

CIDAN Machinery Denmark A/S

Skolevænget 16, Hou
8300 Odder

Central Business Registration No
30588118

Annual report 2017/18

The Annual General Meeting adopted the annual report on 22.02.2019

Chairman of the General Meeting



Name: John Henrik Warlund

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Entity details

Entity

CIDAN Machinery Denmark A/S
Skolevænget 16, Hou
8300 Odder

Central Business Registration No: 30588118

Registered in: Odder

Financial year: 01.10.2017 - 30.09.2018

Phone: +4575893311

Fax: +4575893725

Website: www.cidanmachinery.com

Board of Directors

John Henrik Warlund

Lawrence Francis Chandonnet

Joakim Niklas Dovrén

Executive Board

John Henrik Warlund, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus 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 CIDAN Machinery Denmark A/S for the financial year 01.10.2017 - 30.09.2018.

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 30.09.2018 and of the results of its operations for the financial year 01.10.2017 - 30.09.2018.

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

We consider the preconditions for not auditing the financial statements for the financial year 01.10.2017 - 30.09.2018 as complied with.

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

Odder, 22.02.2019

Executive Board



John Henrik Warlund
Chief Executive Officer

Board of Directors



John Henrik Warlund



Lawrence Francis Chandonnet



Joakim Niklas Dovrén

The independent auditor's compilation report

To Management of CIDAN Machinery Denmark A/S

We have compiled the financial statements of CIDAN Machinery Denmark A/S for the financial year 01.10.2017 - 30.09.2018 based on the Entity's bookkeeping records and other information Management has provided.

These financial statements comprise the, income statement, balance sheet, statement of changes in equity notes and accounting policies.

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct for professional accountants, including principles of integrity, objectivity, professional competence and due care.

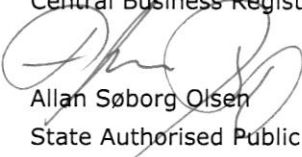
These financial statements and the accuracy and completeness of the information used to compile the financial statements are Management's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the disclosures Management provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion about whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Aarhus, 22.02.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556



Allan Søborg Olsen
State Authorised Public Accountant
Identification number (MNE) mne10822

Management commentary

Primary activities

The primary activities comprise of sale of sheet metal working machines produced by the subsidiary CIDAN Machinery Sweden AB and distribution of machines for bending, shearing, slitting and roll-forming.

Development in activities and finances

The financial performance for the year 2017/18 amounted to a profit before tax of DKK 1k against a profit before tax of DKK 51k last year. The results were in line with the expectations for the 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 2017/18

| | <u>Notes</u> | <u>2017/18</u> <u>DKK</u> | <u>2016/17</u> <u>DKK</u> |
|---|--------------|------------------------------|------------------------------|
| Gross profit | | 1.938.711 | 1.950.435 |
| Distribution costs | | (329.259) | (318.384) |
| Administrative costs | 1 | <u>(1.593.861)</u> | <u>(1.534.962)</u> |
| Operating profit/loss | | 15.591 | 97.089 |
| Other financial income | | 0 | 63.750 |
| Other financial expenses | | <u>(14.868)</u> | <u>(107.569)</u> |
| Profit/loss before tax | | 723 | 53.270 |
| Tax on profit/loss for the year | 2 | <u>0</u> | <u>(2.562)</u> |
| Profit/loss for the year | | <u>723</u> | <u>50.708</u> |
| Proposed distribution of profit/loss | | | |
| Extraordinary dividend distributed in the financial year | | 0 | 33.370.000 |
| Transferred to reserve for net revaluation according to the equity method | | 0 | (29.298.501) |
| Retained earnings | | <u>723</u> | <u>(4.020.791)</u> |
| | | <u>723</u> | <u>50.708</u> |

Balance sheet at 30.09.2018

| <u>Notes</u> | <u>2017/18</u> <u>DKK</u> | <u>2016/17</u> <u>DKK</u> |
|--|------------------------------|------------------------------|
| Other fixtures and fittings, tools and equipment | 0 | 0 |
| Property, plant and equipment | 0 | 0 |
| Trade receivables | 0 | 230 |
| Receivables from group enterprises | 632.291 | 3.674.715 |
| Other receivables | 26.498 | 33.711 |
| Prepayments | 16.158 | 0 |
| Receivables | 674.947 | 3.708.656 |
| Cash | 735.827 | 399.701 |
| Current assets | 1.410.774 | 4.108.357 |
| Assets | 1.410.774 | 4.108.357 |

Balance sheet at 30.09.2018

| | <u>Notes</u> | <u>2017/18</u> <u>DKK</u> | <u>2016/17</u> <u>DKK</u> |
|--|--------------|------------------------------|------------------------------|
| Contributed capital | | 1.050.000 | 1.050.000 |
| Retained earnings | | 158.932 | 158.209 |
| Equity | | <u>1.208.932</u> | <u>1.208.209</u> |
| Trade payables | | 69.474 | 79.892 |
| Payables to group enterprises | | 0 | 2.658.438 |
| Income tax payable | | 2.576 | 3.610 |
| Other payables | | 129.792 | 158.208 |
| Current liabilities other than provisions | | <u>201.842</u> | <u>2.900.148</u> |
| Liabilities other than provisions | | <u>201.842</u> | <u>2.900.148</u> |
| Equity and liabilities | | <u>1.410.774</u> | <u>4.108.357</u> |
| Unrecognised rental and lease commitments | 3 | | |
| Group relations | 4 | | |

Statement of changes in equity for 2017/18

| | Contributed capital DKK | Retained earnings DKK | Total DKK |
|---------------------------|--|--------------------------------------|----------------------|
| Equity beginning of year | 1.050.000 | 158.209 | 1.208.209 |
| Profit/loss for the year | 0 | 723 | 723 |
| Equity end of year | 1.050.000 | 158.932 | 1.208.932 |

Notes

| | 2017/18 | 2016/17 |
|-----------------------------|------------------|------------------|
| | DKK | DKK |
| 1. Staff costs | | |
| Wages and salaries | 1.012.297 | 927.251 |
| Pension costs | 259.452 | 244.659 |
| Other social security costs | 0 | 544 |
| Other staff costs | 7.633 | 9.055 |
| | 1.279.382 | 1.181.509 |
| | | |
| Average number of employees | 2 | 2 |

| | 2017/18 | 2016/17 |
|---|----------------|----------------|
| | DKK | DKK |
| 2. Tax on profit/loss for the year | | |
| Tax on current year taxable income | 0 | 2.576 |
| Adjustment concerning previous years | 0 | (14) |
| | 0 | 2.562 |

| | 2017/18 | 2016/17 |
|---|----------------|----------------|
| | DKK | DKK |
| 3. Unrecognised rental and lease commitments | | |
| Hereof liabilities under rental or lease agreements until maturity in total | 193.219 | 61.908 |

4. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Pilar Holding AB, org.nr. 559041-1152, Stockholm (Sweden)

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 some options from 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, production costs and other operating income.

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

Production costs

Production costs comprise cost of sales for the financial year, including ordinary write-down of inventories and other costs incurred to earn revenue for the financial year, including wages and salaries as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

Administrative costs

Administrative costs comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other financial income

Other financial income comprises 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.

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.

Balance sheet

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

2-5 years

Accounting policies

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.

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.

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