

Ultimade ApS

Pottemagervej 2, 7100 Vejle

Annual report for the period
1 October 2016 to 31 December 2017
(2nd Financial year)

Adopted at the annual general meeting on 24 May 2018

Alex Peter Ludvigsen
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Ultimade ApS for the financial year 1 October 2016 - 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 October 2016 - 31 December 2017.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved at the annual general meeting.

Vejle, 24 May 2018

Executive board

Carsten Frees

Alex Peter Ludvigsen

Independent auditor's report

To the shareholders of Ultimade ApS

Opinion

We have audited the financial statements of Ultimade ApS for the financial year 1 October 2016 - 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 October 2016 - 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 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.

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 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 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 on 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.

Independent auditor's report

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 Statements Act. We did not identify any material misstatement of management's review.

Kolding, 24 May 2018

KMPG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised Public Accountant
MNE no. mne33220

Company details

The company

Ultimade ApS
Pottemagervej 2
7100 Vejle

CVR no.: 37 09 55 08

Reporting period: 1 October 2016 - 31 December 2017

Incorporated: 18. September 2015

Financial year: 2nd financial year

Domicile: Vejle

Executive board

Carsten Frees
Alex Peter Ludvigsen

Auditors

KMPG
Statsautoriseret Revisionspartnerselskab
Jupitervej 4, st.
6000 Kolding

Management's review

Business activities

The Company's primary activities are development, manufacturing and production of injection molding of components.

Business review

The Company's income statement for the year ended 31 December shows a loss of DKK 2,887,771, and the balance sheet at 31 December 2017 shows negative equity of DKK 6,008,647.

There is no comparability between the current and last year's income statement, as current year contains a 15 month period and last year contains a 12 month period.

The Company has lost more than 50% of its contributed capital and is thus subject to the provisions on loss of capital under the Danish Companies Act. It is the Management's expectation that the capital can be restored operations going forward. If, contrary to expectations, this will not take place, the Company's owners will contribute capital to restore the contributed capital.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Ultimade ApS for 2016/17 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions regarding larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2016/17 is presented in DKK

There is no comparability between the current and last year's income statement, as current year contains a 15 month period and last year contains a 12 month period.

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 amortisation, depreciation and impairment losses, 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 the asset 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 the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

Accounting policies

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Expenses for raw materials and consumables

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external costs

Other external costs include expenses related to sale, advertising, administration, premises etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Tangible assets

Items of fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the 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.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	5-10 years
Leasehold improvements	5 years

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'

Impairment of fixed assets

The carrying amount of tangible assets is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Receivables

Receivables are measured at amortised cost.

Accounting policies

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 is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Cash at bank and in hand

Cash and cash equivalents comprise bank deposit.

Equity

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carry forward are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities are measured at amortised cost, which is usually equivalent to nominal value.

Income statement 1 October 2016 - 31 December 2017

	Note	2016/17 DKK	2015/16 TDKK
Gross profit		4,410,531	-1,668
Staff costs	1	-1,650,525	-1,827
Depreciation, amortisation and impairment of tangible assets		<u>-4,273,783</u>	<u>-214</u>
Profit/loss before financial income and expenses		-1,513,777	-3,709
Financial costs	2	<u>-854,143</u>	<u>-394</u>
Profit/loss before tax		-2,367,920	-4,103
Tax on profit/loss for the year	3	<u>-519,851</u>	<u>882</u>
Net profit/loss for the year		<u><u>-2,887,771</u></u>	<u><u>-3,221</u></u>
 Proposed distribution of profit			
Retained earnings		<u>-2,887,771</u>	<u>-3,221</u>
		<u><u>-2,887,771</u></u>	<u><u>-3,221</u></u>

Balance sheet at 31 December 2017

	Note	2016/17 DKK	2015/16 TDKK
ASSETS			
Other fixtures and fittings, tools and equipment		27,643,046	26,599
Leasehold improvements		<u>1,917,882</u>	<u>1,966</u>
Tangible assets	4	<u>29,560,928</u>	<u>28,565</u>
Deposits	5	<u>82,000</u>	<u>82</u>
Fixed asset investments		<u>82,000</u>	<u>82</u>
Fixed assets total		<u>29,642,928</u>	<u>28,647</u>
Trade receivables		0	1,172
Other receivables		0	200
Deferred tax asset		0	882
Prepayments		<u>3,676</u>	<u>2</u>
Receivables		<u>3,676</u>	<u>2,256</u>
Cash at bank and in hand		<u>0</u>	<u>1,488</u>
Current assets total		<u>3,676</u>	<u>3,744</u>
ASSETS TOTAL		<u><u>29,646,604</u></u>	<u><u>32,391</u></u>

