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Aarhus N

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Rønde

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Ebeltoft

**Thomas Group Manufacturing A/S**

Bredskifte Alle 11, Hasle  
8210 Aarhus V, Denmark

**ANNUAL REPORT  
2017**

The annual report was submitted to and approved  
by the company's annual general meeting

31 / 5 2018



Chairman of the meeting

**CVR no. 34 61 27 22**

Medlem af:



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## Management's statement

The supervisory board and the management board today presented the annual report for 2017 for Thomas Group Manufacturing A/S.

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

We regard the chosen accounting policies as appropriate to ensure that the financial statements give a true and fair picture of the assets, liabilities, financial position and profit or loss of the company. In our view, the management's review also gives a true and fair statement of the conditions which the review concerns.

The annual report will be submitted for approval at the general meeting.

Aarhus V, 31 / 5 2018

### Management board

Morten Diederich, man. director    Trine Sørensen

### Supervisory board

Søren Kringelholt Nielsen

Leendert Matheus Schot

Thomas Bruun

Thomas Schmidt Madsen

## Independent auditor's report

To the capital owners of Thomas Group Manufacturing A/S

### Opinion

We have audited the financial statements for Thomas Group Manufacturing A/S for the period 1 January - 31 December 2017, including profit and loss account, balance sheet and notes, including accounting policies. The financial statements are presented according to the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair picture of the assets, liabilities and financial position of the company as at 31 December 2017 and of the results of the company's operations in the period 1 April - 31 December 2017 in accordance with the Danish Financial Statements Act.

### The basis of our opinion

We have carried out our audit in accordance with international standards regarding audits and additional requirements applicable in Denmark. Our responsibility according to these standards and requirements are specified in the "Auditor's responsibility for the audit of the financial statements" section of the auditor's report. In accordance with the international code of ethics for professional accountants (IESBA's Code of Ethics) as well as additional requirements applicable in Denmark, we are independent of the company, and we have complied with our other ethical obligations under these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Management's responsibility for the presentation of the financial statements

Management is responsible for the preparation of financial statements giving a true and fair picture in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable preparation of financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the financial statements, management is responsible for assessing the company's ability to continue operations; to provide information about conditions regarding continued operations where relevant; and to prepare the financial statements based on the accounting principle regarding continued operations unless management intends either to wind up the company, to discontinue operations or has no other realistic alternative than doing this.

### Auditor's responsibility for the audit of the financial statements

Our objective is to achieve a high degree of certainty that the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to present an auditor's report with an opinion. A high degree of certainty is a high level of safety but not a guarantee that an audit which is carried out in accordance with international standards regarding audits and additional requirements applicable in Denmark will always uncover any material misstatements when such misstatements exist. Misstatements may occur as a result of fraud or error and may be considered as material if it may reasonably be expected to influence, individually or as a whole, the financial decisions which the users of the accounts make based on the financial accounts.

As part of an audit carried out in accordance with international standards regarding audits and additional requirements applicable in Denmark, we are making professional assessments and maintaining a professional scepticism during our audit.

Moreover:

- We are identifying and assessing the risk of material misstatements in the financial statements, whether due to fraud or error, designing and carrying out audit procedures as a reaction to these risks and obtaining audit evidence which is satisfactory and suitable for forming the basis of our opinion. The risk of not detecting material misstatements due to fraud is higher than at material misstatements due to error as fraud may include conspiracy, document fraud, deliberate omissions, misrepresentation or neglect of internal control.
- We obtain understanding of the internal control of relevance to the audit in order to design audit



## Independent auditor's report

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.

- We consider whether the accounting policies used by management are appropriate and whether the accounting estimates and affiliated information prepared by management are reasonable.
- We conclude whether management's preparation of the financial statements based on the accounting principle regarding continued operations is appropriate and whether, based on the accounting evidence obtained, significant uncertainties exist in connection with events or conditions which may create considerable doubts as to the company's ability to continue operations. If we conclude that significant uncertainties exist, we must in our auditor's report point to information to this effect in the financial statements or, if such information is not satisfactory, modify our opinion. Our opinions are based on the audit evidence which has been obtained until the date of our auditor's report. However, future events or conditions may result in the company not being able to continue operations.
- We consider the overall presentation, structure and contents of the financial statements, including information in the notes, and whether the financial statements reflect the underlying transactions and events in such a way that it gives a true and fair picture hereof.

We are communicating with the top management regarding, among other things, the planned scope and time of the audit and considerable auditing observations, including considerable failures, if any, in the internal control which we identify during the audit.

### Statement on the management's review

Management is responsible for management's review.

Our opinion on the financial statements does not include management's review and we do not express any assurance opinion on management's review.

In connection with our audit of the financial statements, it is our responsibility to read management's review and, in this connection, consider whether management's review is significantly inconsistent with the financial statements or our knowledge obtained during the audit or in any other way seems to include material misstatements.

