RSM Beierholm

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# Bevo Nordic A/S

C.F. Tietgens Boulevard 26, 5220 Odense SØ
CVR no. 33 37 78 35

## Annual report for 2016

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 23.03.17

Michael Blessing Christensen
Dirigent

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# Company information etc.

## The company

Bevo Nordic A/S
C.F. Tietgens Boulevard 26
5220 Odense SØ
Website: www.bevo.dk
E-mail: info@bevo.dk
Registered office: Odense Kommune
CVR no.: 33 37 78 35
Financial year: 01.01 - 31.12

## Executive Board

Michael Blessing Christensen

## Board of Directors

Patrick Buhrs
Bernard Verburg
Michael Blessing Christensen

## Auditors

RSM Beierholm
Statsautoriseret Revisionspartnerselskab

## Bank

Danske Bank

## Lawyer

Focus Advokater

## Parent company

MegaGroup Trade Holding B.V., Netherlands

# Statement of the Board of Directors and Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.01.16 - 31.12.16 for Bevo Nordic A/S.

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

In our opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.16 and of the results of the the company's activities and cash flows for the financial year 01.01.16 - 31.12.16.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Odense, March 22, 2017

Michael Blessing Christensen

| | | |
|---|---|---|
| Patrick Buhrs<br>Chairman | Bernard Verburg | Michael Blessing Christensen |

# Independent auditor's report

**To the Management of Bevo Nordic A/S**

## Opinion

We have audited the financial statements of Bevo Nordic A/S for the financial year 01.01.16 - 31.12.16, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, inclusive of accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.16 and of the results of the company's operations and cash flows for the financial year 01.01.16 - 31.12.16 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing 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.

## Supplementary information regarding matters in the financial statements

Contrary to the Danish Companies Act (selskabsloven) § 210, paragraf 1, the company has granted a loan to a shareholder. The loan has been repaid. The Management may incur liability.

## Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 International Standards on Auditing 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.

As part of an audit conducted in accordance with International Standards on Auditing 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 regarding the 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.

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 Statement Acts. We did not identify any material misstatement of management’s review.

Odense, March 22, 2017

**RSM Beierholm**

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Henrik Welinder
State Authorized Public Accountant

## Primary activities

The company's core activities are purchase, sale and marketing of water transport components in Denmark, Norway, Sweden and Finland and other related business.

## Development in activities and financial affairs

The income statement for the period 01.01.16 - 31.12.16 shows a profit/loss of DKK 3,854,104 against DKK 624,329 for the period 01.01.15 - 31.12.15. The balance sheet shows equity of DKK 7,225,510.

The company has improved its gross profit from DKK 5,349,523 in 2015 to DKK 7,493,749 in 2016, which is considered to be satisfying.

The company has recieved a group contribution of DKK 4,500,000 in January 2016.

## Subsequent events

No important events have occurred after the end of the financial year.

# Income statement

| Note | | 2016<br>DKK | 2015<br>DKK |
|---|---|---|---|
| | **Gross profit** | **7.647.832** | **5.397.867** |
| 1 | Staff costs | -4.085.182 | -3.657.132 |
| | **EBITDA** | **3.562.650** | **1.740.735** |
| | Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment | -55.051 | -814.182 |
| | **EBIT** | **3.507.599** | **926.553** |
| | Financial income | 1.184 | 12.388 |
| 2 | Financial expenses | -77.671 | -314.612 |
| | **Profit/loss before tax** | **3.431.112** | **624.329** |
| 3 | Tax on profit or loss for the year | 422.992 | 0 |
| | **Profit/loss for the year** | **3.854.104** | **624.329** |

**Proposed appropriation account**

| | | |
|---|---|---|
| Retained earnings | 3.854.104 | 624.329 |
| **Total** | **3.854.104** | **624.329** |

