

C. Hansson Holding ApS

Fjordvej 116
6000 Kolding
Central Business Registration
No 28118902

Annual report 01.10.2017 - 30.09.2018

The Annual General Meeting adopted the annual report on 08.01.2019

Chairman of the General Meeting

Name: Claus Hansson

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Entity details

Entity

C. Hansson Holding ApS
Fjordvej 116
6000 Kolding

Central Business Registration No (CVR): 28118902
Registered in: Kolding
Financial year: 01.10.2017 - 30.09.2018

Executive Board

Claus Hansson

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of C. Hansson Holding ApS for the financial year 01.10.2017 - 30.09.2018.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Group's and the Parent's financial position at 30.09.2018 and of the results of its operations and cash flows for the financial year 01.10.2017 - 30.09.2018.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Kolding, 08.01.2019

Executive Board

Claus Hansson

Independent auditor's report

To the shareholders of C. Hansson Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of C. Hansson Holding ApS for the financial year 01.10.2017 - 30.09.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.09.2017, and of the results of their operations and the consolidated cash flows for the financial year 01.10.2016 - 30.09.2017 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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

Independent auditor's report

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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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.

Kolding, 08.01.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Lars Bjerregaard Nielsen
State Authorised Public Accountant
Identification No (MNE) mne29393

Management commentary

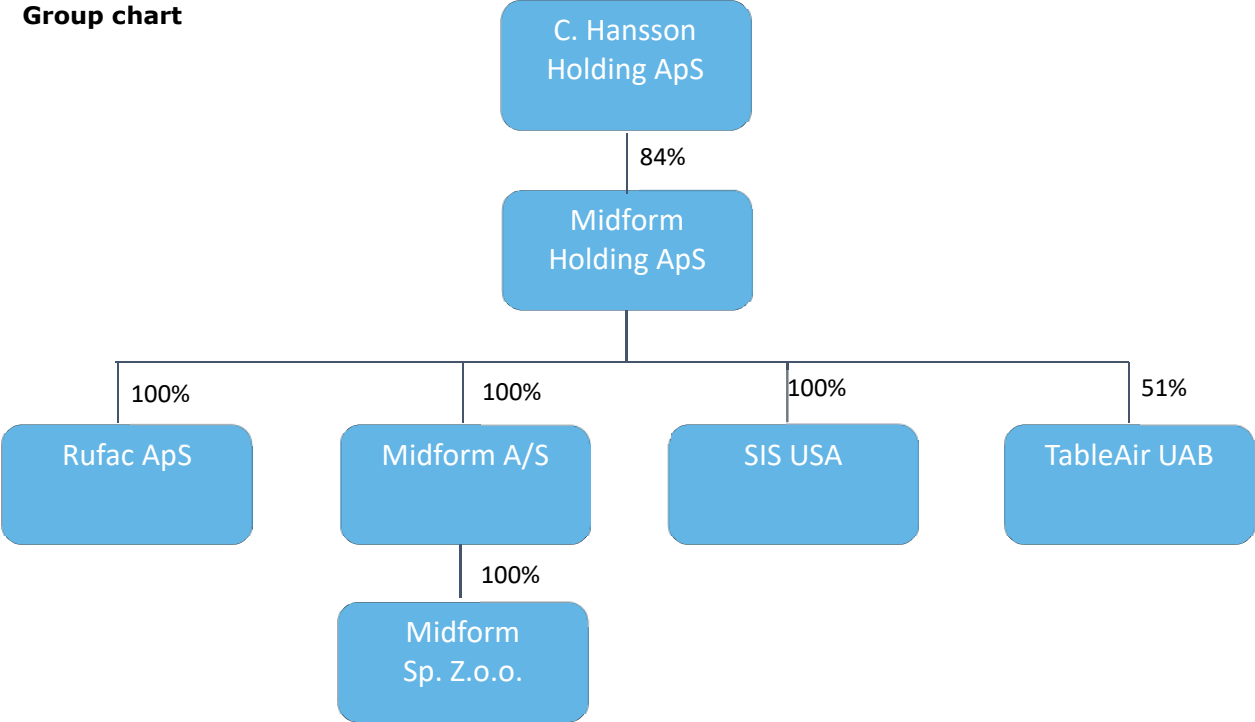
| | 2017/18 DKK'000 | 2016/17 DKK'000 | 2015/16 DKK'000 | 2014/15 DKK'000 | 2013/14 DKK'000 |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Financial highlights | | | | | |
| Key figures | | | | | |
| Gross profit | 39.661 | 49.553 | 74.046 | 59.075 | 38.185 |
| Operating profit/loss | 11.360 | 18.810 | 42.939 | 28.816 | 17.919 |
| Net financials | 9.850 | 2.234 | 5.135 | (3.565) | (9.276) |
| Profit/loss for the year | 17.373 | 16.814 | 36.789 | 17.830 | 4.990 |
| Profit/loss for the year excl minority interests | 15.925 | 13.624 | 32.741 | 17.830 | 4.990 |
| Total assets | 91.880 | 96.868 | 102.207 | 74.244 | 54.960 |
| Investments in property, plant and equipment | 1.542 | 1.978 | 6.504 | 2.469 | 1.435 |
| Equity | 68.588 | 69.689 | 60.845 | 23.340 | 4.953 |
| Equity excl minority interests | 61.815 | 62.707 | 54.950 | 23.340 | 4.953 |
| Cash flows from (used in) operating activities | 10.246 | 26.275 | 24.557 | 24.263 | - |
| Cash flows from (used in) investing activities | (3.654) | (2.471) | 4.512 | (4.288) | - |
| Cash flows from (used in) financing activities | (19.009) | (14.593) | (10.525) | 15.860 | - |
| Ratios | | | | | |
| Equity ratio (%) | 74,6 | 71,9 | 59,5 | 31,4 | 9,0 |