In addition, our responsibility is to consider whether management's review contains the information required in accordance with the Danish Financial Statements Act.

Based on the work carried out, Management's review is, in our view, in accordance with the Danish Financial Statements Act and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not find any material misstatements in management's review.

Aarhus N, 31 / 5 2018

**Kovsted & Skovgård**  
Statsautoriseret revisionspartnerselskab  
CVR no.: 38751646

Johnny Skovgård Rasmussen  
state-authorised public accountant  
MNE no.: mne32079

## Company information

<b>The company</b>	Thomas Group Manufacturing A/S Bredskifte Alle 11, Hasle 8210 Aarhus V, Denmark
	Phone: +45 70 26 04 60
	CVR no.: 34 61 27 22
	Founded: 6 July 2012
	Financial year: 1 January - 31 December
<b>Supervisory board</b>	Søren Kringelholt Nielsen, chairman Leendert Matheus Schot Thomas Bruun Thomas Schmidt Madsen
<b>Management board</b>	Morten Diederich, man. director Trine Sørensen
<b>Auditor</b>	Kovsted & Skovgård Statsautoriseret revisionspartnerselskab Vestre Ringgade 61 8200 Aarhus N, Denmark

## Management's review

### **Main activity**

The company's activity and objective is, either on its own or through others, to handle the production, delivery and assembly of machines and other mechanical, electrical and electronic equipment and other business which is related to this in the opinion of the supervisory board.

### **Development in company activities and financial circumstances**

The operation and activities of the company have developed as expected, and the profit of the year is deemed satisfactory.

### **Important events occurring after the balance sheet date**

After the end of the financial year, no events have occurred which may change the financial position of the company substantially.

## Accounting policies

### GENERAL INFORMATION

The financial statements for Thomas Group Manufacturing A/S for 2017 have been prepared in accordance with the provisions of the Danish Financial Statements Act regarding class B companies as well as optional rules for class C companies.

The financial statements have been presented in accordance with the same accounting policies as last year and are presented in Danish kroner.

#### Basis of recognition and measurement

The accounts are prepared in accordance with the historical cost convention.

Income is recognised in the profit and loss account as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the profit and loss account, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the profit and loss account.

Assets are recognised in the balance sheet when it is probable that future economic benefits will accrue 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 out of the company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost which recognises a constant effective rate of interest over the life. Amortised cost is computed as original cost less instalments and addition/deduction of the accumulated depreciation of the difference between the cost and the nominal amount. This distributes capital loss and capital gain across the life.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statements and which prove or disprove matters which exist at the balance sheet date.

Danish kroner is used as the functional currency. All other currencies are considered foreign currency.

#### Conversion of foreign currency

Transactions in foreign currency are converted at the exchange rate applicable on the transaction date. Any profit/loss arising between the exchange rate on the transaction date and the exchange rate on the date of payment is included in the profit and loss account as a financial item.

Outstanding amounts, debt and other monetary items in foreign currency which have not been settled on the balance sheet date are converted at the exchange rate on the balance sheet date. Differences between the exchange rate on the balance sheet date and the transaction date are included in the profit and loss account as a financial item.

### PROFIT AND LOSS ACCOUNT

#### General information

Referring to Section 32 of the Danish Financial Statements Act, some income and expenses have been summarised in the item "Gross profit".

#### Net turnover



## Accounting policies

Net turnover from sale is entered in the profit and loss account if delivery and transfer of risk to the purchaser have taken place before the end of the year. Net turnover is recognised exclusive of VAT and less discounts in connection with the sale.

Contract work in progress regarding contracts for services are entered as the production is completed whereby the net turnover corresponds to the sales value of the work completed during the year.

### Costs of raw materials and consumables

Costs of raw materials and consumables include purchased supplies less discounts and changes in stocks of the year.

### Other external costs

Other external costs include costs for distribution, sale, advertising, administration, premises, etc.

### Staff costs

Staff costs include wages and other wage-related costs, including sickness benefits for the company's employees less salary refunds from the State.

### Financial income and expenses

Financial income and expenses are recognised in the profit and loss account with the amounts which concern the financial year. Financial income and expenses include interest income and costs, financial costs as well as additions and reimbursements under the tax prepayment scheme, etc.

### Tax on profit/loss for the year

The tax for the year, which consists of the current tax for the year and changes in the deferred tax for the year, is recognised in the profit and loss account (the part attributable to the profit/loss for the year) and directly in equity (the part attributable to transactions directly concerning equity).

The parent company and the Danish group companies are jointly taxed. The Danish company tax is divided between the jointly taxed Danish companies in relation to their taxable incomes. The parent company serves as the administration company of the group of jointly taxed companies which means that the parent company handles the payment of taxes, etc. to the Danish tax authorities.

