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Holmris Holding A/S

Avderødvej 27 C
2980 Kokkedal
Central Business Registration
No 38746383

Annual report 27.06.2017 - 30.04.2018

The Annual General Meeting adopted the annual report on 26.09.2018

Chairman of the General Meeting

Name: Niels Henrik Lauritzen

Contents

Entity details

Entity
Holmris Holding A/S
Avderødvej 27 C
2980 Kokkedal

Central Business Registration No (CVR): 38746383
Founded: 27.06.2017
Registered in: Fredensborg
Financial year: 27.06.2017 - 30.04.2018

Board of Directors
John Staunsbjerg Dueholm, chairman
Jesper Wadum Nielsen, vice chairman
Henrik Holmris Hansen
Peter Lynghøj Johansen
Niels Henrik Lauritzen

Executive Board
Peter Lynghøj Johansen

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Værkmestergade 2
8000 Aarhus

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Holmris Holding A/S for the financial year 27.06.2017 - 30.04.2018.

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

In our opinion, the financial statements give a true and fair view of the Group's and the Parent's financial position at 30.04.2018 and of the results of the Group's and the Parent's operations and cash flows for the Group for the financial year 27.06.2017 - 30.04.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Bjerringbro, 26.09.2018

Executive Board

Peter Lynghøj Johansen

Board of Directors

John Staunsbjerg Dueholm chairman	Jesper Wadum Nielsen vice chairman	Henrik Holmris Hansen
Peter Lynghøj Johansen	Niels Henrik Lauritzen	

Independent auditor's report

To the shareholders of Holmris Holding A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Holmris Holding A/S for the financial year 27.06.2017 - 30.04.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.04.2018, and of the results of their operations and the consolidated cash flows for the financial year 27.06.2017 - 30.04.2018 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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.

Other matterManagement's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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

Independent auditor's report

reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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 the management commentary.

Aarhus, 26.09.2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Jacob Nørmark
State Authorised Public Accountant
Identification No (MNE) mne30176

Kasper Vestergaard Jessen
State Authorised Public Accountant
Identification No (MNE) mne42784

Management commentary

	2017/2018 DKK'000
Financial highlights	
Key figures	
Revenue	671.699
Gross profit/loss	162.840
Operating profit/loss	(6.571)
Net financials	(12.505)
Profit/loss for the year	(22.145)
Profit/loss for the year excl minority interests	(22.145)
Total assets	551.331
Investments in property, plant and equipment	35.100
Equity	104.767
Equity excl minority interests	104.767
Cash flows from (used in) operating activities	48.387
Cash flows from (used in) investing activities	(350.837)
Cash flows from (used in) financing activities	247.308
Ratios	
Gross margin (%)	24
Net margin (%)	(3)
Equity ratio (%)	19

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	**Calculation formula**	**Calculation formula reflects**
Gross margin (%)	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$	The entity's operating profitability.
Equity ratio (%)	$\frac{\text{Equity excl minority interests x 100}}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities
The Group's principal activities are manufacture and sale of furniture to the office and housing markets. The manufacturing takes place in both Bjerringbro and Vemmelev (Denmark), while sale of the Group's products takes place in subsidiaries.

The products are distributed in both Denmark and in the rest of the world.

The Entity's main activity comprise equity holding in subsidaries.

Development in activities and finances
The entity has during its first accounting period acquired Holmris A/S as per 1st of July 2017, one of the leading suppliers of furnitures for offices and hotels etc. in Denmark. Holmris A/S has during the year continued to grow both organicly, however also through acquisitions, thus OJ System A/S in Silkeborg (now Holmris Customized A/S) and B8 A/S in Bjerringbro has been acquired during the year.

For the first 10 months period the newly established Group, Holmris Holding A/S Group, reached a turnover of 671,7m DKK and an EBITDA of 26,6m DKK. This achievement is slightly below expectations as the spring 2018 was turbulent slowing down the activity level meanwhile the approval of the B8 acquisition was ongoing.

