

Saballe TopCo ApS

Trollesmindealle 25, DK-3400 Hillerød

CVR No. 37 85 38 60

Annual report for 1 May 2019 to 30 April 2020

The Annual Report was presented and adopted at the Annual General Meeting of the Company on:
26 August 2020

Chairman
Michael Engstrøm

Contents

Management's Statement and Auditor's Report	Page
Management's Statement	3
Independent Auditor's Report	4

Management's Review	Page
Company Information	6

Financial Statements - Parent	Page
Income Statement	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes	10

Management's Statement

The Executive and Board of Directors have discussed and approved the Annual Report of Saballe TopCo ApS for the financial year 1 May 2019 to 30 April 2020.

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 30 April 2020 of the Company and of the results of the Company operations for 1 May 2019 to 30 April 2020.

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

Hillerød, 26 August 2020

Executive Board

Peter Krogh

Board of Directors

Bo Harald Peter Risberg
Chairman

Claus Bjerre

Sarah Katherine Newbitt

Niels Erik Olsen

Rikke Kjær Nielsen

Independent Auditors Report

To the Shareholder of Saballe TopCo ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2020 and of the results of the Company's operations for the financial year 1 May 2019 - 30 April 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Saballe TopCo ApS for the financial year 1 May 2019 - 30 April 2020, 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.

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 International Financial Reporting Standards as adopted by the EU and further requirements in 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 Auditors 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 over-ride 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 Parent 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.

Hillerød, 26 August 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Aslund Pedersen
State Authorised Public Accountant
mne17120

Christian Engelbrecht Friis
State Authorised Public Accountant
mne44180

Company Information

The Company

Saballe TopCo ApS
Trollesmindealle 25
DK-3400 Hillerød

Central Business Registration No:	37 85 38 60
Registered in:	Hillerød
Financial period:	1 May 2019 to 30 April 2020
Municipality of reg. office:	Hillerød, Denmark

Board of directors

Bo Risberg, Chairman
Claus Bjerre
Sarah Newbitt
Niels Erik Olsen
Rikke Kjær Nielsen

Executive Board

Peter Krogh

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Milnersvej 43
DK-3400 Hillerød

Income Statement

		1 May 2019 to 30 April 2020	1 May 2018 to 30 April 2019
	Notes	TDKK	TDKK
Revenue		3.340	4.090
Administrative expenses	5	-3.252	-3.893
Operating profit/loss		88	197
Income from investments in subsidiaries		139.000	0
Financial income	6	12.158	728
Financial expenses	7	-48.210	-34.980
Profit/loss before tax		103.037	-34.055
Tax on profit/loss for the year		3.922	7.853
Net profit/loss for the year		106.958	-26.202
Distribution of profit			
Proposed distribution of profit			
Retained earnings		106.958	-26.202
		106.958	-26.202

Balance sheet

	30 April 2020	30 April 2019
	TDKK	TDKK
Investments in subsidiaries	1.035.695	1.002.871
Total non-current assets	1.035.695	1.002.871
Receivables from group entities	16.101	0
Corporation tax receivable from group enterprises	8.469	17.203
Cash and cash equivalents	146	0
Total current assets	24.716	17.203
Total assets	1.060.412	1.020.074

Balance sheet

	30 April 2020	30 April 2019
	TDKK	TDKK
Share capital	60.689	59.940
Retained earnings	644.676	489.646
Total equity	705.365	549.586
Credit institutions	0	391.499
Payables to group enterprises	352.045	67.775
Income tax payables	2.820	10.237
Other payables	182	977
Total current liabilities	355.046	470.488
Total liabilities	355.046	470.488
Total equity and liabilities	1.060.412	1.020.074

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 May 2019	59.940	489.646	549.586
Capital increase	749	15.248	15.997
Capital contribution	0	32.824	32.824
Profit for the year	0	106.958	106.958
Equity at 30 April 2020	60.689	644.676	705.365

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 May 2018	59.940	515.848	575.788
Profit for the year	0	-26.202	-26.202
Equity at 30 April 2019	59.940	489.646	549.586

Notes

1. Accounting policies

The Annual Report of Saballe TopCo ApS for 2019/20 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 2019/20 are presented in TDKK.

