

Ametsis ApS
Grimstrupvej 185
4700 Næstved
Central Business Registration No
30541359

Annual report 2016

The Annual General Meeting adopted the annual report on 12.04.2017

Chairman of the General Meeting

Name: Brian Allan Hansen

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Income statement for 2016	6
Balance sheet at 31.12.2016	7
Statement of changes in equity for 2016	9
Notes	10
Accounting policies	13

Entity details

Entity

Ametsis ApS
Grimstrupvej 185
4700 Næstved

Central Business Registration No: 30541359

Registered in: Næstved

Financial year: 01.01.2016 - 31.12.2016

Executive Board

Maja Meisner Larsen
Brian Allan Hansen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København

Statement by Management on the annual report

Executive Board have today considered and approved the annual report of Ametsis ApS for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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.

Næstved, 12.04.2017

Executive Board

Maja Meisner Larsen

Brian Allan Hansen

Independent auditor's reports

To the shareholders of Ametsis ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Ametsis ApS for the financial year 01.01.2016 - 31.12.2016. The financial statements, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes, are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's assets, liabilities and financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

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.

Independent auditor's reports

In connection with our extended review 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 extended review 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 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.

København, 12.04.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Jacob Simonsen

State Authorised Public Accountant

Management commentary

Primary activities

The objective of the Entity is import and sale of goods.

Development in activities and finances

The income statement of the entity for 2016 shows a profit after tax of DKK 1.107k compared with last year DKK 882k.

Positive and improved results are expected for the coming year.

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 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Gross profit		5.627.858	4.025.875
Staff costs	1	(3.837.834)	(2.277.858)
Depreciation, amortisation and impairment losses	2	<u>(87.184)</u>	<u>(38.550)</u>
Operating profit/loss		1.702.840	1.709.467
Other financial income from group enterprises		534	345
Other financial income	3	134.524	44.762
Financial expenses from group enterprises		(452)	0
Other financial expenses	4	<u>(417.755)</u>	<u>(578.973)</u>
Profit/loss before tax		1.419.691	1.175.601
Tax on profit/loss for the year	5	<u>(313.154)</u>	<u>(293.865)</u>
Profit/loss for the year		<u>1.106.537</u>	<u>881.736</u>
Proposed distribution of profit/loss			
Retained earnings		<u>1.106.537</u>	<u>881.736</u>
		<u>1.106.537</u>	<u>881.736</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Goodwill		540.204	0
Intangible assets	6	540.204	0
Other fixtures and fittings, tools and equipment		166.048	167.990
Property, plant and equipment	7	166.048	167.990
Fixed assets		706.252	167.990
Manufactured goods and goods for resale		9.831.997	6.764.119
Prepayments for goods		604.950	312.211
Inventories		10.436.947	7.076.330
Trade receivables		5.226.194	3.563.241
Receivables from group enterprises		3.604	69.226
Deferred tax	8	18.330	24.000
Other receivables		138.422	129.910
Prepayments		63.743	83.442
Receivables		5.450.293	3.869.819
Cash		342.939	153.124
Current assets		16.230.179	11.099.273
Assets		16.936.431	11.267.263

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital	9	125.000	125.000
Retained earnings		<u>2.931.421</u>	<u>1.824.884</u>
Equity		<u>3.056.421</u>	<u>1.949.884</u>
Bank loans		9.911.959	6.716.499
Trade payables		2.586.376	823.271
Payables to group enterprises		90.815	0
Income tax payable		318.428	314.804
Other payables		<u>972.432</u>	<u>1.462.805</u>
Current liabilities other than provisions		<u>13.880.010</u>	<u>9.317.379</u>
Liabilities other than provisions		<u>13.880.010</u>	<u>9.317.379</u>
Equity and liabilities		<u>16.936.431</u>	<u>11.267.263</u>
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Mortgages and securities	12		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	1.824.884	1.949.884
Profit/loss for the year	0	1.106.537	1.106.537
Equity end of year	125.000	2.931.421	3.056.421

Notes

	2016	2015
	DKK	DKK
1. Staff costs		
Wages and salaries	3.456.286	2.003.022
Pension costs	158.855	111.641
Other social security costs	76.238	64.546
Other staff costs	146.455	98.649
	3.837.834	2.277.858
Average number of employees	4	
	2016	2015
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	38.584	0
Depreciation of property, plant and equipment	48.600	38.550
	87.184	38.550
	2016	2015
	DKK	DKK
3. Other financial income		
Interest income	6.021	1.920
Exchange rate adjustments	128.503	42.842
	134.524	44.762
	2016	2015
	DKK	DKK
4. Other financial expenses		
Interest expenses	344.471	245.645
Exchange rate adjustments	62.155	255.008
Other financial expenses	11.129	78.320
	417.755	578.973

Notes

	2016	2015
	DKK	DKK
5. Tax on profit/loss for the year		
Tax on current year taxable income	318.428	303.865
Change in deferred tax for the year	9.885	(10.000)
Adjustment concerning previous years	(15.159)	0
	313.154	293.865
		Goodwill
		DKK
6. Intangible assets		
Additions		578.788
Cost end of year		578.788
Amortisation for the year		(38.584)
Amortisation and impairment losses end of year		(38.584)
Carrying amount end of year		540.204
		Other
		fixtures and
		fittings,
		tools and
		equipment
		DKK
7. Property, plant and equipment		
Cost beginning of year		215.800
Additions		46.658
Cost end of year		262.458
Depreciation and impairment losses beginning of the year		(47.810)
Depreciation for the year		(48.600)
Depreciation and impairment losses end of the year		(96.410)
Carrying amount end of year		166.048

Notes

	2016	2015
	DKK	DKK
8. Deferred tax		
Intangible assets	(9.702)	0
Property, plant and equipment	(3.901)	(4.000)
Other deductible temporary differences	31.933	28.000
	18.330	24.000

	Number	Par value	Nominal
		DKK	value
			DKK
9. Contributed capital			
Share capital	125	1000	125.000
	125		125.000

	2016	2015
	DKK	DKK
10. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	4.104.067	249.400

The Entity may terminate the lease agreement for vacation no earlier than on 28 February 2021.
The annual initial rent is DKK 985k.

The Entity must take out fire insurance for the property according to the business lease agreement.

11. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which MB Group ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2016 for income taxes etc for the jointly taxed entities, 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

12. Mortgages and securities

Bank debt is secured on receivables charge of DKK 6.000k secured on receivables of a carrying amount of DKK 5.226k.

The Entity's banker has provided total guarantees of DKK 409k for its commitments to third parties.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

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.

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, 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 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

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 5 years.

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

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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.

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:

Other fixtures and fittings, tools and equipment	5 years
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Items of property, plant and equipment 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.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and 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.

Accounting policies

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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