# Balance sheet

## ASSETS

| Note | | 31.12.16 DKK | 31.12.15 DKK |
|---|---|---|---|
| | Acquired rights | 0 | 0 |
| 4 | **Total intangible assets** | **0** | **0** |
| | Other fixtures and fittings, tools and equipment | 0 | 55.051 |
| 5 | **Total property, plant and equipment** | **0** | **55.051** |
| | Other receivables | 219.263 | 219.263 |
| | **Total investments** | **219.263** | **219.263** |
| | **Total non-current assets** | **219.263** | **274.314** |
| | Work in progress | 0 | 4.862 |
| | Manufactured goods and goods for resale | 3.410.109 | 3.551.641 |
| | **Total inventories** | **3.410.109** | **3.556.503** |
| | Trade receivables | 1.085.220 | 691.405 |
| | Receivables from group enterprises | 3.739.321 | 1.410.657 |
| | Deferred tax asset | 807.486 | 0 |
| | Other receivables | 146.790 | 0 |
| | Receivables from owners and management | 0 | 52.251 |
| | Prepayments | 972.929 | 354.159 |
| | **Total receivables** | **6.751.746** | **2.508.472** |
| | **Cash** | **492.842** | **1.227.789** |
| | **Total current assets** | **10.654.697** | **7.292.764** |
| | **Total assets** | **10.873.960** | **7.567.078** |

# Balance sheet

## EQUITY AND LIABILITIES

| Note | | 31.12.16<br>DKK | 31.12.15<br>DKK |
|---|---|---|---|
| | Contributed capital | 500.000 | 500.000 |
| | Retained earnings | 6.725.510 | -1.628.594 |
| | **Total equity** | **7.225.510** | **-1.128.594** |
| | Short-term portion of long-term payables | 0 | 4.482.559 |
| | Prepayments received from customers | 17.818 | 0 |
| | Trade payables | 897.199 | 1.101.548 |
| | Payables to group enterprises | 1.284.067 | 2.207.274 |
| | Income taxes | 384.494 | 0 |
| | Other payables | 1.064.872 | 904.291 |
| | **Total short-term payables** | **3.648.450** | **8.695.672** |
| | **Total payables** | **3.648.450** | **8.695.672** |
| | **Total equity and liabilities** | **10.873.960** | **7.567.078** |

6 Contingent liabilities
7 Charges and security
8 Related parties

# Statement of changes in equity

| Figures in DKK | Share capital | Retained earnings | Total equity |
|---|---|---|---|
| Statement of changes in equity for 01.01.16 - 31.12.16 | | | |
| Balance pr. 01.01.16 | 500.000 | -1.628.594 | -1.128.594 |
| Group contribution | 0 | 4.500.000 | 4.500.000 |
| Net profit/loss for the year | 0 | 3.854.104 | 3.854.104 |
| Balance as at 31.12.16 | 500.000 | 6.725.510 | 7.225.510 |

# Cash flow statement

| Note | | 2016 DKK | 2015 DKK |
|---|---|---|---|
| | **Net profit/loss for the year** | **3.854.104** | **624.329** |
| 9 | Adjustments | -227.865 | 1.116.408 |
| | Change in working capital: | | |
| | Inventories | 146.394 | -801.279 |
| | Receivables | -4.323.761 | -597.243 |
| | Other payables relating to operating activities | -124.773 | 194.038 |
| | **Cash flows from operating activities before net financials** | **-675.901** | **536.253** |
| | Interest income and similar income received | 1.184 | 12.388 |
| | Interest expenses and similar expenses paid | -77.671 | -314.612 |
| | **Cash flows from operating activities** | **-752.388** | **234.029** |
| | Purchase of intangible assets | 0 | 311 |
| | **Cash flows from investing activities** | **0** | **311** |
| | Raising of additional capital | 4.500.000 | 0 |
| | Repayment of credit institutions | -4.482.559 | -286.136 |
| | **Cash flows from financing activities** | **17.441** | **-286.136** |
| | **Total cash flows for the year** | **-734.947** | **-51.796** |
| | Cash, beginning of year | 1.227.789 | 1.279.585 |
| | **Cash, end of year** | **492.842** | **1.227.789** |
| | Cash, end of year, comprises: | | |
| | Cash | 492.842 | 1.227.789 |
| | **Total** | **492.842** | **1.227.789** |

# Notes

| | 2016 DKK | 2015 DKK |
|---|---|---|

## 1. Staff costs

| | 2016 DKK | 2015 DKK |
|---|---|---|
| Wages and salaries | 3.680.295 | 3.240.951 |
| Pensions | 333.277 | 336.332 |
| Other social security costs | 56.626 | 68.652 |
| Other staff costs | 14.984 | 11.197 |
| Total | 4.085.182 | 3.657.132 |
| Average number of employees during the year | 9 | 9 |

