

Tresu Investment A/S
Eegsvej 14
6091 Bjert
Central Business Registration No 33078897

Annual report 2017
For the period 01.10.2017-31.12.2017

The Annual General Meeting adopted the annual report on 30.05.2018

Chairman of the General Meeting

Name: Carsten Nygaard Knudsen

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Entity details

Entity

Tresu Investment A/S
Eegsvej 14
6091 Bjert

Central Business Registration No: 33078897

Registered in: Bjert

Financial period: 01.10.2017 - 31.12.2017

Phone: +45 76323500

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Board of Directors

Carsten Nygaard Knudsen, chairman

Ola Harald Erici

Thomas Stegeager Kvorning

Anders Wilhjelm

Søren Dan Johansen

Executive Board

Søren Maarssø

Michael Kjøbsted

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33 96 35 56

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 Tresu Investment A/S for the financial year 01.10.2017 - 31.12.2017.

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

In our opinion, the financial statement 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 01.10.2017 - 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.

Bjert, 30.05.2018

Executive Board

Søren Maarssø

Michael Kjøbsted

Board of Directors

Carsten Nygaard Knudsen
Chairman

Ola Harald Erics

Thomas Stegeager Kvorning

Anders Wilhjelm

Søren Dan Johansen

Independent auditor's report

To the shareholders of Tresu Investment A/S

Opinion

We have audited the financial statements of Tresu Investment A/S for the financial year 01.10.2017 - 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 01.10.2017 - 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.

Independent auditor's report

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.

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.

Kolding, 30.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Lars Leopold Larsen
State-Authorised Public Accountant
MNE no mne33229

Management commentary

Primary activities

The Company's activities comprise the ownership of 100% of the shares in Tresu A/S.

Development in activities and finances

The entity has changed its financial year to follow the calendar year, starting the 1 January 2018. This annual report covers the period 1 October 2017 – 31 December 2017. Comparative figure for the financial year 2016/17 has not been changed.

Loss for the period 01.10.2017-31.12.2017 amounted to DKK 0,3m, which is not satisfying.

At the end of 31 December, total assets amounted to DKK 95,8m against DKK 93,6, the previous year.

At the fiscal year-end, total equity amounted to DKK 95,7m against DKK 89,8m in previous fiscal year.

Events after the balance sheet date

The company expects to merge with Tresu A/S in 2018.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Accounting policies

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The accounting policies applied to this financial statement are consistent with those applied last year.

The entity has changed its financial year to follow the calendar year, starting the 1 January 2018. This annual report covers the period 1 October 2017 – 31 December 2017 (3 months). Comparative figure for the financial year 2016/17 (12 months) has not been changed.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Income statement

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.

Accounting policies

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 internal profits or losses.

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.

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 participates in a Danish Joint taxation arrangement in which the company serves as the administration company until 21.06.2017. At this point the entity Nortre Administration ApS serves as the administration company. 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).

Balance sheet

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 are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

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.

Accounting policies

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life. 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 the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

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

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 calculated on this year's taxable income, adjusted for prepaid tax.

Income statement for the period 01.10.2017-31.12.2017

	Notes	2017 (3 months) DKK'000	2016/17 (12 months) DKK'000
Administration costs	1	<u>(58)</u>	<u>(197)</u>
Operating profit/loss		(58)	(197)
Income from investments in group enterprises		(308)	71.214
Other financial income	2	<u>46</u>	<u>248</u>
Profit/loss tax before tax		(320)	71.265
Tax on profit/loss for the year	3	<u>3</u>	<u>(12)</u>
Profit/loss for the year	4	<u>(317)</u>	<u>71.253</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	2017 DKK'000	30.09.2017 DKK'000
Investments in group enterprises		<u>83.295</u>	<u>77.396</u>
Fixed asset investments	5	<u>83.295</u>	<u>77.396</u>
Fixed assets		<u>83.295</u>	<u>77.396</u>
Receivables from group enterprises		12.467	12.030
Income tax receivable		<u>3</u>	<u>4.149</u>
Receivables		<u>12.470</u>	<u>16.179</u>
Current assets		<u>12.470</u>	<u>16.179</u>
Assets		<u><u>95.765</u></u>	<u><u>93.575</u></u>

