

**SPG SIGTEVÆV ApS**  
Falstersvej 11  
5500 Middelfart  
Business Registration No  
32284264

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 19.02.2019

### **Chairman of the General Meeting**

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Name: Peter Cederberg

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## Entity details

### Entity

SPG SIGTEVÆV ApS

Falstersvej 11

5500 Middelfart

Central Business Registration No (CVR): 32284264

Registered in: Middelfart

Financial year: 01.01.2018 - 31.12.2018

### Executive Board

Peter Cederberg

Håkan Cederberg

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of SPG SIGTEVÆV ApS for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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.

Middelfart, 25.01.2019

### Executive Board

Peter Cederberg

Håkan Cederberg

# Independent auditor's extended review report

## To the shareholders of SPG SIGTEVÆV ApS

### Conclusion

We have performed an extended review of the financial statements of SPG SIGTEVÆV ApS for the financial year 01.01.2018 - 31.12.2018, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

### Basis for conclusion

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. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### 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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

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

## Independent auditor's extended review report

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.

### 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 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 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.

Kolding, 25.01.2019

### Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Lars Bjerregaard Nielsen

State Authorised Public Accountant

Identification No (MNE) mne29393

## Management commentary

### Primary activities

The Company's activity consists of production and sale of wire mesh screens, rubber screen cloth and polyurethane screen cloth as well as related activities.

### Development in activities and finances

The profit for the year amounted to DKK 1,376k, which Management considers satisfactory.

The Company expects a positive development for the next few years. It is Management's opinion that the Company has the necessary capital resources to meet its obligations as they mature. The Company is largely financed by loans from the Parent, which continues to support the Company.

The Company has debt with the Parent amounting to DKK 2,274k. The Parent will not claim repayment of the debt until the Company's cash position allows.

### 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 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
<b>Gross profit</b>		<b>9.095.363</b>	<b>7.864.803</b>
Staff costs	1	(6.813.881)	(5.910.719)
Depreciation, amortisation and impairment losses	2	<u>(427.738)</u>	<u>(368.118)</u>
<b>Operating profit/loss</b>		<b>1.853.744</b>	<b>1.585.966</b>
Other financial expenses	3	<u>(83.352)</u>	<u>(97.755)</u>
<b>Profit/loss before tax</b>		<b>1.770.392</b>	<b>1.488.211</b>
Tax on profit/loss for the year	4	<u>(393.863)</u>	<u>(337.006)</u>
<b>Profit/loss for the year</b>		<b><u>1.376.529</u></b>	<b><u>1.151.205</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>1.376.529</u>	<u>1.151.205</u>
		<b><u>1.376.529</u></b>	<b><u>1.151.205</u></b>



## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Goodwill		287.500	437.500
<b>Intangible assets</b>	5	<b>287.500</b>	<b>437.500</b>
Land and buildings		3.077.295	3.077.295
Other fixtures and fittings, tools and equipment		984.798	1.087.221
<b>Property, plant and equipment</b>	6	<b>4.062.093</b>	<b>4.164.516</b>
Other receivables		131.055	131.055
<b>Fixed asset investments</b>	7	<b>131.055</b>	<b>131.055</b>
<b>Fixed assets</b>		<b>4.480.648</b>	<b>4.733.071</b>
Manufactured goods and goods for resale		3.310.509	3.340.093
<b>Inventories</b>		<b>3.310.509</b>	<b>3.340.093</b>
Trade receivables		2.634.943	2.135.548
Deferred tax		0	79.000
Other receivables		32.325	30.000
Prepayments		14.310	40.630
<b>Receivables</b>		<b>2.681.578</b>	<b>2.285.178</b>
<b>Cash</b>		<b>1.253.842</b>	<b>1.051.601</b>
<b>Current assets</b>		<b>7.245.929</b>	<b>6.676.872</b>
<b>Assets</b>		<b>11.726.577</b>	<b>11.409.943</b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		226.000	226.000
Retained earnings		5.911.152	4.534.623
<b>Equity</b>		<b>6.137.152</b>	<b>4.760.623</b>
Deferred tax		210.000	0
<b>Provisions</b>		<b>210.000</b>	<b>0</b>
Bank loans		789.783	1.268.343
<b>Non-current liabilities other than provisions</b>	8	<b>789.783</b>	<b>1.268.343</b>
Current portion of long-term liabilities other than provisions	8	474.000	460.000
Trade payables		460.945	435.378
Payables to group enterprises		2.273.634	2.152.339
Income tax payable		107.603	0
Other payables		1.273.460	2.333.260
<b>Current liabilities other than provisions</b>		<b>4.589.642</b>	<b>5.380.977</b>
<b>Liabilities other than provisions</b>		<b>5.379.425</b>	<b>6.649.320</b>
<b>Equity and liabilities</b>		<b>11.726.577</b>	<b>11.409.943</b>
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Assets charged and collateral	11		