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

| Ratios | Calculation formula | Calculation formula reflects |
|------------------|--|--------------------------------------|
| Equity ratio (%) | $\frac{\text{Equity} \times 100}{\text{Total assets}}$ | The financial strength of the Entity |

Management commentary

Group chart



Management commentary

Primary activities

The operating activities of the C. Hansson Group comprise development, production and sale of advanced ergonomic high adjustable tables for the use in modern companies around the globe. In addition a minor part of the group concentrate on producing high grade moulded plywood components and solutions to the contract furniture as well as residential segments.

Development in activities and finances

2017/18 became a more challenging year than expected for the Group. The Group realized a reduction in both growth and result. EBITDA was reduced compared with last year and reached a level in 2017/18 of 13,9 mDKK. The significant reduction was mainly driven by significant price reduction due to more competitive market conditions.

The Group has started a process to reduce expenses, by both optimizing the production setup with higher automation in Denmark and by moving some of the production for moulded plywood components into a new factory in Poland.

During the year the Group has become the majority shareholder of TableAir, an innovative IT-company with main focus on IT solutions with high adjustable tables, based in Lithuania.

The board consider the result as less satisfactory.

Outlook

The continued focus on widening the sales into a broader customer base, stronger focus on advanced products and by expanding the sales channels as well as the reduced cost structure is expected to show positive impact in revenue and earnings for 2018/19.

Particular risks

The group has no particular business and financial risks beyond risks of common occurrence within the industry.

Intellectual capital resources

The group has thorough knowledge of the market for moulded shaped wood, and development and production of modern and functional high adjustable tables and has during many years built up a considerable competence within this area.

Environmental performance

The group has a considerable own production which to a high extent consists in assembly and mounting. The environmental impact by the group is limited. The group is continuously trying to reduce the environmental impact by introducing new improvements in this area.

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.

