Arodo Scandinavia A/S

Speditørvej 1, 9000 Aalborg

Company reg. no. 29 31 22 73

Annual report

2015

The annual report has been submitted and approved by the general meeting on the 13 May 2016.

Henk Mariën
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.

Contents

Management's report

The board of directors and the managing director have today presented the annual report of Arodo Scandinavia A/S for the financial year 1 January to 31 December 2015.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2015 and of the company's results of its activities in the financial year 1 January to 31 December 2015.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Aalborg, 13 May 2016

Managing Director

Henk Mariën

Board of directors

Henk Mariën	Maria Petronella Walthera Janssen - Fiers	Ulrich Kjeldgaard-Knudsen

The independent auditor's reports

To the shareholder of Arodo Scandinavia A/S

Report on the annual accounts

We have audited the annual accounts of Arodo Scandinavia A/S for the financial year 1 January to 31 December 2015, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control considered necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

The independent auditor's reports

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the performed audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Aalborg, 13 May 2016

Redmark
State Authorised Public Accountants
Company reg. no. 29 44 27 89

Peter Fjeldgaard
State Authorised Public Accountant

Company data

The company	Arodo Scandinavia A/S	
	Speditørvej 1	
	9000 Aalborg	
	Phone:	98162000
	Fax:	98162023
	E mail:	sales@arodo.dk
	Company reg. no.:	29 31 22 73
	Established:	20 January 2006
	Domicile:	Aalborg
	Financial year:	1 January - 31 December
Board of directors	Henk Mariën	
	Maria Petronella Walthera Janssen - Fiers	
	Ulrich Kjeldgaard-Knudsen	
Managing Director	Henk Mariën	
Auditors	Redmark	
	Statsautoriseret Revisionspartnerselskab	
	Hasseris Bymidte 6	
	9000 Aalborg	
Bankers	Danske Bank	
Parent company	Arodo BVBA	
	Arendonk, Belgien	

Management's review

Principal activities

The company's activity is selling industrial machines and related activities.

Development in activities and financial matters

Profit of the year at 479 TDKK is considered satisfactory.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Arodo Scandinavia A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

Accounting policies used

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Contract work in progress concerning construction contracts is recognised concurrently with the progress of the production. Thus the net turnover corresponds to the sales value of the completed productions of the year (the production method). The net turnover is recognised when the total income and costs of the contract and the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the financial benefits will be received by the company.

Cost of sales include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of tangible fixed assets.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

Accounting policies used

The basis of depreciation is cost with deduction expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

Inventories
Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

Debtors
Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Work in progress for the account of others
Work in progress for the account of others is measured at the market value of the work performed. The market value is measured on basis of the scope of completion on the balance sheet date and the total expected income from the individual work in progress.

When the market value of a contract can not be determined reliably, the sales value is measured at the costs incurred or at the net realisable value, if this is lower.

The individual work in progress is recognised in the balance sheet under debtors or liabilities, depending on the net value of the sales price with deduction of prepayments and amounts invoiced on account.

Accrued income and deferred expenses
Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Equity - dividend
Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

Accounting policies used

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Other provisions

Provisions comprise expected costs for guarantee liabilities, loss on work in progress.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-2 years. The provisions are measured at the net realisable value and recognised on basis of the obtained experience with guarantee work.

When it is likely that the total costs will exceed the total income of work in progress for the account of others, provisions are made for the total loss expected on the contract. Provisions are recognised as costs under production costs.

Liabilities

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

Profit and loss account 1 January - 31 December

Amounts concerning 2015: DKK.
Amounts concerning 2014: DKK in thousands.

Note		2015	2014
	Gross profit	**2.022.186**	**2.509**
1	Staff costs	-1.329.679	-2.370
	Depreciation and amortisation of tangible fixed assets	-55.472	-103
	Operating profit	**637.035**	**36**
	Other financial income	118	-6
2	Other financial costs	-8	-4
	Results before tax	**637.145**	**26**
	Tax of the results for the year	-157.991	-2
	Results for the year	**479.154**	**24**
	Proposed distribution of the results:		
	Allocated to results brought forward	479.154	24
	Distribution in total	**479.154**	**24**

Balance sheet 31 December

Amounts concerning 2015: DKK.
Amounts concerning 2014: DKK in thousands.

Note	Assets	2015	2014
	Fixed assets		
	Other plants, operating assets, and fixtures and furniture	129.506	369
	Tangible fixed assets in total	129.506	369
	Other debtors	30.760	30
	Financial fixed assets in total	30.760	30
	Fixed assets in total	**160.266**	**399**
	Current assets		
	Manufactured and commercial goods	0	873
	Inventories in total	0	873
	Trade debtors	1.696.635	507
3	Work in progress for the account of others	1.552.952	0
	Amounts owed by group enterprises	873.061	0
	Deferred tax assets	615	97
	Receivable corporate tax	0	26
	Other debtors	53.216	0
	Accrued income and deferred expenses	0	23
	Debtors in total	4.176.479	653
	Cash funds	318.726	247
	Current assets in total	**4.495.205**	**1.773**
	Assets in total	**4.655.471**	**2.172**

Balance sheet 31 December

Amounts concerning 2015: DKK.
Amounts concerning 2014: DKK in thousands.

Equity and liabilities

Note		2015	2014
	Equity		
4	Contributed capital	574.000	574
5	Results brought forward	1.431.147	952
	Equity in total	**2.005.147**	**1.526**
	Provisions		
	Other provisions	32.000	36
	Provisions in total	**32.000**	**36**
	Liabilities		
	Bank debts	15.942	0
	Trade creditors	2.079.038	264
	Payable corporate tax	35.385	0
	Other liabilities	487.959	346
	Short-term liabilities in total	2.618.324	610
	Liabilities in total	**2.618.324**	**610**
	Equity and liabilities in total	**4.655.471**	**2.172**

6 Mortgage and securities
7 Contingencies
8 Related parties

Notes

Amounts concerning 2015: DKK.
Amounts concerning 2014: DKK in thousands.

		2015	2014
1.	**Staff costs**		
	Salaries and wages	1.025.451	1.857
	Pension costs	206.403	340
	Other costs for social security	12.538	31
	Other staff costs	85.287	142
		1.329.679	**2.370**
	Average number of employees	2	3
2.	**Other financial costs**		
	Other interest costs	8	4
		8	**4**
3.	**Work in progress for the account of others**		
	Sales value of the production of the period	7.291.315	0
	Payments on account received	-5.738.363	0
	Work in progress for the account of others, net	**1.552.952**	**0**
4.	**Contributed capital**		
	Contributed capital 1 January 2015	574.000	574
		574.000	**574**

The share capital consists of 574 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.

		2015	2014
5.	**Results brought forward**		
	Results brought forward 1 January 2015	951.993	928
	Profit or loss for the year brought forward	479.154	24
		1.431.147	**952**

Notes

Amounts concerning 2015: DKK.
Amounts concerning 2014: DKK in thousands.

6. Mortgage and securities

There is not given any mortgages and securities.

7. Contingencies

Contingent liabilities

There are no contingent liabilities etc.

8. Related parties

Ownership

According to the company's list of shareholders, the following shareholders own a minimum of 5 % of the voting rights or a minimum of 5 % of the share capital:

Arodo BVBA, Hoge Mauw 740, B-2370 Arendonk, Belgien