Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Telefon +4536102030
Telefax +4536102040
www.deloitte.dk

Clextral A/S
Erhvervsparken 5
4621 Gadstrup
Central Business Registration No
29601062

Annual report 2017

The Annual General Meeting adopted the annual report on 31.05.2018

Chairman of the General Meeting

Name: Xavier Boivin

Contents

Entity details

Entity
Clextral A/S
Erhvervsparken 5
4621 Gadstrup

Central Business Registration No: 29601062
Founded: 24.05.2006
Registered in: Roskilde
Financial year: 01.01.2017 - 31.12.2017

Board of Directors
Xavier Boivin, Chairman
Georges Bernard Hallary
David Souillat

Executive Board
Henrik Pedersen, Chief Executive Officer

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen 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 Clextral 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.

Gadstrup, 31.05.2018

Executive Board

Henrik Pedersen
Chief Executive Officer

Board of Directors

Xavier Boivin Chairman	Georges Bernard Hallary	David Souillat

Independent auditor's report

To the shareholder of Clextral A/S

Opinion

We have audited the financial statements of Clextral 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.

Independent auditor's report

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 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.

Independent auditor's report

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 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.

Copenhagen, 31.05.2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Stine Eva Grothen
State Authorised Public Accountant
Identification number (MNE) 29431

Management commentary

Primary activities

The Entity's activities comprise renovation and production of screws, worms, cylinders and other round, vital wearing parts.

Development in activities and finances

Profit for the year before tax amounts to DKK 4,504 thousand, and profit for the year after tax amounts to DKK 3,571 thousand. Management considers profit for the year satisfactory.

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.

Income statement for 2017

	Notes	2017 DKK	2016 DKK
Gross profit		**8.550.998**	**8.125.906**
Staff costs	1	(4.146.071)	(4.447.421)
Depreciation, amortisation and impairment losses	2	(100.390)	(673.196)
Operating profit/loss		**4.304.537**	**3.005.289**
Income from investments in group enterprises		265.477	255.309
Other financial expenses	3	(65.600)	(46.797)
Profit/loss before tax		**4.504.414**	**3.213.801**
Tax on profit/loss for the year	4	(933.550)	(711.566)
Profit/loss for the year		**3.570.864**	**2.502.235**
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		0	2.600.000
Transferred to reserve for net revaluation according to the equity method		265.477	255.309
Retained earnings		3.305.387	(353.074)
		3.570.864	**2.502.235**

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Goodwill		0	0
Intangible assets	5	**0**	**0**
Plant and machinery		35.833	82.926
Other fixtures and fittings, tools and equipment		11.807	51.528
Leasehold improvements		26.859	40.435
Property, plant and equipment	6	**74.499**	**174.889**
Investments in group enterprises		3.399.999	3.134.522
Fixed asset investments	7	**3.399.999**	**3.134.522**
Fixed assets		**3.474.498**	**3.309.411**
Raw materials and consumables		797.067	645.341
Inventories		**797.067**	**645.341**
Trade receivables		5.793.710	5.489.114
Contract work in progress		470.850	370.100
Deferred tax	8	76.311	75.451
Other receivables		0	732
Income tax receivable		200.000	267.772
Joint taxation contribution receivable		83.732	82.214
Prepayments		162.998	176.997
Receivables		**6.787.601**	**6.462.380**
Cash		**4.591.551**	**2.384.932**
Current assets		**12.176.219**	**9.492.653**
Assets		**15.650.717**	**12.802.064**

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Contributed capital		500.000	500.000
Revaluation reserve		0	1.511.808
Reserve for net revaluation according to the equity method		1.835.464	1.569.987
Retained earnings		6.767.883	1.950.688
Proposed dividend		0	2.600.000
Equity		**9.103.347**	**8.132.483**
Trade payables		580.062	734.509
Payables to group enterprises		3.376.063	2.278.037
Income tax payable		540.402	0
Other payables		2.050.843	1.657.035
Current liabilities other than provisions		**6.547.370**	**4.669.581**
Liabilities other than provisions		**6.547.370**	**4.669.581**
Equity and liabilities		**15.650.717**	**12.802.064**
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Mortgages and securities	11		
Group relations	12		

Statement of changes in equity for 2017

	Contributed capital DKK	Revaluation reserve DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK
Equity beginning of year	500.000	1.511.808	1.569.987	1.950.688
Ordinary dividend paid	0	0	0	0
Dissolution of revaluations	0	(1.511.808)	0	1.511.808
Profit/loss for the year	0	0	265.477	3.305.387
Equity end of year	**500.000**	**0**	**1.835.464**	**6.767.883**

