
Gurit Kitting Holding ApS

Frejasvej 7, DK-6950 Ringkøbing

Annual Report for 1 January - 31 December 2018

CVR No 37 65 87 23

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
3 /5 2019

Andreas Kipker
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Gurit Kitting Holding ApS for the financial year 1 January - 31 December 2018.

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 financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Ringkøbing, 29 March 2019

Executive Board

Rudolf Hadorn
Executive Officer

Frank Virefeldt Nielsen
Executive Officer

Board of Directors

Angelo Roberto Quabba
Chairman

Veronica Johanna Lierau

Andreas Kipker

Independent Auditor's Report

To the Shareholder of Gurit Kitting Holding ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Gurit Kitting Holding ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

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.

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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Independent Auditor's Report

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.

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.
- 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.

Independent Auditor's Report

- 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.

Holstebro, 29 March 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Poul Spencer Poulsen
State Authorised Public Accountant
mne23324

Hans Jørgen Andersen
State Authorised Public Accountant
mne30211

Company Information

The Company

Gurit Kitting Holding ApS
Frejasvej 7
DK-6950 Ringkøbing

CVR No: 37 65 87 23

Financial period: 1 January - 31 December

Municipality of reg. office: Ringkøbing-Skjern

Board of Directors

Angelo Roberto Quabba, Chairman
Veronica Johanna Lierau
Andreas Kipker

Executive Board

Rudolf Hadorn
Frank Virenfeldt Nielsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Hjaltensvej 16
DK-7500 Holstebro

Management's Review

Financial Statements of Gurit Kitting Holding ApS for 2018 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 rules applying to reporting class C.

The company has changed its accounting policies for measurement of investments from the equity method at cost. The change has resulted in an decrease in ordinary profit for the current year and result for the year by tDKK 10.634 and a increase in 2017 by tDKK 6.895. It has also reduced the company's fixed, asset, total assets and equity with tDKK 12.922 and increase them in 2017 by tDKK 4.207. The company's cash flows are not affected by the change.

Key activities

The objective of the company is - directly or indirectly - to own shares in other companies as well as other activities deemed related by the Executive Board.

Development in the year

The income statement of the Company for 2018 shows a profit of TDKK 6,710, and at 31 December 2018 the balance sheet of the Company shows equity of TDKK 146,522.

Income Statement 1 January - 31 December

	Note	2018 TDKK	2017 TDKK
Income from investments in subsidiaries		15.000	17.000
Other external expenses		-466	-598
Gross profit/loss		14.534	16.402
Staff expenses	1	-6.560	0
Profit/loss before financial income and expenses		7.974	16.402
Other financial income	2	192	194
Other financial expenses	3	-3.650	-3.309
Profit/loss before tax		4.516	13.287
Tax on profit/loss for the year	4	2.194	817
Net profit/loss for the year		6.710	14.104

Distribution of profit

Proposed distribution of profit

Retained earnings	6.710	14.104
	6.710	14.104

Balance Sheet 31 December

Assets

	Note	2018 TDKK	2017 TDKK
Investments in subsidiaries		213.084	213.084
Fixed asset investments		213.084	213.084
Fixed assets		213.084	213.084
Receivables from group enterprises		9.618	816
Deferred tax asset		704	1.378
Corporation tax		1.624	0
Receivables		11.946	2.194
Cash at bank and in hand		0	28
Currents assets		11.946	2.222
Assets		225.030	215.306

Balance Sheet 31 December

Liabilities and equity

	Note	2018 TDKK	2017 TDKK
Share capital		103	100
Retained earnings		146.419	135.813
Equity		146.522	135.913
Credit institutions		0	68.208
Payables to group enterprises		74.952	0
Long-term debt	5	74.952	68.208
Credit institutions	5	1	11.150
Payables to group enterprises	5	356	0
Other payables		3.199	35
Short-term debt		3.556	11.185
Debt		78.508	79.393
Liabilities and equity		225.030	215.306
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Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	100	12.793	118.813	131.706
Net effect from change of accounting policy	0	-12.793	17.000	4.207
Adjusted equity at 1 January	100	0	135.813	135.913
Cash capital increase	3	0	3.896	3.899
Net profit/loss for the year	0	0	6.710	6.710
Equity at 31 December	103	0	146.419	146.522

Notes to the Financial Statements

	2018 <u>TDKK</u>	2017 <u>TDKK</u>
1 Staff expenses		
Wages and salaries	6.560	0
	<u>6.560</u>	<u>0</u>
Average number of employees	<u>0</u>	<u>0</u>
2 Other financial income		
Interest received from group enterprises	192	0
Other financial income	0	194
	<u>192</u>	<u>194</u>
3 Other financial expenses		
Interest paid to group enterprises	356	3.309
Other financial expenses	3.294	0
	<u>3.650</u>	<u>3.309</u>
4 Tax on profit/loss for the year		
Current tax for the year	-2.868	-817
Deferred tax for the year	674	0
	<u>-2.194</u>	<u>-817</u>
5 Long-term debt		
Debt falling due after 5 years	0	0
	<u>0</u>	<u>0</u>

Notes to the Financial Statements

	2018 TDKK	2017 TDKK
6 Contingent assets, liabilities and other financial obligations		

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 0. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

7 Related parties

Basis

Controlling interest

Gurit Holding AG	Owner
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Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act. There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Consolidated Financial Statements

The company is included in the consolidated report for the parent company:

<u>Name</u>	<u>Place of registered office</u>
Gurit Holding AG	Wattwil, Schweiz

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Gurit Kitting Holding ApS for 2018 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 rules applying to reporting class C.

The Financial Statements for 2018 are presented in TDKK.

Changes in accounting policies

The company has changed its accounting policies for measurement of investments from the equity method at cost. The change has resulted in an decrease in ordinary profit for the current year and result for the year by tDKK 10.634 and a increase in 2017 by tDKK 6.895. It has also reduced the company's fixed, asset, total assets and equity with tDKK 12.922 and increase them in 2017 by tDKK 4.207. The company's cash flows are not affected by the change.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Gurit Holding AG, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, 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 income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 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.

Income Statement

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Notes to the Financial Statements

8 Accounting Policies (continued)

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Notes to the Financial Statements

8 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.