Outlook
The Group expect significant growth in turnover and EBITDA (also positive impact coming from increasing the accounting period from 10 to 12 months).

Particular risks
The main operating risk of the Group relates to the ability of being strongly positioned in the markets where the products are sold and of ensuring an always competitive production price.

Price risks
We do not assess that some areas are subject to particular risks as to a relatively great extent price increases can be recognised in the price of the finished products.

Foreign exchange risks
As a consequence of activities abroad, results, cash flows and equity are affected by the exchange rate and interest rate movements of a number of currencies, especially in Norway and the US. It is the Company's policy to hedge the commercial foreign exchange risks for up to 12 months. Such hedging is primarily effected through foreign exchange contracts on anticipated sales and purchases over the next 12 months in the relevant currencies. Exchange adjustments of investments in subsidiaries and associates which are independent entities are recognised directly in equity. As a principal rule, related currency risks are not hedged, as the Company believes that current hedging of such long-term investments will not be optimal from an overall risk and cost point of view.

Interest rate risks

Management commentary

Significant changes in the interest rate level will have a minor impact on earnings, which, however, is not considered material.

Environmental performance
On behalf of the Group, Holmris A/S has prepared an overall strategy for its environmental efforts.
An environmental policy and related objectives have been developed in this respect to manage the environmental efforts. The environmental policy is based on environmentally sound operations and is integrated as a natural element of the Group's objectives for product quality and production facilities.

Statutory report on corporate social responsibility
The Company wants to develop its business in a financially and socially responsible manner through observance of legislation as well as socially responsible activities and efforts.

This is why the Group has implemented policies with internal guidelines, objectives and strategies, under which a targeted effort is made to ensure a safe and healthy working environment, considering both environmental and climatic matters in the Company's processes and ensuring environmentally sound operations.

Protecting the environment as much as possible is a leading principle for HOLMRISB8. This is why our ambitious environmental considerations permeate all of our actions, processes and products.

We make our products applying only the restrictive, Danish environmental regulations, and to have a holistic approach, we regularly satisfy ourselves that our sub-suppliers comply with applicable environmental requirements.

Environmental considerations are channelled into our products where we use, for example, FSC wood and into our day-to-day operations where everything from light bulbs in the lamps to delivery of furniture is eco-friendly.

With our circular economic focus, we recycle used quality furniture in a sustainable manner or donate it to associations and institutions, and we make great efforts to think this into the Group's sales processes.

Also, the Group's factory at Martin Bachs Vej in Bjerringbro is ISO14001 certified, and many products have been awarded the Nordic Eco label.

The Group currently does not have a separate human rights policy.

Statutory report on the underrepresented gender
The Group is making a targeted effort to increase the number of female managers and has over the past few years employed women in management positions and strategically important positions.

Management commentary

This means that, at two management levels below the Executive Board of the Group, the percentage share of women is now higher than 25%, which the Group considers a good advance, however, efforts are still being made to increase this share as this is still borne in mind when filling or refilling positions.

Holmris A/S has set a target of 15% women board members elected by the general meeting, which has been reached in 2017/18 with the Board of Directors consisting of 20% women at the end of the financial year.

Holmris Holding A/S also has an objective that 15% of the Company's board members elected by the general meeting must be women by 2022. At the end of 2017/18 none of the Company's board members are women.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2017/2018

	Notes	2017/2018 DKK
Revenue	1	671.699.093
Cost of sales		(437.349.615)
Other external expenses	2	(71.509.756)
Gross profit/loss		**162.839.722**
Staff costs	3	(136.230.280)
Depreciation, amortisation and impairment losses	4	(33.180.288)
Operating profit/loss		**(6.570.846)**
Other financial income	5	212.362
Other financial expenses	6	(12.717.254)
Profit/loss before tax		**(19.075.738)**
Tax on profit/loss for the year	7	(3.069.148)
Profit/loss for the year	8	**(22.144.886)**