Consolidated income statement for 2017/18

| | <u>Notes</u> | <u>2017/18 DKK'000</u> | <u>2016/17 DKK'000</u> |
|--|--------------|----------------------------|----------------------------|
| Gross profit | | 39.661 | 49.553 |
| Staff costs | 2 | (25.750) | (28.732) |
| Depreciation, amortisation and impairment losses | 3 | (2.551) | (2.011) |
| Operating profit/loss | | 11.360 | 18.810 |
| Other financial income | | (52) | 2.752 |
| Other financial expenses | | 9.902 | (518) |
| Profit/loss before tax | | 21.210 | 21.044 |
| Tax on profit/loss for the year | 4 | (3.837) | (4.230) |
| Profit/loss for the year | 5 | 17.373 | 16.814 |

Consolidated balance sheet at 30.09.2018

| | <u>Notes</u> | <u>2017/18 DKK'000</u> | <u>2016/17 DKK'000</u> |
|--|--------------|----------------------------|----------------------------|
| Completed development projects | | 575 | 700 |
| Goodwill | | 3.296 | 1.518 |
| Intangible assets | 6 | 3.871 | 2.218 |
| Land and buildings | | 15.995 | 16.330 |
| Other fixtures and fittings, tools and equipment | | 4.193 | 4.401 |
| Property, plant and equipment | 7 | 20.188 | 20.731 |
| Fixed assets | | 24.059 | 22.949 |
| Raw materials and consumables | | 8.800 | 9.550 |
| Work in progress | | 1.136 | 2.952 |
| Manufactured goods and goods for resale | | 11.146 | 6.851 |
| Inventories | | 21.082 | 19.353 |
| Trade receivables | | 11.848 | 8.780 |
| Deferred tax | 8 | 186 | 556 |
| Other receivables | | 5.417 | 1.978 |
| Income tax receivable | | 0 | 2.809 |
| Prepayments | | 712 | 526 |
| Receivables | | 18.163 | 14.649 |
| Other investments | | 10.448 | 14.685 |
| Other investments | | 10.448 | 14.685 |
| Cash | | 18.128 | 25.232 |
| Current assets | | 67.821 | 73.919 |
| Assets | | 91.880 | 96.868 |

Consolidated balance sheet at 30.09.2018

| | <u>Notes</u> | <u>2017/18 DKK'000</u> | <u>2016/17 DKK'000</u> |
|--|--------------|----------------------------|----------------------------|
| Contributed capital | | 125 | 125 |
| Retained earnings | | 55.877 | 59.582 |
| Proposed dividend | | 5.813 | 3.000 |
| Equity attributable to the Parent's owners | | 61.815 | 62.707 |
| Share of equity attributable to minority interests | | 6.773 | 6.982 |
| Equity | | 68.588 | 69.689 |
| Deferred tax | 8 | 704 | 29 |
| Provisions | | 704 | 29 |
| Mortgage debt | | 4.845 | 5.256 |
| Non-current liabilities other than provisions | 9 | 4.845 | 5.256 |
| Current portion of long-term liabilities other than provisions | 9 | 415 | 413 |
| Bank loans | | 1.116 | 40 |
| Prepayments received from customers | | 23 | 507 |
| Trade payables | | 10.701 | 9.013 |
| Income tax payable | | 1.556 | 5.595 |
| Other payables | | 3.932 | 6.326 |
| Current liabilities other than provisions | | 17.743 | 21.894 |
| Liabilities other than provisions | | 22.588 | 27.150 |
| Equity and liabilities | | 91.880 | 96.868 |
| Events after the balance sheet date | 1 | | |
| Financial instruments | 11 | | |
| Unrecognised rental and lease commitments | 12 | | |
| Assets charged and collateral | 13 | | |
| Transactions with related parties | 14 | | |
| Subsidiaries | 15 | | |

Consolidated statement of changes in equity for 2017/18

| | Contributed capital DKK'000 | Retained earnings DKK'000 | Proposed extraordinary dividend DKK'000 | Proposed dividend DKK'000 |
|---|--|--|--|--|
| Equity beginning of year | 125 | 59.582 | 0 | 3.000 |
| Effect of mergers and business combinations | 0 | 0 | 0 | 0 |
| Effect of divestments of entities etc | 0 | 0 | 0 | 0 |
| Ordinary dividend paid | 0 | 0 | 0 | (3.000) |
| Extraordinary dividend paid | 0 | 0 | (14.000) | 0 |
| Exchange rate adjustments | 0 | 293 | 0 | 0 |
| Other entries on equity | 0 | (134) | 0 | 0 |
| Tax of entries on equity | 0 | 24 | 0 | 0 |
| Dividends from group enterprises | 0 | 0 | 0 | 0 |
| Profit/loss for the year | 0 | (3.888) | 14.000 | 5.813 |
| Equity end of year | 125 | 55.877 | 0 | 5.813 |