Balance sheet at 31 December 2017

	Note	2016/17 DKK	2015/16 TDKK
LIABILITIES AND EQUITY			
Share capital		100,000	100
Retained earnings		<u>-6,108,647</u>	<u>-3,221</u>
Equity	6	<u>-6,008,647</u>	<u>-3,121</u>
Provision for deferred tax		<u>604,000</u>	<u>0</u>
Provisions total		<u>604,000</u>	<u>0</u>
Lease obligations		<u>19,519,192</u>	<u>21,971</u>
Long-term debt	7	<u>19,519,192</u>	<u>21,971</u>
Short-term part of long-term debt	7	3,313,509	0
Banks		486	0
Trade payables		179,721	1,240
Payables to subsidiaries		11,119,746	10,782
Joint taxation contributions payable		273,599	0
Other payables		<u>644,998</u>	<u>1,519</u>
Short-term debt		<u>15,532,059</u>	<u>13,541</u>
Debt total		<u>35,051,251</u>	<u>35,512</u>
LIABILITIES AND EQUITY TOTAL		<u>29,646,604</u>	<u>32,391</u>
Contingent assets, liabilities and other financial obligations	8		

Notes

	2016/17 DKK	2015/16 TDDK
1 Staff costs		
Wages and salaries	1,568,965	1,729
Pensions	54,683	46
Other social security costs	13,323	9
Other staff costs	13,554	43
	<u>1,650,525</u>	<u>1,827</u>
Average number of employees	<u>2</u>	<u>2</u>
2 Financial costs		
Other financial costs	<u>854,143</u>	<u>394</u>
	<u>854,143</u>	<u>394</u>
3 Tax on profit/loss for the year		
Current tax for the year	-990,925	0
Deferred tax for the year	1,486,282	-882
Adjustment of tax concerning previous years	24,494	0
	<u>519,851</u>	<u>-882</u>
4 Tangible assets		
	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 October 2016	26,746,261	2,033,378
Additions for the year	<u>4,685,423</u>	<u>584,135</u>
Cost at 31 December 2017	<u>31,431,684</u>	<u>2,617,513</u>

Notes

4 Tangible assets (continued)

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Impairment losses and depreciation at 1 October 2016	147,201	67,285
Depreciation for the year	<u>3,641,437</u>	<u>632,346</u>
Impairment losses and depreciation at 31 December 2017	<u>3,788,638</u>	<u>699,631</u>
Carrying amount at 31 December 2017	<u>27,643,046</u>	<u>1,917,882</u>
Value of leased assets	<u>24,514,246</u>	<u>0</u>

5 Fixed asset investments

	Deposits
Cost at 1 October 2016	<u>82,000</u>
Cost at 31 December 2017	<u>82,000</u>
Carrying amount at 31 December 2017	<u>82,000</u>

6 Equity

	Share capital	Retained earnings	Total
Equity at 1 October 2016	100,000	-3,220,876	-3,120,876
Net profit/loss for the year	<u>0</u>	<u>-2,887,771</u>	<u>-2,887,771</u>
Equity at 31 December 2017	<u>100,000</u>	<u>-6,108,647</u>	<u>-6,008,647</u>

Notes

7 Long term debt

	Debt at 1 October 2016	Debt at 31 December 2017	Payment within 1 year	Debt after 5 years
Lease obligations	<u>21,971</u>	<u>22,832,701</u>	<u>3,313,509</u>	<u>0</u>
	<u>21,971</u>	<u>22,832,701</u>	<u>3,313,509</u>	<u>0</u>

8 Contingent assets, liabilities and other financial obligations

Financial obligations relating to operational leases constitute t.DKK 1,257.

The company is jointly taxed with Ammeraal Beltech Danmark A/S (management company), and is jointly and severally liable with the other jointly taxed entities for the payment of income taxes for income years 2013 onwards and withholding taxes on dividends, interest and royalties falling due for payment on or after 1 July 2012.