Consolidated balance sheet at 30.04.2018

	Notes	2017/2018 DKK
Completed development projects		2.795.402
Acquired intangible assets		16.441.207
Goodwill		284.624.824
Development projects in progress		2.667.117
Intangible assets	9	**306.528.550**
Plant and machinery		18.603.150
Other fixtures and fittings, tools and equipment		8.293.168
Leasehold improvements		1.895.820
Property, plant and equipment in progress		892.000
Property, plant and equipment	10	**29.684.138**
Deposits		3.248.218
Fixed asset investments	11	**3.248.218**
Fixed assets		**339.460.906**
Raw materials and consumables		26.364.153
Work in progress		11.829.493
Manufactured goods and goods for resale		80.731.612
Prepayments for goods		5.720.702
Inventories		**124.645.960**
Trade receivables		59.249.445
Deferred tax	12	7.094.000
Other receivables		4.042.642
Income tax receivable		168.663
Prepayments		8.872.460
Receivables		**79.427.210**
Other investments		6.734
Other investments		**6.734**
Cash		**7.790.239**
Current assets		**211.870.143**
Assets		**551.331.049**

Consolidated balance sheet at 30.04.2018

	Notes	2017/2018 DKK
Contributed capital		1.057.237
Retained earnings		103.709.732
Equity		**104.766.969**
Deferred tax	12	1.962.000
Other provisions		1.926.324
Provisions		**3.888.324**
Subordinate loan capital		52.226.333
Bank loans		69.475.000
Finance lease liabilities		14.042.494
Other payables		3.066.667
Non-current liabilities other than provisions	13	**138.810.494**
Current portion of long-term liabilities other than provisions	13	50.873.798
Bank loans		62.431.532
Prepayments received from customers		6.542.919
Trade payables		102.435.251
Payables to shareholders and management		14.006.881
Income tax payable		2.515.771
Other payables		58.123.808
Deferred income		6.935.302
Current liabilities other than provisions		**303.865.262**
Liabilities other than provisions		**442.675.756**
Equity and liabilities		**551.331.049**
Financial instruments	15	
Unrecognised rental and lease commitments	16	
Assets charged and collateral	17	
Transactions with related parties	18	
Subsidiaries	19	

Consolidated statement of changes in equity for 2017/2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	500.000	0	500.000
Increase of capital	557.237	125.758.763	126.316.000
Exchange rate adjustments	0	(92.024)	(92.024)
Value adjustments	0	187.879	187.879
Profit/loss for the year	0	(22.144.886)	(22.144.886)
Equity end of year	**1.057.237**	**103.709.732**	**104.766.969**

Consolidated cash flow statement for 2017/2018

	Notes	2017/2018 DKK
Operating profit/loss		(6.570.847)
Amortisation, depreciation and impairment losses		33.180.288
Other provisions		(59.676)
Working capital changes	14	39.601.319
Cash flow from ordinary operating activities		**66.151.084**
Financial income received		212.362
Financial expenses paid		(12.717.254)
Income taxes refunded/(paid)		(5.259.424)
Cash flows from operating activities		**48.386.768**
Acquisition etc of intangible assets		(6.160.994)
Acquisition etc of property, plant and equipment		(7.578.973)
Sale of property, plant and equipment		599.993
Acquisition of enterprises		(294.520.361)
Cash / (bank debt) from acquired subsidiaries		(43.176.222)
Cash flows from investing activities		**(350.836.557)**
Loans raised		207.746.686
Repayments of loans etc		(86.754.190)
Cash increase of capital		126.316.000
Cash flows from financing activities		**247.308.496**
Increase/decrease in cash and cash equivalents		**(55.141.293)**
Cash and cash equivalents beginning of year		500.000
Cash and cash equivalents end of year		**(54.641.293)**
Cash and cash equivalents at year-end are composed of:		
Cash		7.790.239
Short-term debt to banks		(62.431.532)
Cash and cash equivalents end of year		**(54.641.293)**

Notes to consolidated financial statements

	2017/2018 DKK
1. Revenue	
Denmark	533.650.197
Other countries	138.048.896
	671.699.093

	2017/2018 DKK
2. Fees to the auditor appointed by the Annual General Meeting	
Statutory audit services	515.000
Other assurance engagements	21.500
Tax services	705.650
Other services	990.182
	2.232.332

	2017/2018 DKK
3. Staff costs	
Wages and salaries	122.746.892
Pension costs	9.075.124
Other social security costs	1.251.745
Other staff costs	3.156.519
	136.230.280
Average number of employees	**305**

Remuneration of Management is not stated with reference to Section 98b (3) of Danish Financial Statements Act.