## 2. Financial expenses

| | 2016 DKK | 2015 DKK |
|---|---|---|
| Interest, group enterprises | 63.425 | 223.224 |
| Other interest expenses | 88 | 0 |
| Foreign exchange losses | 14.158 | 91.388 |
| Total | 77.671 | 314.612 |

## 3. Tax on profit or loss for the year

| | 2016 DKK | 2015 DKK |
|---|---|---|
| Current tax for the year | 384.494 | 0 |
| Adjustment of deferred tax for the year | -807.486 | 0 |
| Total | -422.992 | 0 |

## 4. Intangible assets

| Figures in DKK | Acquired rights |
|---|---|
| Cost pr. 01.01.16 | 3.854.597 |
| Cost as at 31.12.16 | 3.854.597 |
| Amortisation and impairment losses pr. 01.01.16 | -3.854.597 |
| Amortisation and impairment losses as at 31.12.16 | -3.854.597 |
| Carrying amount as at 31.12.16 | 0 |

## 5. Property, plant and equipment

| Figures in DKK | Other fixtures and fittings, tools and equipment |
|---|---|
| Cost pr. 01.01.16 | 332.115 |
| Cost as at 31.12.16 | 332.115 |
| Depreciation and impairment losses pr. 01.01.16 | -277.064 |
| Depreciation during the year | -55.051 |
| Depreciation and impairment losses as at 31.12.16 | -332.115 |
| Carrying amount as at 31.12.16 | 0 |

## 6. Contingent liabilities

*Lease commitments*

The company has concluded lease agreements with terms to maturity of 8-48 months and average lease payments of DKK 3,710, a total of DKK 564,000.

The company has lease obligations with a term of notice for 6 months. Monthly lease payments are DKK 86,000.

## 7. Charges and security

The company has not provided any other security over assets.

## 8. Related parties

| Controlling influence: | Basis of influence |
|---|---|
| MegaGroup Trade Holding B.V., Netherlands | Ownership |
| Michael Blessing Christensen | Ownership |

The company is included in the consolidated financial statements of the parent MegaGroup Trade Holding B.V., Netherlands.

| | Receivables from members of the Board of Directors |
|---|---|
| Cost as at pr. 01.01.16 | 52.251 |
| Interest rate | 0 |
| Paid out during the year | -52.251 |
| Cost as at as at 31.12.16 | 0 |

Receivables carry interest at a rate of 10,05% p.a.

| | 2016<br>DKK | 2015<br>DKK |
|---|---|---|

## 9. Adjustments for the cash flow statement

| | | |
|---|---|---|
| Depreciation, amortisation, impairment losses and write-downs | 55.051 | 814.182 |
| Financial income | -1.184 | -12.388 |
| Financial expenses | 77.671 | 314.612 |
| Tax on profit or loss for the year | -422.992 | 0 |
| Other adjustments | 63.589 | 2 |
| Total | -227.865 | 1.116.408 |

## 10. Accounting policies

### GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for reporting class C medium-sized.

The accounting policies have been applied consistently with previous years.

### 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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

## 10. Accounting policies - continued -

### LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

### INCOME STATEMENT

#### Gross profit

Gross profit comprises revenue and raw materials and consumables and other external expenses.

#### Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

#### Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

#### Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

#### Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

## 10. Accounting policies - continued -

### Depreciation, amortisation and impairment losses

The amortisation and depreciation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated/amortised according to the straight-line method based on the following expected useful lives and residual values:

| | Useful lives, years | Residual value DKK |
|---|---|---|
| Acquired rights | 5 | 0 |
| Other plant, fixtures and fittings, tools and equipment | 3-5 | 0 |

The basis of depreciation/amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation/amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

### Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

### Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

## BALANCE SHEET

### Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

**10. Accounting policies** - continued -

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

### Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation/amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

### Inventories

Inventories are measured at cost calculated according to the FIFO principle. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

## 10. Accounting policies - continued -

### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

### Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

### Cash

Cash includes deposits in bank accounts as well as operating cash.

### Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

### Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the

**10. Accounting policies** - continued -

term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

### Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

### CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the the company's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables.

Cash and cash equivalents at the beginning and end of the year comprise cash  and short-term payables to credit institutions.