<u>(679.153)</u>
Carrying amount end of year	<u>576.588</u>	<u>84.892</u>

Notes

	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK</u>
4. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	<u>533.000</u>	<u>528.000</u>

5. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where BE Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities.

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.

Consolidated financial statements

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

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, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made 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.

Accounting policies

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, 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 or exchange 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 or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery 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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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:

Plant and machinery

2-5 years

Estimated useful lives and residual values are reassessed annually.

Accounting policies

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 unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

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.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

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.

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.

Accounting policies

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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.

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.