	2017/2018 DKK
4. Depreciation, amortisation and impairment losses	
Amortisation of intangible assets	28.613.322
Depreciation of property, plant and equipment	4.574.094
Profit/loss from sale of intangible assets and property, plant and equipment	(7.128)
	33.180.288

	2017/2018 DKK
5. Other financial income	
Other interest income	13.987
Exchange rate adjustments	198.375
	212.362

Notes to consolidated financial statements

	2017/2018 DKK
6. Other financial expenses	
Other interest expenses	9.648.810
Exchange rate adjustments	1.470.184
Other financial expenses	1.598.260
	12.717.254

	2017/2018 DKK
7. Tax on profit/loss for the year	
Current tax	(1.008.395)
Change in deferred tax	3.839.622
Adjustment concerning previous years	237.921
	3.069.148

	2017/2018 DKK
8. Proposed distribution of profit/loss	
Retained earnings	(22.144.886)
	(22.144.886)

	Completed develop-ment projects DKK	Acquired intangible assets DKK	Goodwill DKK	Develop-ment projects in progress DKK
9. Intangible assets				
Addition through business combinations etc	644.994	16.580.209	0	0
Transfers	919.432	0	0	(919.432)
Additions	1.508.318	1.066.127	311.755.675	3.586.549
Disposals	(39.848)	0	0	0
Cost end of year	**3.032.896**	**17.646.336**	**311.755.675**	**2.667.117**
Amortisation for the year	(277.342)	(1.205.129)	(27.130.851)	0
Reversal regarding disposals	39.848	0	0	0
Amortisation and impairment losses end of year	**(237.494)**	**(1.205.129)**	**(27.130.851)**	**0**
Carrying amount end of year	**2.795.402**	**16.441.207**	**284.624.824**	**2.667.117**

Development projects

Development projects in the Group comprise development of office furniture and optimisation of processes.

The development proceed as planned and is expected to be completed within 1-3 years.

Notes to consolidated financial statements

Completed development as well as development projects in progress contributes and is expected to contribute to the Group's profit performance.

In 2017/18 management has performed impairment test on the carrying amount of in progress and completed development projects. Management has not identified impairment on the assets.

	Plant and machinery DKK	**Other fixtures and fittings, tools and equipment DKK**	**Leasehold improvements DKK**	**Property, plant and equipment in progress DKK**
10. Property, plant and equipment				
Addition through business combinations etc	18.385.018	9.136.001	0	0
Additions	2.856.651	1.309.816	2.357.467	1.055.039
Disposals	(235.706)	(429.826)	0	(163.039)
Cost end of year	**21.005.963**	**10.015.991**	**2.357.467**	**892.000**
Exchange rate adjustments	0	(13.189)	0	0
Depreciation for the year	(2.402.813)	(1.709.634)	(461.647)	0
Depreciation and impairment losses end of year	**(2.402.813)**	**(1.722.823)**	**(461.647)**	**0**
Carrying amount end of year	**18.603.150**	**8.293.168**	**1.895.820**	**892.000**
Recognised assets not owned by entity	**17.745.949**	**683.832**	**-**	**-**

	Deposits DKK
11. Fixed asset investments	
Additions	3.248.218
Cost end of year	**3.248.218**
Carrying amount end of year	**3.248.218**

Notes to consolidated financial statements

	2017/2018 DKK
12. Deferred tax	
Intangible assets	(4.607.000)
Property, plant and equipment	562.000
Fixed asset investments	(7.000)
Inventories	1.328.000
Receivables	1.000
Provisions	424.000
Liabilities other than provisions	1.445.000
Tax losses carried forward	5.969.000
Other deductible temporary differences	17.000
	5.132.000
Changes during the year	
Recognised in the income statement	(3.839.622)
Acquisitions	8.971.622
End of year	**5.132.000**

Management has evaluated on the measurement of deffered tax assets on the basis of budget and forecast og expected future income for the period 2018/19-2022/23. Deffered tax asset is expected to be actualized in future positive income over the next 3-5 years.

