

Ammeraal Beltech Danmark A/S

Hjulmagervej 21, 7100 Vejle

Annual report for the period
1 January to 31 December 2017
(10th Financial year)

Adopted at the annual general meeting on 24 May 2018

Alex Peter Ludvigsen
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Ammeraal Beltech Danmark A/S for the financial year 1 January - 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved at the annual general meeting.

Vejle, 24 May 2018

Executive board

Alex Peter Ludvigsen
adm. direktør

Board of directors

Miranda Diana Boon
chairman

Prakash Krishnaswamy Iyengar

Bo Ensted Danielsen

Independent auditor's report

To the shareholder of Ammeraal Beltech Danmark A/S

Opinion

We have audited the financial statements of Ammeraal Beltech Danmark A/S for the financial year 1 January - 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January - 31 December 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 financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company 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 judgment and maintain professional skepticism 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 company'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 company'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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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 management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review 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 management's review.

Kolding, 24 May 2018

KMPG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised Public Accountant
MNE no. mne33220

Company details

The company

Ammeraal Beltech Danmark A/S
Hjulgagervej 21
7100 Vejle

CVR no.: 31 17 21 60

Reporting period: 1 January - 31 December 2017

Incorporated: 1. January 2008

Financial year: 10th financial year

Domicile: Vejle

Board of directors

Miranda Diana Boon, chairman
Prakash Krishnaswamy Iyengar
Bo Ensted Danielsen

Executive board

Alex Peter Ludvigsen, adm. direktør

Auditors

KMPG
Statsautoriseret Revisionspartnerselskab
Jupitervej 4, st.
6000 Kolding

Management's review

Business activities

The Company's main activity is to be a holding company and hold shares in Ammeraal Beltech Modular A/S.

Business review

The Company's income statement for the year ended 31 December shows a loss of TDKK 770, and the balance sheet at 31 December 2017 shows equity of TDKK 28,971.

Interest in the subsidiary Ammeraal Beltech Modular A/S' products is expected to grow. Based on this, the Company's earnings for 2018 is expected to increase.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Ammeraal Beltech Danmark A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions regarding larger entities.

The annual report for 2017 is presented in TDKK

Pursuant to section 112 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements. The financial statement of Ammeraal Beltech Danmark A/S and group entities are included in the consolidated financial statements of Al Alabama Midco B.V.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Al Alabama Midco B.V.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

Gross profit consists of other external costs.

Other external costs

Other external costs include expenses related to administration.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest expenses, gains and losses on securities and foreign currency transactions.

Accounting policies

Profit/loss from investments in subsidiaries

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the company after full elimination of intra-group profits/losses.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years. The amortisation period is based on the assessment that the entities in question are strategically acquired entities with a strong market positions and a long-term earnings profile.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively

Investments in subsidiaries

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, less or plus unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill made up according to the purchase method.

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Accounting policies

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of AMMERAAL BELTECH DANMARK A/S is adopted are not taken to the net revaluation reserve.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Equity

Dividend

The expected dividend payment for the year is disclosed as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carry forward are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities are measured at amortised cost, which is usually equivalent to nominal value.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement 1 January - 31 December

	Note	2017 TDKK	2016 TDKK
Gross profit		-60	-42
Income from investments in subsidiaries		8,787	35,742
Financial income		0	463
Financial costs		<u>-12,192</u>	<u>-9,616</u>
Profit/loss before tax		-3,465	26,547
Tax on profit/loss for the year	1	<u>2,695</u>	<u>2,023</u>
Net profit/loss for the year		<u>-770</u>	<u>28,570</u>
Proposed distribution of profit			
Retained earnings		<u>-770</u>	<u>28,570</u>
		<u>-770</u>	<u>28,570</u>

Balance sheet 31 December

	Note	2017 TDKK	2016 TDKK
ASSETS			
Investments in subsidiaries	2	<u>224,810</u>	<u>216,023</u>
Fixed asset investments		<u>224,810</u>	<u>216,023</u>
Fixed assets total		<u>224,810</u>	<u>216,023</u>
Receivables from subsidiaries		1	0
Deferred tax asset		929	0
Corporation tax		<u>1,766</u>	<u>2,004</u>
Receivables		<u>2,696</u>	<u>2,004</u>
Current assets total		<u>2,696</u>	<u>2,004</u>
ASSETS TOTAL		<u><u>227,506</u></u>	<u><u>218,027</u></u>
LIABILITIES AND EQUITY			
Share capital		600	600
Retained earnings		<u>28,371</u>	<u>90,142</u>
Equity	3	<u>28,971</u>	<u>90,742</u>
Payables to subsidiaries		198,174	126,894
Other payables		<u>361</u>	<u>391</u>
Short-term debt		<u>198,535</u>	<u>127,285</u>
Debt total		<u>198,535</u>	<u>127,285</u>
LIABILITIES AND EQUITY TOTAL		<u><u>227,506</u></u>	<u><u>218,027</u></u>
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Notes

	2017 TDKK	2016 TDKK	
1 Tax on profit/loss for the year			
Current tax for the year	-1,766	-2,004	
Deferred tax for the year	-929	0	
Adjustment of tax concerning previous years	0	-19	
	<u>-2,695</u>	<u>-2,023</u>	
2 Investments in subsidiaries			
Cost at 1 January 2017	<u>466,850</u>	<u>466,850</u>	
Cost at 31 December 2017	<u>466,850</u>	<u>466,850</u>	
Revaluations at 1 January 2017	-250,827	-286,972	
Exchange adjustments	0	403	
Net profit/loss for the year	17,213	46,662	
Goodwill amortisation, investments	<u>-8,426</u>	<u>-10,920</u>	
Revaluations at 31 December 2017	<u>-242,040</u>	<u>-250,827</u>	
Carrying amount at 31 December 2017	<u>224,810</u>	<u>216,023</u>	
3 Equity			
	Share capital	Retained earnings	Total
Equity at 1 January 2017	600	29,141	29,741
Net profit/loss for the year	<u>0</u>	<u>-770</u>	<u>-770</u>
Equity at 31 December 2017	<u>600</u>	<u>28,371</u>	<u>28,971</u>

The share capital consists of 600,000 shares of a nominal value of TDKK 1. No shares carry any special rights.

Notes

4 Contingent assets, liabilities and other financial obligations

The company is jointly taxed with its danish group entities. The jointly taxed entities have joint and several unlimited liability for danish income taxes and withholding taxes on dividends, interest and royalties within the group of jointly taxed entities for the payment of income taxes for income year 2013 onwards and withholding taxes on dividends, interest and royalties falling due for payment on or after 1 July 2012.

5 Charges and securities

The Company is part of a financing agreement entered into by the Group. As collateral for the Group's financing agreement, the Company has issued a company charge to Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A secured upon the Company's group receivables and shares.

6 Related parties and ownership

Controlling interest

Ammeraal Beltech Danmark A/S' related parties comprise the following:

Ammeraal Beltech Holding B.V. holds the majority of the share capital in the Company.

Ammeraal Beltech Danmark A/S is part of the consolidated financial statements of Al Alabama Midco B.V. Herengracht 450-11017 CA Amsterdam, The Netherlands which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Al Alabama Midco B.V. can be obtained from the Company.