

NIZE EQUIPMENT ApS

Godthåbsvej 27
8660 Skanderborg
Business Registration No
33772653

Annual report 2018

The Annual General Meeting adopted the annual report on 31.05.2019

Chairman of the General Meeting

Name: Lars Nikolajsen

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Entity details

Entity

NIZE EQUIPMENT ApS
Godthåbsvej 27
8660 Skanderborg

Central Business Registration No (CVR): 33772653

Registered in: Skanderborg

Financial year: 01.01.2018 - 31.12.2018

Executive Board

Lars Nikolajsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of NIZE EQUIPMENT 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 my 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.

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

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

Skanderborg, 31.05.2019

Executive Board

Lars Nikolajsen

Independent auditor's report

To the shareholders of NIZE EQUIPMENT ApS

Opinion

We have audited the financial statements of NIZE EQUIPMENT 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.

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 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.

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:

Independent auditor's report

- 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.

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.

Independent auditor's report

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.

Aarhus, 31.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Klaus Tvede-Jensen
State Authorised Public Accountant
Identification No (MNE) mne23304

Management commentary

Primary activities

The Company's activity consists of sale of large-format printers and completion equipment for industrial applications to the graphic industry in the Nordic countries.

Development in activities and finances

2018 has been a year where the first 6 months showed positive activity and profit in form of turnover as well as earnings. But the last 6 months was exactly the opposite and the result for the year unfortunately ended up in a small loss. Considering that the turnover went down several percentage compared to 2017 it is so much more satisfying that the gross profit increased even though.

The last two months of the fiscal year 2018 showed very positive tendencies and those sales will make sure that the year 2019 gives NIZE Equipment ApS the best start measuring revenue in a year ever.

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>
Gross profit		6.813.528	6.761.850
Staff costs	1	(6.318.070)	(5.730.709)
Depreciation, amortisation and impairment losses	2	<u>(281.621)</u>	<u>(295.932)</u>
Operating profit/loss		213.837	735.209
Other financial income		0	9.463
Other financial expenses		<u>(211.363)</u>	<u>(295.816)</u>
Profit/loss before tax		2.474	448.856
Tax on profit/loss for the year	3	<u>(9.000)</u>	<u>(109.601)</u>
Profit/loss for the year		<u>(6.526)</u>	<u>339.255</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		144.000	80.000
Retained earnings		<u>(150.526)</u>	<u>259.255</u>
		<u>(6.526)</u>	<u>339.255</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Goodwill		100.000	150.000
Intangible assets	4	100.000	150.000
Land and buildings		635.832	626.008
Other fixtures and fittings, tools and equipment		608.337	388.570
Leasehold improvements		171.201	67.075
Property, plant and equipment	5	1.415.370	1.081.653
Other receivables		45.480	45.480
Fixed asset investments		45.480	45.480
Fixed assets		1.560.850	1.277.133
Raw materials and consumables		5.724.657	3.266.015
Prepayments for goods		2.303.566	0
Inventories		8.028.223	3.266.015
Trade receivables		5.097.050	5.119.573
Receivables from group enterprises		94.149	66.950
Other receivables		59.920	7.860
Income tax receivable		0	3.399
Prepayments		76.611	5.625
Receivables		5.327.730	5.203.407
Cash		349.138	1.675.197
Current assets		13.705.091	10.144.619
Assets		15.265.941	11.421.752

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		166.666	166.666
Retained earnings		2.522.358	2.672.884
Proposed dividend		<u>144.000</u>	<u>80.000</u>
Equity		<u>2.833.024</u>	<u>2.919.550</u>
Deferred tax		<u>9.000</u>	<u>0</u>
Provisions		<u>9.000</u>	<u>0</u>
Current portion of long-term liabilities other than provisions		0	512.298
Bank loans		4.410.004	2.892.726
Prepayments received from customers		4.407.932	2.005.728
Trade payables		1.609.667	2.240.783
Other payables		<u>1.996.314</u>	<u>850.667</u>
Current liabilities other than provisions		<u>12.423.917</u>	<u>8.502.202</u>
Liabilities other than provisions		<u>12.423.917</u>	<u>8.502.202</u>
Equity and liabilities		<u>15.265.941</u>	<u>11.421.752</u>
Unrecognised rental and lease commitments	6		
Contingent liabilities	7		
Assets charged and collateral	8		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	166.666	2.672.884	80.000	2.919.550
Ordinary dividend paid	0	0	(80.000)	(80.000)
Profit/loss for the year	0	(150.526)	144.000	(6.526)
Equity end of year	166.666	2.522.358	144.000	2.833.024

Notes

	2018	2017
	DKK	DKK
1. Staff costs		
Wages and salaries	5.994.550	5.404.765
Pension costs	260.454	252.500
Other social security costs	63.066	73.444
	6.318.070	5.730.709
Average number of employees	7	7
	2018	2017
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	50.000	50.000
Depreciation of property, plant and equipment	231.621	245.932
	281.621	295.932
	2018	2017
	DKK	DKK
3. Tax on profit/loss for the year		
Current tax	0	56.601
Change in deferred tax	9.000	53.000
	9.000	109.601
		Goodwill
		DKK
4. Intangible assets		
Cost beginning of year		500.000
Cost end of year		500.000
Amortisation and impairment losses beginning of year		(350.000)
Amortisation for the year		(50.000)
Amortisation and impairment losses end of year		(400.000)
Carrying amount end of year		100.000

Notes

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
5. Property, plant and equipment			
Cost beginning of year	786.592	873.504	389.008
Additions	35.998	381.061	148.279
Disposals	0	(30.674)	0
Cost end of year	822.590	1.223.891	537.287
Depreciation and impairment losses beginning of year	(160.584)	(484.934)	(321.933)
Depreciation for the year	(26.174)	(161.294)	(44.153)
Reversal regarding disposals	0	30.674	0
Depreciation and impairment losses end of year	(186.758)	(615.554)	(366.086)
Carrying amount end of year	635.832	608.337	171.201

	2018 DKK	2017 DKK
6. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	119.676	155.352

The Entity has concluded operating leases on operating equipment with a time to maturity of up to 12 months. The residual commitment is included in the above. The expected repayment on operating leases for 2018 amounts to DKK 36k.

Moreover, the Entity has entered into a rental agreement on the Entity's permanent establishment. The rental agreement has a period of interminability of 6 months. The residual commitment is included in the above. The annual rent for 2019 amounts to DKK 168k.

7. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Nize Equipment Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Latent obligations relating to repurchase guarantees amount to DKK 350k net.

Notes

8. Assets charged and collateral

As security for a customer the Entity has provided prepayment guarantees amount to DKK 1.267k net.

All the Entity's bank debt has been secured on a mortgage registered to the mortgagor of a nominal amount of DKK 400k on land and buildings.

As security for the Entity's total bank debt, the Entity has granted a floating charge of a nominal value of DKK 4,000k on intangible assets, operating equipment as well as receivables and inventories.

The carrying amount of intangible assets is DKK 100k.

The carrying amount of operating equipment is DKK 780k.

The carrying amount of trade receivables is DKK 5,097k.

The carrying amount of inventories is DKK 8,028k.

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 C.

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, 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. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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 income

Other financial income comprises dividends etc. received on interest income etc.

Other financial expenses

Other financial expenses comprise interest expenses, payables and transactions in foreign currencies.

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 is jointly taxed with the administration company Nize Equipment Holding ApS. 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).

Accounting policies

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. The amortisation period is usually 10 years.

Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

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:

Buildings	30 years
Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

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

Accounting policies

Income tax payable or receivable

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.

Prepayments

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

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

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.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.