

BM Group International ApS

Marielundvej 48 D
2730 Herlev

CVR no. 38 75 47 85

Annual report for the period 1 January – 31 December 2017

The annual report was presented and approved at the
Company's annual general meeting on

7 June 2018

Jonathan Nigel Edwards
chairman

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BM Group International ApS
Annual report 2017
CVR no. 38 75 47 85

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of BM Group International ApS for the financial year 1 January – 31 December 2017.

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

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

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

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

Herlev 7 June 2018
Executive Board:

Jonathan Nigel Edwards



Independent auditor's report

To the shareholder of BM Group International ApS

Opinion

We have audited the financial statements of BM Group International ApS for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.



Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 7 June 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
MNE no. 34283

BM Group International ApS
Annual report 2017
CVR no. 38 75 47 85

Management's review

Company details

BM Group International ApS
Marielundvej 48 D
2730 Herlev

CVR no.:	38 75 47 85
Established:	28 June 2017
Financial year:	1 January – 31 December

Executive Board

Jonathan Nigel Edwards

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
2100 Copenhagen
Denmark

Management's review

Operating review

Principal activities

The Company is in the business of manufacturing and trading of industrial machines.

Development in activities and financial position

The Company's income statement for the year ended 31 December 2017 shows a profit of DKK 1,669 thousand, and the balance sheet at 31 December 2017 shows an equity of DKK 4,704 thousand.

Events after the balance sheet date

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

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	01/01 - 31/12 2017
Gross profit		<u>5,833</u>
Staff costs	2	-3,571
Depreciation, amortisation and impairment		<u>-61</u>
Operating profit		2,201
Financial income		148
Financial expenses		<u>-273</u>
Profit before tax		2,076
Tax on profit/loss for the year	3	<u>-407</u>
Profit for the year		<u><u>1,669</u></u>
Proposed profit appropriation		
Retained earnings		<u>1,669</u>
		<u><u>1,669</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017
ASSETS		
Fixed assets		
Property, plant and equipment		
Fixtures and fittings, tools and equipment		<u>283</u>
		<u>283</u>
Investments		
Deposits		<u>185</u>
		<u>185</u>
Total fixed assets		<u>468</u>
Current assets		
Inventories		
Finished goods and goods for resale		<u>4,827</u>
		<u>4,827</u>
Receivables		
Trade receivables		1,787
Receivables from group entities		201
Other receivables		172
Deferred tax asset		108
Prepayments		<u>421</u>
		<u>2,689</u>
Cash at bank and in hand		<u>1,093</u>
Total current assets		<u>8,609</u>
TOTAL ASSETS		<u>9,077</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017
EQUITY AND LIABILITIES		
Equity		
Contributed capital		50
Retained earnings		<u>4,654</u>
Total equity		<u>4,704</u>
Liabilities other than provisions		
Current liabilities other than provisions		
Prepayments received from customers		215
Trade payables		478
Corporation tax		414
Other payables		562
Payables to shareholders and Management		<u>2,704</u>
		<u>4,373</u>
Total liabilities other than provisions		<u>4,373</u>
TOTAL EQUITY AND LIABILITIES		<u>9,077</u>
Contractual obligations, contingencies, etc.	4	

Financial statements 1 January – 31 December

Statement of changes in equity

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2017	50	2,985	3,035
Transferred over the profit appropriation	<u>0</u>	<u>1,669</u>	<u>1,669</u>
Equity at 31 December 2017	<u><u>50</u></u>	<u><u>4,654</u></u>	<u><u>4,704</u></u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of BM Group International ApS for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Revenue from the sale of services is recognised on a straight-line basis in the income statement as the services are provided.

Gross profit

According to section 32 in the Danish Financial Statement Act, the Company has decided to only present gross profit.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments measured at cost are recognised as income in the parent company's income statement in the financial year when the dividends are declared.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax on profit/loss for the year

The parent company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The parent company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation 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 used the losses to reduce their own taxable profit.

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

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, and tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Prepayments and deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less, which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

2 Staff costs

DKK'000	<u>2017</u>
Wages and salaries	3,539
Other social security costs	35
Other staff costs	-3

Financial statements 1 January – 31 December

Notes

	<u>3,571</u>
Average number of full-time employees	<u>6</u>
3 Tax on profit/loss for the year	
Current tax for the year	413
Deferred tax for the year	<u>-6</u>
	<u>407</u>
4 Contractual obligations, contingencies, etc.	

Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 1.084 thousand within 3 years.