## Statement of changes in equity for 2018

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	226.000	4.534.623	4.760.623
Profit/loss for the year	0	1.376.529	1.376.529
<b>Equity end of year</b>	<b>226.000</b>	<b>5.911.152</b>	<b>6.137.152</b>

## Notes

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	5.960.188	5.122.467
Pension costs	743.375	668.699
Other social security costs	110.318	119.553
	<b>6.813.881</b>	<b>5.910.719</b>
 Average number of employees	 <b>17</b>	 <b>16</b>
	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	150.000	150.000
Depreciation of property, plant and equipment	277.738	218.118
	<b>427.738</b>	<b>368.118</b>
	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Other financial expenses</b>		
Financial expenses from group enterprises	26.300	28.800
Other interest expenses	57.052	68.955
	<b>83.352</b>	<b>97.755</b>
	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>4. Tax on profit/loss for the year</b>		
Current tax	104.863	0
Change in deferred tax	289.000	337.006
	<b>393.863</b>	<b>337.006</b>

## Notes

	<b>Goodwill DKK</b>
<b>5. Intangible assets</b>	
Cost beginning of year	750.000
<b>Cost end of year</b>	<b>750.000</b>
Amortisation and impairment losses beginning of year	(312.500)
Amortisation for the year	(150.000)
<b>Amortisation and impairment losses end of year</b>	<b>(462.500)</b>
<b>Carrying amount end of year</b>	<b>287.500</b>

	<b>Land and buildings DKK</b>	<b>Other fixtures and fittings, tools and equipment DKK</b>
<b>6. Property, plant and equipment</b>		
Cost beginning of year	3.077.295	2.172.491
Additions	0	175.315
<b>Cost end of year</b>	<b>3.077.295</b>	<b>2.347.806</b>
Depreciation and impairment losses beginning of year	0	(1.085.270)
Depreciation for the year	0	(277.738)
<b>Depreciation and impairment losses end of year</b>	<b>0</b>	<b>(1.363.008)</b>
<b>Carrying amount end of year</b>	<b>3.077.295</b>	<b>984.798</b>

## 7. Fixed asset investments

	<b>Due within 12 months 2018 DKK</b>	<b>Due within 12 months 2017 DKK</b>	<b>Due after more than 12 months 2018 DKK</b>
<b>8. Liabilities other than provisions</b>			
Bank loans	474.000	460.000	789.783
	<b>474.000</b>	<b>460.000</b>	<b>789.783</b>

## Notes

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>9. Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	<b>769.000</b>	<b>1.575.000</b>

### **11. Assets charged and collateral**

Bank debt is secured on a deposited mortgage deed registered to the mortgagor of a nominal value of DKK 1,300k on the property, and a floating charge has been provided of a nominal value of DKK 1,000k on intangible assets and property, plant and equipment, unsecured claims from sale of goods and services as well as inventories.

The carrying amount of mortgaged properties is DKK 3,077k, and the carrying amount of intangible assets and property, plant and equipment, unsecured claims from sale of goods and services as well as inventories charged is DKK 10,008k.

## 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 B.

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

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, 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.

#### Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

#### 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

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

#### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange 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.

## Accounting policies

### 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

#### Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 5 years.

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

#### Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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:

Plant and machinery	3 - 5 years
Leasehold improvements	10 years

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.

#### 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. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.



## Accounting policies

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

### Prepayments

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

### Cash

Cash comprises cash in hand and bank deposits.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

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.

### Other financial liabilities

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

### Income tax receivable or payable

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