	Due within 12 months 2017/2018 DKK	Due after more than 12 months 2017/2018 DKK	Outstanding after 5 years DKK
13. Liabilities other than provisions			
Subordinate loan capital	0	52.226.333	21.333.333
Bank loans	45.000.000	69.475.000	0
Finance lease liabilities	4.007.132	14.042.494	757.900
Other payables	1.866.666	3.066.667	0
	50.873.798	**138.810.494**	**22.091.233**

	2017/2018 DKK
14. Change in working capital	
Increase/decrease in inventories	(16.560.305)
Increase/decrease in receivables	40.170.848
Increase/decrease in trade payables etc	15.990.776
	39.601.319

Notes to consolidated financial statements

15. Financial instruments

Other payables includes forward exchange rate contracts on DKK 284 k. The purpose of forward contracts is hedging the exchange rate risk on future sales of goods on DKK 17,352k in NOK, GBP and USD. Duration of the forward contracts is 1-8 months.

Valutation adjustments of the contracts is presented in equity.

	2017/2018 DKK
16. Unrecognised rental and lease commitments	
Liabilities under rental or lease agreements until maturity in total	**48.954.000**

17. Assets charged and collateral

Bank loans are secured by way of a company charge on nominal DKK 51,500k with security in trade receivables and inventories with a carrying amount of DKK 27,973k.

Debt to factoring company is secured by receivable charges with security in trade receivables.

Banks have issued payment and performance garantees for DKK 4,500k for engagements with customers and landlords.

Bank connection has issued all-moneys mortgage on DKK 600k with company charge in property, plant and equipment, goodwill, inventories and trade receivables.

18. Transactions with related parties

The Group did not carry out any substantial transactions with related parties that were not concluded on market conditions. According to Section 98c (7) of the Danish Financial Statements Act, information is provided only about transactions that have not been concluded on commen market conditions.

Notes to consolidated financial statements

	Registered in	Equity interest %
19. Subsidiaries		
Holmris A/S	Bjerringbro	100,0
B8 A/S	Bjerringbro	100,0
Holmris Customized A/S	Silkeborg	100,0
3R Kontor ApS	Aarhus	100,0
Holmris.Designbrokers A/S	Køge	100,0
Labofa A/S	Slagelse	100,0
Designbrokers Hospitality DK ApS	Copenhagen	100,0
Designbrokers Ltd.	Great Britain	100,0
Designbrokers Benelux B.V.	Holland	100,0
Designbrokers Sweden AB	Sweden	100,0
Designbrokers Norge AS	Norway	100,0
Holmris US, Inc.	USA	100,0

Parent income statement for 2017/2018

	Notes	2017/2018 DKK
Other external expenses		(66.255)
Operating profit/loss		**(66.255)**
Income from investments in group enterprises		(18.297.215)
Other financial income	1	1.244.160
Other financial expenses	2	(6.110.816)
Profit/loss before tax		**(23.230.126)**
Tax on profit/loss for the year	3	1.085.240
Profit/loss for the year	4	**(22.144.886)**

Parent balance sheet at 30.04.2018

	Notes	2017/2018 DKK
Investments in group enterprises		264.798.479
Fixed asset investments	5	**264.798.479**
Fixed assets		**264.798.479**
Receivables from group enterprises		1.688.817
Joint taxation contribution receivable		1.085.240
Receivables		**2.774.057**
Cash		**42.987**
Current assets		**2.817.044**
Assets		**267.615.523**

