

Murrelektronik ApS

Gasværksvej 30A, 9000 Aalborg

CVR no. 35 23 45 86

Annual report 2017

Approved at the Company's annual general meeting on 30 January 2018

Chairman:


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Thomas Kjeldgaard Burgdorf





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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Murrelektronik ApS for the financial year 1 January - 31 December 2017.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Aalborg, 30 January 2018
Executive Board:



Thomas Kjeldgaard

Burgdorf
CEO

Independent auditor's report

To the shareholder of Murrelektronik ApS

Opinion

We have audited the financial statements of Murrelektronik ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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 rules and requirements.

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 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 as to 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 the 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:

- ▶ 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.

Independent auditor's report

- ▶ 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 note 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 on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 30 January 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Evan Christensen
State Authorised Public Accountant
MNE no. mne18550



Management's review

Company details

Name	Murrelektronik ApS
Address, Postal code, City	Gasværksvej 30A, 9000 Aalborg
CVR no.	35 23 45 86
Established	19 April 2013
Registered office	Aalborg
Financial year	1 January - 31 December
Executive Board	Thomas Kjeldgaard Burgdorf, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Vestre Havnepromenade 1A, 9000 Aalborg, Denmark

Management's review

Business review

As in previous years, the principal activities of the Company are the sale, marketing and distribution of automated technical products and the supply of solutions for industrial, automated applications.

With official start-up date at 1 July 2013, Murrelektronik took up the sale and marketing of the parent company's, MEG Murrelektronik Beteiligungen GmbH, products in Denmark.

The electricity industry in Denmark makes up the primary segment for electrotechnical solutions.

Financial review

The results for 2017 are fine in terms of both revenue and bottom line results.

In 2017, there has been much focus on implementing our Vision, Mission and Values. We feel that we have succeeded in getting a common direction against goals that everyone can identify with.

Our optimal platform in relation to turnover and employees are stable now. This means that we can grow more in relation to long-term projects towards our 2020 goal.

Murrelektronik needs both locally and globally to become a larger and more interesting partner in relation to projects in renewable energy.

We look forward to 2018 in a market where the automation industry is in growth, and this segment is included as one of the focus areas for Murrelektronik Denmark.

Events after the balance sheet date

No events have occurred after the balance sheet date significantly affecting the 2017 financial statements.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2017	2016
	Gross margin	5,617,564	5,207,389
2	Staff costs	-4,741,141	-4,468,524
	Amortisation/depreciation and impairment of property, plant and equipment	-30,893	-27,556
	Profit before net financials	845,530	711,309
	Financial income	0	28,153
	Financial expenses	-51,476	-43,869
	Profit before tax	794,054	695,593
3	Tax for the year	-203,575	-176,301
	Profit for the year	<u>590,479</u>	<u>519,292</u>
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	590,479	0
	Extraordinary dividend distributed in the year	519,292	0
	Retained earnings/accumulated loss	-519,292	519,292
		<u>590,479</u>	<u>519,292</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	69,944	53,279
		<u>69,944</u>	<u>53,279</u>
	Total fixed assets	<u>69,944</u>	<u>53,279</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	4,376,552	3,267,456
	Income taxes receivable	0	5,096
	Other receivables	0	9,267
	Deferred income	111,007	98,420
		<u>4,487,559</u>	<u>3,380,239</u>
	Cash	<u>2,095,278</u>	<u>2,692,466</u>
	Total non-fixed assets	<u>6,582,837</u>	<u>6,072,705</u>
	TOTAL ASSETS	<u><u>6,652,781</u></u>	<u><u>6,125,984</u></u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	80,000	80,000
	Retained earnings	836,135	1,355,427
	Dividend proposed for the year	590,479	0
	Total equity	<u>1,506,614</u>	<u>1,435,427</u>
	Provisions		
	Deferred tax	28,414	18,180
	Total provisions	<u>28,414</u>	<u>18,180</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	106,864	57,164
	Payables to associates	2,500,987	2,923,557
	Income taxes payable	138,245	0
	Other payables	2,371,657	1,691,656
		<u>5,117,753</u>	<u>4,672,377</u>
	Total liabilities other than provisions	<u>5,117,753</u>	<u>4,672,377</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>6,652,781</u></u>	<u><u>6,125,984</u></u>

1 Accounting policies

5 Contractual obligations and contingencies, etc.



Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2017	80,000	1,355,427	0	1,435,427
Transfer through appropriation of profit	0	0	590,479	590,479
Extraordinary dividend distributed	0	-519,292	0	-519,292
Equity at 31 December 2017	80,000	836,135	590,479	1,506,614

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Murrelektronik ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act to report reporting class B entities.

The accounting policies used in the preparation of financial statements are consistent with those applied last year.

Basis of recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortisation of any difference between cost and nominal amount.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Income statement

Gross margin

Gross profit comprises revenue, cost of sales, cash discounts, distribution costs, costs of premises and vehicles as well as administrative expenses.

Revenue from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security cost, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, changes in connection with payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Operating equipment is measured at cost less accumulated depreciation and impairment losses. The basis of depreciation is cost less expected residual value at the end of the useful life. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Where individual components of an item of equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less expected residual value at the end of the useful life. Depreciation, which is calculated as cost less any residual value, is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Operating equipment 3 years.

Depreciation is recognised in the income statement as depreciation.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2017	2016
2 Staff costs		
Wages/salaries	3,932,318	3,599,033
Pensions	541,923	534,590
Other social security costs	52,320	51,519
Other staff costs	214,580	283,382
	<u>4,741,141</u>	<u>4,468,524</u>
Average number of full-time employees	<u>8</u>	<u>6</u>
3 Tax for the year		
Estimated tax charge for the year	193,341	176,301
Deferred tax adjustments in the year	10,234	0
	<u>203,575</u>	<u>176,301</u>
4 Property, plant and equipment		
		Other fixtures and fittings, tools and equipment
DKK		
Cost at 1 January 2017		94,847
Additions in the year		47,557
Cost at 31 December 2017		<u>142,404</u>
Impairment losses and depreciation at 1 January 2017		41,568
Amortisation/depreciation in the year		30,892
Impairment losses and depreciation at 31 December 2017		<u>72,460</u>
Carrying amount at 31 December 2017		<u>69,944</u>
5 Contractual obligations and contingencies, etc.		
Other financial obligations		
The Company has entered into a tenancy agreement with a total liability of DKK 205 thousand at 31 December 2017. An obligation of 13 months' rent is incumbent on the Company.		
The Company has entered into lease agreements with a total liability of DKK 255 thousand at 31 December 2017. An obligation of 10 to 20 months' lease is incumbent on the Company.		