	Proposed dividend DKK	Total DKK
Equity beginning of year	2.600.000	8.132.483
Ordinary dividend paid	(2.600.000)	(2.600.000)
Dissolution of revaluations	0	0
Profit/loss for the year	0	3.570.864
Equity end of year	**0**	**9.103.347**

Notes

	2017 DKK	2016 DKK
1. Staff costs		
Wages and salaries	3.557.345	3.783.330
Pension costs	433.084	479.370
Other social security costs	155.642	184.721
	4.146.071	**4.447.421**
Average number of employees	**8**	

	2017 DKK	2016 DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	0	204.626
Depreciation of property, plant and equipment	100.390	538.570
Profit/loss from sale of intangible assets and property, plant and equipment	0	(70.000)
	100.390	**673.196**

	2017 DKK	2016 DKK
3. Other financial expenses		
Financial expenses from group enterprises	25.165	17.426
Interest expenses	20.118	13.424
Exchange rate adjustments	20.317	15.947
	65.600	**46.797**

	2017 DKK	2016 DKK
4. Tax on profit/loss for the year		
Tax on current year taxable income	934.670	784.014
Change in deferred tax for the year	(860)	(60.629)
Adjustment concerning previous years	(260)	(11.819)
	933.550	**711.566**

Notes

	Goodwill DKK
5. Intangible assets	
Cost beginning of year	12.108.029
Cost end of year	**12.108.029**
Amortisation and impairment losses beginning of year	(12.108.029)
Amortisation and impairment losses end of year	**(12.108.029)**
Carrying amount end of year	**0**

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
6. Property, plant and equipment			
Cost beginning of year	5.915.384	218.035	160.009
Cost end of year	**5.915.384**	**218.035**	**160.009**
Revaluations beginning of year	1.938.215	0	0
Revaluations end of year	**1.938.215**	**0**	**0**
Depreciation and impairment losses beginning of the year	(7.770.673)	(166.507)	(119.574)
Depreciation for the year	(47.093)	(39.721)	(13.576)
Depreciation and impairment losses end of the year	**(7.817.766)**	**(206.228)**	**(133.150)**
Carrying amount end of year	**35.833**	**11.807**	**26.859**

Notes

	Investments in group enterprises DKK
7. Fixed asset investments	
Cost beginning of year	1.564.535
Cost end of year	**1.564.535**
Revaluations beginning of year	1.569.987
Share of profit/loss for the year	265.477
Revaluations end of year	**1.835.464**
Carrying amount end of year	**3.399.999**

8. Deferred tax

Deferred tax is incumbent on intangible assets, property, plant and equipment, work in progress, etc.

	2017 DKK	2016 DKK
9. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	**71**	**184**

10. Contingent liabilities

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 01.07.2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

Corporate income tax payable of the Group amounts to DKK 540 thousand at the balance sheet date.

11. Mortgages and securities

The Company has deposited mortgage deeds registered to the mortgagor on plant and machinery. Mortgage debt is secured by way of deposited mortgage deeds registered to the mortgagor. The carrying amount of assets mortgaged is DKK 0.

12. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Legris Industries Developpement, 20 Quai Duguay Trouin, 35 000 Rennes – France.

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 enterprises.

The accounting policies applied to these 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.

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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement
Gross profit or loss
Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, cost of sales and other 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.

Accounting policies

Changes in inventories of finished goods and work in progress
Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

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.

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.

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 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 all 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).

Accounting policies

Balance sheet

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation and impairment losses. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management. The amortisation period is estimated at 10 to 12 years, based on the entity having a strong market position and a strategical location.

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

Property, plant and equipment

Leasehold improvements are measured at cost less accumulated depreciation. The basis of depreciation is cost less estimated residual value after the end of useful life. Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when the asset is ready to be put into operation. Maximum straight-line depreciation is made over the remaining lease period or over the estimated useful life.

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses and plus revaluation based on third party estimates.

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	11-13 years
Other fixtures and fittings, tools and equipment	2-5 years
Leasehold improvements	10 years

Estimated useful lives and residual values are reassessed annually.

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.

Group enterprises with negative equity value are measured at DKK 0, and any receivables from these enterprises are written down by the Parent’s share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

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 of goods for resale, raw materials and consumables consists of purchase price plus delivery costs.

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.

Contract work in progress
Contract work in progress is measured at cost of the work carried out at the balance sheet date.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the cost price less prepayments received, is positive or negative.

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.

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.

Accounting policies

Other financial liabilities

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

Income tax receivable or payable

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