Merger between Saballe TopCo ApS and Saballe BidCo ApS

A merger between Saballe TopCo ApS and the subsidiary, Saballe BidCo ApS, was completed in the financial year with effective date for financial purposes as of 1 May 2019. Saballe TopCo ApS is the continuing entity after the merger. The comparative figures in the consolidated accounts have been restated as if the entities had been combined throughout the previous reporting period.

Changes in accounting policies

Management has decided to change the accounting policies applied to investments in subsidiaries from recognition according to the equity method to cost. The structure of the Group has changed significantly during the financial year due to Kelvin HoldCo A/S' acquisition of Ellab Group through Saballe TopCo ApS and the merger between Saballe TopCo ApS and the former subsidiary, Saballe BidCo ApS. The change of accounting policies is therefore implemented to simplify the Annual Report of the company. The comparative figures have been restated. The change in accounting policy has resulted in an increase of equity 1 May 2019 of TDKK 47.557, an increase in net income for the accounting year ending 30 April 2020 of TDKK 135.257, an increase in equity at 30 May 2020 of TDKK 135.257 and a increase in the balance sheet total as of 30 April 2020 of TDKK 182.798.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Kelvin HoldCo A/S, the Company has not disclosed 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.

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.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Notes

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as Other Payables.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Income Statement

Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Administrative expenses

Administrative expenses comprise expenses for management, administrative staff, office expenses, depreciation, etc.

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 companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured at cost. Where cost exceeds the recoverable amount, writedown is made to this lower value.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

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.

Notes

Financial debts

Loans, such as 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.

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

Notes

2. Key activities

The purpose of the company is to own shares in companies that deals with trade, service, industry and other related business.

3. Unusual events

The spread of Covid-19 has affected the global economic and short-term growth prospects negatively. The financial position and results of operations for the year ended 30 April 2020 has not been severely impacted by the Covid-19 pandemic, and no adjustments relating to Covid-19 have been made to the Financial Statements.

Apart from the impacts of Covid-19, the financial position at 30 April 2020 of the Company and the results of the activities of the Company for the financial year for 2019/20 have not been affected by any unusual events.

4. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

	1 May 2019 to 30 April 2020	1 May 2018 to 30 April 2019
	TDKK	TDKK
5. Employee expenses		
Wages and Salaries	2.728	3.134
Pensions	39	74
Other social security expenses	7	10
	2.774	3.218
Wages and Salaries, pensions and other social security expenses are recognised in the following items:		
Administrative expenses	2.774	3.218
	2.774	3.218
Average number of employees	1	2
6. Financial income		
Other financial income	430	728
Exchange gains	11.728	0
	12.158	728
7. Financial expenses		
Interest paid to group enterprises	0	6.094
Other financial expenses	33.442	21.358
Exchange loss	14.768	7.528
	48.210	34.980

Notes

8. Related parties

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

<u>Name</u>	<u>Place of registered office</u>
Kelvin HoldCo A/S	Hillerød

9. Derivatives financial instruments

Agreements on interest rate swaps are used to hedge the risk related to changes in future interest payments on borrowings at variable rate.

The fair value of interest rate swaps is TDKK 0 at 30 April 2020 compared to TDKK 254 at 30 April 2019 recognised as an asset.

10. Commitments and contingent liabilities

Charges and security

Shares in Saballe TopCo ApS and the subsidiaries Ellab A/S, Ellab Inc., Ellab GmbH, Ellab UK Limited, The IMC Group (International) Limited, IMC International Holdings Limited and Hanwell Solutions Limited have been pledged as security for credit institutions. The shares in Ellab A/S are recognised at cost of 1.035.695 TDKK. The shares for Ellab A/S' subsidiaries are recognized at booked value of 39.881 TDKK in the annual report for Ellab A/S.

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 is disclosed in the Annual Report of Saballe TopCo ApS and Kelvin HoldCo A/S, the management companies of the joint taxation in the income year. 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.