Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Egtved Allé 4
6000 Kolding

Phone 75 53 00 00
Fax 75 53 00 38
www.deloitte.dk

TBS Maskinpower ApS

Smedebakken 7
7200 Grindsted
Business Registration No
39006979

Annual report 2018

The Annual General Meeting adopted the annual report on 06.03.2019

Chairman of the General Meeting

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Name: Jan Garder

Contents

Entity details

Entity
TBS Maskinpower ApS
Smedebakken 7
7200 Grindsted

Central Business Registration No (CVR): 39006979
Registered in: Varde
Financial year: 01.01.2018 - 31.12.2018

Executive Board
Jens Bertram Gaarsvig Hansen, CEO
Mario Reinhold Soose, CEO
Jan Garder, CEO

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of TBS Maskinpower ApS for the financial year 01.01.2018 - 31.12.2018.

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 Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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.

Starup, 19.02.2019

Executive Board

Jens Bertram Gaarsvig Hansen	Mario Reinhold Soose	Jan Garder
CEO	CEO	CEO

Independent auditor's report

To the shareholders of TBS Maskinpower ApS

Opinion

We have audited the financial statements of TBS Maskinpower ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

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 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 financial statements unless Management either intends to liquidate the Entity 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:

Independent auditor's report

- 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 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 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 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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary
Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Kolding, 19.02.2019

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Lars Ørum Nielsen
State Authorised Public Accountant
Identification No (MNE) mne26771

Management commentary

Primary activities

The company's activity consist in sale and repair of agricultural machinery, as well as the sale of spare parts for agricultural machinery.

Development in activities and finances

The profit after tax for the year amounted to DKK 2.733k against a loss of DKK 884k last year. The equity represent DKK 8.899k as of 31.12.2018.

The company has in 2018 acquired Valtec in Gravens and the activities from A/S Henry D. Nielsen in Holstebro.

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.

Income statement for 2018

	Notes	2018 DKK	2017 DKK
Gross profit		**35.174.537**	**2.120.654**
Staff costs	1	(27.913.920)	(2.888.726)
Depreciation, amortisation and impairment losses		(1.088.619)	(90.506)
Other operating expenses		(10.580)	0
Operating profit/loss		**6.161.418**	**(858.578)**
Other financial income	2	228.612	260
Other financial expenses	3	(2.637.901)	(255.755)
Profit/loss before tax		**3.752.129**	**(1.114.073)**
Tax on profit/loss for the year	4	(1.019.089)	230.000
Profit/loss for the year		**2.733.040**	**(884.073)**
Proposed distribution of profit/loss			
Retained earnings		2.733.040	(884.073)
		2.733.040	**(884.073)**

Balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Goodwill		5.331.749	2.007.525
Intangible assets	5	**5.331.749**	**2.007.525**
Other fixtures and fittings, tools and equipment		3.098.001	971.166
Property, plant and equipment	6	**3.098.001**	**971.166**
Deposits		1.400.000	0
Fixed asset investments	7	**1.400.000**	**0**
Fixed assets		**9.829.750**	**2.978.691**
Manufactured goods and goods for resale		95.631.527	38.387.239
Inventories		**95.631.527**	**38.387.239**
Trade receivables		42.214.907	12.794.970
Contract work in progress		2.654.537	2.352.340
Deferred tax	8	0	230.000
Other receivables		8.538.863	5.081.882
Prepayments		841.619	103.278
Receivables		**54.249.926**	**20.562.470**
Cash		**4.201.780**	**10.813.991**
Current assets		**154.083.233**	**69.763.700**
Assets		**163.912.983**	**72.742.391**

Balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Contributed capital		7.050.000	7.050.000
Retained earnings		1.848.967	(884.073)
Equity		**8.898.967**	**6.165.927**
Deferred tax	8	581.000	0
Provisions		**581.000**	**0**
Bank loans		10.116	12.205
Prepayments received from customers		4.933.349	4.157.770
Trade payables		93.174.368	35.398.818
Payables to group enterprises		48.537.449	26.255.295
Income tax payable		208.089	0
Other payables		7.569.645	752.376
Current liabilities other than provisions		**154.433.016**	**66.576.464**
Liabilities other than provisions		**154.433.016**	**66.576.464**
Equity and liabilities		**163.912.983**	**72.742.391**
Unrecognised rental and lease commitments	9		
Assets charged and collateral	10		
Group relations	11		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	7.050.000	(884.073)	6.165.927
Profit/loss for the year	0	2.733.040	2.733.040
Equity end of year	**7.050.000**	**1.848.967**	**8.898.967**

Notes

	2018 DKK	2017 DKK
1. Staff costs		
Wages and salaries	24.943.815	2.557.818
Pension costs	1.673.813	189.783
Other social security costs	391.822	35.639
Other staff costs	904.470	105.486
	27.913.920	**2.888.726**
Average number of employees	**57**	**31**

	2018 DKK	2017 DKK
2. Other financial income		
Other interest income	194.659	260
Other financial income	33.953	0
	228.612	**260**

	2018 DKK	2017 DKK
3. Other financial expenses		
Financial expenses from group enterprises	2.215.173	210.044
Other interest expenses	419.748	51
Exchange rate adjustments	0	45.660
Other financial expenses	2.980	0
	2.637.901	**255.755**

	2018 DKK	2017 DKK
4. Tax on profit/loss for the year		
Current tax	208.089	0
Change in deferred tax	811.000	(230.000)
	1.019.089	**(230.000)**

Notes

	Goodwill DKK
5. Intangible assets	
Cost beginning of year	2.059.000
Additions	3.852.915
Cost end of year	**5.911.915**
Amortisation and impairment losses beginning of year	(51.475)
Amortisation for the year	(528.691)
Amortisation and impairment losses end of year	**(580.166)**
Carrying amount end of year	**5.331.749**

	Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment	
Cost beginning of year	1.010.197
Additions	2.738.143
Disposals	(59.528)
Cost end of year	**3.688.812**
Depreciation and impairment losses beginning of year	(39.031)
Depreciation for the year	(559.928)
Reversal regarding disposals	8.148
Depreciation and impairment losses end of year	**(590.811)**
Carrying amount end of year	**3.098.001**

	Deposits DKK
7. Fixed asset investments	
Additions	1.400.000
Cost end of year	**1.400.000**
Carrying amount end of year	**1.400.000**

Notes

	2018 DKK	2017 DKK
8. Deferred tax		
Intangible assets	103.000	53.000
Property, plant and equipment	135.000	47.000
Receivables	343.000	163.000
Other deductible temporary differences	0	(493.000)
	581.000	**(230.000)**

Changes during the year	
Beginning of year	(230.000)
Recognised in the income statement	811.000
End of year	**581.000**

	2018 DKK	2017 DKK
9. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**19.011.499**	**9.455.379**
Liabilities under rental agreements or leases with group enterprises until expiry	**8.404.655**	**9.245.192**

10. Assets charged and collateral

Goods for resale with a booked value of DKK 64.512k is provided as collateral for trade payables.

11. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Raiffeisen Waren GmbH, Kassel, Germany.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for report-ing class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Reporting currency is DKK.

Comparable figues 2017

The figures from 2017 are not fully comparable with 2018 as the financial year 2017 only covers a period of 2½ month and the company has acquired activities in 2018 as mentioned in the management commentary.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement
Gross profit or loss
Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Accounting policies

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 from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

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 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 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 plant and equipment.

Other operating expenses
Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial income
Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets 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 securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Accounting policies

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.

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 on an annual basis. The amortisation periods used are 10 years.

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

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.

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:

Other fixtures and fittings, tools and equipment	5 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.

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.

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

Accounting policies

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

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

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

Cash
Cash comprises cash in hand and bank deposits.

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.

Deferred tax assets, including the tax base of tax loss carryforwards, 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.

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.

Accounting policies

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 computed on this year's taxable income, adjusted for prepaid tax.