| | Share of equity attributable to minority interests DKK'000 | Total DKK'000 |
|---|---|--------------------------|
| Equity beginning of year | 6.982 | 69.689 |
| Effect of mergers and business combinations | 1.009 | 1.009 |
| Effect of divestments of entities etc | (1.102) | (1.102) |
| Ordinary dividend paid | 0 | (3.000) |
| Extraordinary dividend paid | 0 | (14.000) |
| Exchange rate adjustments | 56 | 349 |
| Other entries on equity | (25) | (159) |
| Tax of entries on equity | 5 | 29 |
| Dividends from group enterprises | (1.600) | (1.600) |
| Profit/loss for the year | 1.448 | 17.373 |
| Equity end of year | 6.773 | 68.588 |

Consolidated cash flow statement for 2017/18

| | <u>Notes</u> | <u>2017/18 DKK'000</u> | <u>2016/17 DKK'000</u> |
|--|--------------|----------------------------|----------------------------|
| Operating profit/loss | | 11.360 | 18.810 |
| Amortisation, depreciation and impairment losses | | 2.551 | 2.011 |
| Working capital changes | 10 | (9.239) | 12.647 |
| Cash flow from ordinary operating activities | | 4.672 | 33.468 |
| Financial income received | | 9.902 | 2.752 |
| Financial expenses paid | | (52) | (518) |
| Income taxes refunded/(paid) | | (4.276) | (9.427) |
| Cash flows from operating activities | | 10.246 | 26.275 |
| Acquisition etc of intangible assets | | (2.116) | (587) |
| Acquisition etc of property, plant and equipment | | (1.542) | (1.978) |
| Sale of property, plant and equipment | | 4 | 29 |
| Sale of fixed asset investments | | 0 | 65 |
| Cash flows from investing activities | | (3.654) | (2.471) |
| Repayments of loans etc | | (409) | (7.693) |
| Dividend paid | | (17.000) | (5.000) |
| Dividend to minorities | | (1.600) | (1.900) |
| Cash flows from financing activities | | (19.009) | (14.593) |
| Increase/decrease in cash and cash equivalents | | (12.417) | 9.211 |
| Cash and cash equivalents beginning of year | | 39.877 | 30.666 |
| Cash and cash equivalents end of year | | 27.460 | 39.877 |
| Cash and cash equivalents at year-end are composed of: | | | |
| Cash | | 18.128 | 25.232 |
| Securities | | 10.448 | 14.685 |
| Short-term debt to banks | | (1.116) | (40) |
| Cash and cash equivalents end of year | | 27.460 | 39.877 |

Notes to consolidated financial statements

1. 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.

| | 2017/18 DKK'000 | 2016/17 DKK'000 |
|-----------------------------|----------------------------------|----------------------------------|
| 2. Staff costs | | |
| Wages and salaries | 22.199 | 24.836 |
| Pension costs | 1.914 | 1.075 |
| Other staff costs | 1.637 | 2.821 |
| | 25.750 | 28.732 |
| | | |
| Average number of employees | 49 | 51 |

| | Remunera- tion of manage- ment 2017/18 DKK'000 | Remunera- tion of manage- ment 2016/17 DKK'000 |
|--|---|---|
| Total amount for management categories | 1.412 | 1.431 |
| | 1.412 | 1.431 |

| | 2017/18 DKK'000 | 2016/17 DKK'000 |
|--|----------------------------------|----------------------------------|
| 3. Depreciation, amortisation and impairment losses | | |
| Amortisation of intangible assets | 463 | 362 |
| Depreciation of property, plant and equipment | 2.092 | 1.650 |
| Profit/loss from sale of intangible assets and property, plant and equipment | (4) | (1) |
| | 2.551 | 2.011 |

| | 2017/18 DKK'000 | 2016/17 DKK'000 |
|---|----------------------------------|----------------------------------|
| 4. Tax on profit/loss for the year | | |
| Current tax | 3.581 | 5.022 |
| Change in deferred tax | 129 | (675) |
| Adjustment concerning previous years | 127 | (117) |
| | 3.837 | 4.230 |

The adjustment relating to previous year concerns the allocation in joint taxation.