Parent balance sheet at 30.04.2018

	Notes	2017/2018 DKK
Contributed capital	6	1.057.237
Retained earnings		103.709.732
Equity		**104.766.969**
Subordinate loan capital		46.933.333
Bank loans		69.475.000
Non-current liabilities other than provisions	7	**116.408.333**
Current portion of long-term liabilities other than provisions	7	45.000.000
Trade payables		327.221
Other payables		1.113.000
Current liabilities other than provisions		**46.440.221**
Liabilities other than provisions		**162.848.554**
Equity and liabilities		**267.615.523**
Contingent liabilities	8	
Assets charged and collateral	9	
Related parties with controlling interest	10	
Transactions with related parties	11	

Parent statement of changes in equity for 2017/2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	500.000	0	500.000
Increase of capital	557.237	125.758.763	126.316.000
Exchange rate adjustments	0	(92.024)	(92.024)
Value adjustments	0	187.879	187.879
Profit/loss for the year	0	(22.144.886)	(22.144.886)
Equity end of year	**1.057.237**	**103.709.732**	**104.766.969**

Notes to parent financial statements

	2017/2018 DKK
1. Other financial income	
Financial income arising from group enterprises	1.244.160
	1.244.160

	2017/2018 DKK
2. Other financial expenses	
Other interest expenses	5.935.651
Other financial expenses	175.165
	6.110.816

	2017/2018 DKK
3. Tax on profit/loss for the year	
Current tax	(1.085.240)
	(1.085.240)

	2017/2018 DKK
4. Proposed distribution of profit/loss	
Retained earnings	(22.144.886)
	(22.144.886)

	Investments in group enterprises DKK
5. Fixed asset investments	
Additions	282.999.839
Cost end of year	**282.999.839**
Exchange rate adjustments	(92.024)
Adjustments on equity	187.879
Amortisation of goodwill	(14.090.821)
Share of profit/loss for the year	(4.206.394)
Impairment losses end of year	**(18.201.360)**
Carrying amount end of year	**264.798.479**
Goodwill or negative goodwill recognized during the financial year	**154.999.033**

Notes to parent financial statements

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

	Number	Par value DKK	Nominal value DKK
6. Contributed capital			
A shares	591.700	1	591.700
B shares	18.300	1	18.300
C shares	390.000	1	390.000
D shares	57.237	1	57.237
	1.057.237		**1.057.237**

	Due within 12 months 2017/2018 DKK	Due after more than 12 months 2017/2018 DKK	Outstanding after 5 years DKK
7. Liabilities other than provisions			
Subordinate loan capital	0	46.933.333	21.333.333
Bank loans	45.000.000	69.475.000	0
	45.000.000	**116.408.333**	**21.333.333**

8. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

9. Assets charged and collateral

Investments in group enterprises are provided as security for the Parent's and the subsidiaries debt to the Group's bank.

The carrying amount of investments in group enterprises is DKK 264,798,479. Bank debt for which the investments have been provided as security in the Parent amounts to DKK 114,475k, whereas bank debt in the subsidiaries amounts to DKK 93,648,291.

The Parent has also guaranteed the above bank debt to banks in the subsidiaries.

10. Related parties with controlling interest

BWB Partners I K/S, Avderødvej 27C, 2980 Kokkedal has a controlling interest in the company.

Notes to parent financial statements

11. Transactions with related parties

The Entity did not carry out any substantial transactions with related parties that were not concluded on market conditions. According to Section 98c (7) of the Danish Financial Statements Act, information is provided only about transactions that have not been concluded on commen market conditions.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements is described in the following. The financial period comprise 27.06.2017 – 30.04.2018.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

Accounting policies

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's and the Group's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Accounting policies

The Entity serves as the administration company in a Danish joint taxation arrangement. Current danish income tax is distributed among the jointly taxed companies in proportion to their taxcable income (full distribution with reimbursement regarding tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile, and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights and acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Property, plant and equipment
Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-8 years
Leasehold improvements	3-10 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straigth-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Accounting policies

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments
Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash
Cash comprises cash in hand and bank deposits.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Finance lease liabilities
Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Accounting policies

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable
Current tax receivable or payable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank loans.