Balance sheet at 31.12.2017

	<u>Notes</u>	2017 DKK'000	30.09.2017 DKK'000
Contributed capital		1.000	1.000
Reserve for net revaluation according to the equity method		11.727	5.828
Retained earnings		<u>82.979</u>	<u>82.988</u>
Equity		<u>95.706</u>	<u>89.816</u>
Trade payables		48	22
Income tax payable		<u>11</u>	<u>3.737</u>
Current liabilities other than provisions		<u>59</u>	<u>3.759</u>
Liabilities other than provisions		<u>59</u>	<u>3.759</u>
Equity and liabilities		<u><u>95.765</u></u>	<u><u>93.575</u></u>
Contingent liabilities	6		
Mortgages and securities	7		
Related parties with controlling interest	8		

Statement of changes in equity for 2017

	Contri- buted capital DKK'000	Reserve for net revalua- tion accor- ding to the equity method DKK'000	Retained - earnings DKK'000	Total DKK'000
Equity 01.10.2017	1.000	5.828	82.988	89.816
Capital increase	0	0	6.564	6.564
Exchange rate adjustments	0	(357)	0	(357)
Profit/loss	<u>0</u>	<u>(308)</u>	<u>(9)</u>	<u>(317)</u>
Equity 31.12.2017	<u>1.000</u>	<u>5.163</u>	<u>89.543</u>	<u>95.706</u>

Notes to the financial statements

	2017 (3 months) <u>DKK'000</u>	2016/17 (12 months) <u>DKK'000</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
2. Other financial income		
Financial income arising from group enterprises	<u>46</u>	<u>248</u>
3. Tax on profit/loss for the year		
Tax on current year taxable income	<u>(3)</u>	<u>12</u>
4. Proposed distributions of profit/loss		
Extraordinary dividend distributed in the financial year	0	105.000
Reserve for net revaluation according to the equity method	(308)	(29.494)
Retained earnings	<u>(9)</u>	<u>(4.253)</u>
	<u>(317)</u>	<u>71.253</u>
		Invest- ments in group en- terprises <u>DKK'000</u>
5. Fixed asset investment		
Cost beginning of year		71.568
Capital increase		<u>6.564</u>
Cost end of year		<u>78.132</u>
Revaluations beginning of year		5.828
Exchange rate adjustments		(357)
Amortisation of goodwill		(594)
Share of profit/loss for the year		<u>286</u>
Revaluations end of year		<u>5.163</u>
Carrying amount end of year		<u>83.295</u>
Here of non-amortized goodwill 6,4 mio.		

Notes to the financial statements

6. Contingent liabilities

The Entity serves as an administration company in a Danish joint taxation arrangement until 21.06.2017.

The Entity is liable for income taxes etc. for the jointly taxed entities and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities up until 21 June 2017.

From the 21 June 2017 the entity participates in a Danish joint taxation arrangement with Nortre Administration ApS serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the entity is liable from 21 June 2017 for income taxes etc. for the jointly taxed entities and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

7. Mortgages and securities

Collateral securities provided for subsidiaries and group enterprises

There has been given a negative pledge in the entity's assets.

8. Related parties with controlling interest

The following parties have a controlling interest:

- Harald Mix, Bragevägen 4, Stockholm, real owner.
- Altor Fund IV (No. 1) AB, Stockholm, shareholder.
- Altor Fund IV (No. 2) AB, Stockholm, shareholder.
- Altor Fund IV Holding AB, Stockholm, shareholder.
- Tresu Group Holding A/S, CBR-no. 37752088, Bjert, shareholder.
- Tresu Investment Holding A/S, CBR-no.37553727, Bjert, shareholder.

Transaction with related parties

	<u>2017</u> <u>DKK'000</u>	<u>2016/17</u> <u>DKK'000</u>
Financial income from group enterprises	46	248
Receivables from group enterprises	12.467	12.030

9. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

- Tresu Investment Holding A/S, CBR-no. 37553727, Eegsvej 14, 6091 Bjert.

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

- Tresu Group Holding A/S, CBR-no. 37752088, Eegsvej 14, 6091 Bjert.