Notes to consolidated financial statements

| | 2017/18 DKK'000 | 2016/17 DKK'000 |
|--|---|----------------------------------|
| 5. Proposed distribution of profit/loss | | |
| Ordinary dividend for the financial year | 5.813 | 3.000 |
| Extraordinary dividend distributed in the financial year | 14.000 | 0 |
| Retained earnings | (3.888) | 10.624 |
| Minority interests' share of profit/loss | 1.448 | 3.190 |
| | 17.373 | 16.814 |
| | | |
| | Completed develop- ment projects DKK'000 | Goodwill DKK'000 |
| 6. Intangible assets | | |
| Cost beginning of year | 1.233 | 2.025 |
| Additions | 63 | 2.053 |
| Cost end of year | 1.296 | 4.078 |
| | | |
| Amortisation and impairment losses beginning of year | (533) | (507) |
| Amortisation for the year | (188) | (275) |
| Amortisation and impairment losses end of year | (721) | (782) |
| | | |
| Carrying amount end of year | 575 | 3.296 |

Notes to consolidated financial statements

| | Land and buildings DKK'000 | Other fixtures and fittings, tools and equipment DKK'000 |
|---|---|---|
| 7. Property, plant and equipment | | |
| Cost beginning of year | 16.260 | 23.274 |
| Exchange rate adjustments | 0 | 70 |
| Additions | 74 | 1.468 |
| Disposals | 0 | (129) |
| Cost end of year | 16.334 | 24.683 |
| Revaluations beginning of year | 6.000 | 0 |
| Revaluations end of year | 6.000 | 0 |
| Depreciation and impairment losses beginning of year | (5.930) | (18.873) |
| Exchange rate adjustments | 0 | (63) |
| Depreciation for the year | (409) | (1.683) |
| Reversal regarding disposals | 0 | 129 |
| Depreciation and impairment losses end of year | (6.339) | (20.490) |
| Carrying amount end of year | 15.995 | 4.193 |

8. Deferred tax

The Group's plans and budgets indicates, that the deferred tax asset can and will be utilized within a short period of time.

| | Due within 12 months 2017/18 DKK'000 | Due within 12 months 2016/17 DKK'000 | Due after more than 12 months 2017/18 DKK'000 | Outstanding after 5 years DKK'000 |
|---|---|---|--|--|
| 9. Liabilities other than provisions | | | | |
| Mortgage debt | 415 | 413 | 4.845 | 4.022 |
| | 415 | 413 | 4.845 | 4.022 |

| | 2017/18 DKK'000 | 2016/17 DKK'000 |
|---|----------------------------|----------------------------|
| 10. Change in working capital | | |
| Increase/decrease in inventories | (1.729) | 4.175 |
| Increase/decrease in receivables | (6.693) | 11.894 |
| Increase/decrease in trade payables etc | (1.190) | (1.878) |
| Other changes | 373 | (1.544) |
| | (9.239) | 12.647 |

Notes to consolidated financial statements

11. Financial instruments

The group has entered into normal forward exchange rate agreements for hedging purposes, and sold USD amounting to 0,6 m USD on a contract with the bank.

| | 2017/18 DKK'000 | 2016/17 DKK'000 |
|--|----------------------------------|----------------------------------|
| 12. Unrecognised rental and lease commitments | | |
| Liabilities under rental or lease agreements until maturity in total | 7.084 | 8.931 |

13. Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises production equipment and machinery appurtenant to the properties.

Bank debt is secured by way of a deposited mortgage deed registered to the mortgagor on the property of totally DKK 15.200k nominal.

Carrying amount of property pledged is DKK 14.736k.