## BALANCE SHEET

### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is written down to meet expected losses.

Write-down for loss is calculated on the basis of an individual assessment of each account receivable.

### Contract work in progress

Contract work in progress is measured at the sales value of the work completed. The sales value is measured based on the stage of completion on the balance sheet date and the total expected income of the individual work in progress.

### Prepayments and accrued income

Prepayments and accrued income entered under assets include paid costs for subsequent financial years.

### Dividends

Proposed dividend for the financial year is recognised as a separate item under equity. Proposed dividend is recognised as an obligation at the time it is adopted at the general meeting.

### Provisions for liabilities

## Accounting policies

Provisions for liabilities are recognised when as a result of an event occurred on the balance sheet date at the latest, the company has a legal or actual obligation and it is probable that financial benefits must be surrendered to redeem the obligation.

### Company tax and deferred tax

Any current tax obligations and current tax receivables are recognised in the balance sheet as calculated tax on the taxable income of the year adjusted for tax on the taxable income of previous years and for taxation paid on account.

Deferred tax is measured according to the balance-sheet liability method of temporary differences between carrying amounts and the tax bases of assets and liabilities. If the tax base of for example shares can be computed according to alternative taxation rules, the deferred tax is measured on the basis of the planned use of the asset or disposal of the obligation, respectively.

Deferred tax assets, including the taxable value of tax losses which can be brought forward, are measured at the expected realisable value of the asset by either setting off tax in future earnings or by setting off deferred tax obligations within the same legal tax entity. Deferred net tax assets, if any, are measured at the net realisable value.

Deferred tax is measured on the basis of the tax rules and tax rates which apply according to the legislation applicable on the balance sheet date when the deferred tax is expected to be released as current tax. Any change in the deferred tax as a result of changes in tax rates is recognised in the profit and loss account. The current tax rate has been used for the current year.

### Creditors

Other creditors which include debt to suppliers and other debt are measured at the amortised cost price which usually corresponds to the nominal value.

**Profit and loss account**  
**1 January - 31 December**

Note	2017	2016
<b>GROSS PROFIT</b>	<b>39,182</b>	<b>1,431,339</b>
Other interest receivable and similar income from affiliated companies	94,268	13,086
Financial costs originating from affiliated companies	-1,480	0
Other financial costs	-59,694	-630
<b>PROFIT/LOSS BEFORE TAX</b>	<b>72,276</b>	<b>1,443,795</b>
Tax on profit/loss for the year	-17,001	-317,635
<b>PROFIT FOR THE YEAR</b>	<b>55,275</b>	<b>1,126,160</b>
<b>PROPOSAL FOR DISTRIBUTION OF THE PROFIT</b>		
Retained earnings	55,275	1,126,160
<b>TOTAL DISTRIBUTED</b>	<b>55,275</b>	<b>1,126,160</b>

**Balance sheet as at 31 December**  
**ASSETS**

Note	2017	2016
Trade receivables	137,585	4,867,672
Contract work in progress	807,071	460,748
Amounts owed by affiliated enterprises	273,481	0
Other receivables	905,138	74,055
Prepayments and accrued income	0	966,026
<b>Receivables</b>	<b>2,123,275</b>	<b>6,368,501</b>
Cash at bank and in hand	101,707	7,484,249
<b>CURRENT ASSETS</b>	<b>2,224,982</b>	<b>13,852,750</b>
<b>ASSETS</b>	<b>2,224,982</b>	<b>13,852,750</b>



**Balance sheet as at 31 December**  
**LIABILITIES**

Note	2017	2016
Company capital	500,000	500,000
Retained earnings	1,209,029	1,153,754
<b>1 EQUITY</b>	<b>1,709,029</b>	<b>1,653,754</b>
Prepayments from customers received	0	4,788,212
Trade creditors	178,506	6,102,251
Debt to affiliated companies	320,445	187,233
Company tax	17,001	317,635
Other creditors	1	803,665
<b>Current liabilities other than provisions</b>	<b>515,953</b>	<b>12,198,996</b>
<b>CREDITORS</b>	<b>515,953</b>	<b>12,198,996</b>
<b>LIABILITIES</b>	<b>2,224,982</b>	<b>13,852,750</b>

2 Contract obligations and contingencies, etc.

## Notes

Proposal for  
distribution of the  
1/1 2017 profit for the year 31/12 2017

### 1 Equity

Company capital	500,000	0	500,000
Retained earnings	1,153,754	55,275	1,209,029
	<u>1,653,754</u>	<u>55,275</u>	<u>1,709,029</u>

### 2 Contract obligations and contingencies, etc.

The company is part of the national joint taxation of the parent company as an administration company and has joint and several liability with the other jointly taxed companies for the total company tax and for any obligations to withhold tax at the source on interest, royalties and dividends.