Bank debt is secured by way of a company pledge with security in an all-moneys mortgage of DKK 15.500k comprising unsecured debt from sale of goods and finished goods, fixtures and fittings etc. and operating equipment as well as goodwill, domain names and intellectual rights.

| | 2017/18 DKK'000 |
|---|----------------------------------|
| Carrying amount of inventories pledged | 11.335 |
| Carrying amount of fixtures and equipment pledged | 2.835 |
| Carrying amount of receivables pledged | 2.424 |

14. Transactions with related parties

With reference to the exception rule, in section 98c of the Danish Financial Statement Act, information about transaction with related parties has been omitted, as these are entered into on market terms.

| | Registered in | Corpo- rate form | Equity inte- rest % |
|-------------------------|----------------------|---------------------------------|--|
| 15. Subsidiaries | | | |
| Midform Holding ApS | Middelfart | A/S | 84,0 |

Parent income statement for 2017/18

| | <u>Notes</u> | <u>2017/18 DKK'000</u> | <u>2016/17 DKK'000</u> |
|--|--------------|----------------------------|----------------------------|
| Gross loss | | (13) | (151) |
| Income from investments in group enterprises | | 8.139 | 13.395 |
| Other financial income | | 8.191 | 536 |
| Other financial expenses | 3 | <u>(26)</u> | <u>(84)</u> |
| Profit/loss before tax | | 16.291 | 13.696 |
| Tax on profit/loss for the year | 4 | <u>(367)</u> | <u>(72)</u> |
| Profit/loss for the year | 5 | 15.924 | 13.624 |

Parent balance sheet at 30.09.2018

| | <u>Notes</u> | <u>2017/18 DKK'000</u> | <u>2016/17 DKK'000</u> |
|--|--------------|----------------------------|----------------------------|
| Investments in group enterprises | | 32.953 | 31.279 |
| Fixed asset investments | 6 | 32.953 | 31.279 |
| Fixed assets | | 32.953 | 31.279 |
| Receivables from group enterprises | | 166 | 7.049 |
| Other receivables | | 4.047 | 3 |
| Income tax receivable | | 0 | 430 |
| Joint taxation contribution receivable | | 2.353 | 0 |
| Receivables | | 6.566 | 7.482 |
| Other investments | | 10.448 | 14.685 |
| Other investments | | 10.448 | 14.685 |
| Cash | | 14.830 | 17.906 |
| Current assets | | 31.844 | 40.073 |
| Assets | | 64.797 | 71.352 |

Parent balance sheet at 30.09.2018

| | <u>Notes</u> | <u>2017/18 DKK'000</u> | <u>2016/17 DKK'000</u> |
|--|--------------|----------------------------|----------------------------|
| Contributed capital | 7 | 125 | 125 |
| Reserve for net revaluation according to the equity method | | 28.877 | 28.954 |
| Retained earnings | | 27.000 | 30.628 |
| Proposed dividend | | 5.813 | 3.000 |
| Equity | | <u>61.815</u> | <u>62.707</u> |
| Payables to group enterprises | | 1.236 | 6.637 |
| Income tax payable | | 1.702 | 0 |
| Other payables | | 44 | 2.008 |
| Current liabilities other than provisions | | <u>2.982</u> | <u>8.645</u> |
| Liabilities other than provisions | | <u>2.982</u> | <u>8.645</u> |
| Equity and liabilities | | <u>64.797</u> | <u>71.352</u> |
| Events after the balance sheet date | 1 | | |
| Staff costs | 2 | | |
| Contingent liabilities | 8 | | |
| Assets charged and collateral | 9 | | |
| Related parties with controlling interest | 10 | | |
| Transactions with related parties | 11 | | |

Parent statement of changes in equity for 2017/18

| | Contributed capital DKK'000 | Reserve for net revaluation according to the equity method DKK'000 | Retained earnings DKK'000 | Proposed extraordinary dividend DKK'000 |
|----------------------------------|--|---|--|--|
| Equity beginning of year | 125 | 28.954 | 30.628 | 0 |
| Ordinary dividend paid | 0 | 0 | 0 | 0 |
| Extraordinary dividend paid | 0 | 0 | 0 | (14.000) |
| Exchange rate adjustments | 0 | 293 | 0 | 0 |
| Other entries on equity | 0 | (109) | 0 | 0 |
| Dividends from group enterprises | 0 | (8.400) | 8.400 | 0 |
| Profit/loss for the year | 0 | 8.139 | (12.028) | 14.000 |
| Equity end of year | 125 | 28.877 | 27.000 | 0 |
| | | | Proposed dividend DKK'000 | Total DKK'000 |
| Equity beginning of year | | | 3.000 | 62.707 |
| Ordinary dividend paid | | | (3.000) | (3.000) |
| Extraordinary dividend paid | | | 0 | (14.000) |
| Exchange rate adjustments | | | 0 | 293 |
| Other entries on equity | | | 0 | (109) |
| Dividends from group enterprises | | | 0 | 0 |
| Profit/loss for the year | | | 5.813 | 15.924 |
| Equity end of year | | | 5.813 | 61.815 |

Notes to parent financial statements

1. 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.

2. Staff costs

Average number of employees

| <u>2017/18</u> | <u>2016/17</u> |
|----------------|----------------|
| <u>0</u> | <u>0</u> |

3. Other financial expenses

Financial expenses from group enterprises

Other interest expenses

Fair value adjustments

| <u>2017/18 DKK'000</u> | <u>2016/17 DKK'000</u> |
|----------------------------|----------------------------|
| 17 | 0 |
| 9 | 3 |
| 0 | 81 |
| <u>26</u> | <u>84</u> |

4. Tax on profit/loss for the year

Current tax

| <u>2017/18 DKK'000</u> | <u>2016/17 DKK'000</u> |
|----------------------------|----------------------------|
| 367 | 72 |
| <u>367</u> | <u>72</u> |

5. Proposed distribution of profit/loss

Ordinary dividend for the financial year

Extraordinary dividend distributed in the financial year

Transferred to reserve for net revaluation according to the equity method

Retained earnings

| <u>2017/18 DKK'000</u> | <u>2016/17 DKK'000</u> |
|----------------------------|----------------------------|
| 5.813 | 3.000 |
| 14.000 | 0 |
| 8.139 | 5.295 |
| (12.028) | 5.329 |
| <u>15.924</u> | <u>13.624</u> |

Notes to parent financial statements

| | Investments in group enterprises DKK'000 |
|--|---|
| 6. Fixed asset investments | |
| Cost beginning of year | 2.326 |
| Additions | 1.750 |
| Cost end of year | 4.076 |
| Revaluations beginning of year | 28.953 |
| Exchange rate adjustments | 293 |
| Amortisation of goodwill | (267) |
| Share of profit/loss for the year | 8.407 |
| Dividend | (8.400) |
| Other adjustments | (109) |
| Revaluations end of year | 28.877 |
| Carrying amount end of year | 32.953 |
| Goodwill or negative goodwill recognized during the financial year | 1.899 |

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

| | Number | Par value DKK'000 | Nominal value DKK'000 |
|-------------------------------|---------------|------------------------------|--------------------------------------|
| 7. Contributed capital | | | |
| Shares | 125 | 1000 | 125 |
| | 125 | | 125 |

8. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where the Entity serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, as well as for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

9. Assets charged and collateral

The company has issued a guarantee of payment concerning Midform Holding ApS' bank debt.

Notes to parent financial statements

10. Related parties with controlling interest

Claus Hansson, Kolding, ultimate owner.

11. Transactions with related parties

With reference to the exception rule, in section 98c of the Danish Financial Statement Act, information about transactions with related parties has been omitted, as these are entered into on market terms.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Accounting policies

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

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 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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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.

Accounting policies

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 internal profits or losses.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

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.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

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.

The Entity is jointly taxed with the Parent and all its Danish subsidiaries. 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

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually 10 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Accounting policies

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is between 2-5 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

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-manufactured 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:

| | |
|--|------------|
| Buildings | 50 years |
| Plant and machinery | 3-25 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.

Accounting policies

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 on 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. Financing 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.

Prepayments

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

Other investments

Securities recognised under current assets comprise listed securities measured at fair value (market price) at the balance sheet date.

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.

Minority interests

Minority interests consist of non-controlling interests' share of equity in subsidiaries not 100% owned by the Parent.

Accounting policies

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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Accounting policies

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.