

Kelvin BidCo A/S

Trollesmindealle 25, DK-3400 Hillerød

CVR No. 39 63 11 48

Annual report for 1 January 2019 to 30 April 2020

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

Chairman
Michael Engstrøm

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Management's Statement

The Executive and Board of Directors have discussed and approved the Annual Report of Kelvin BidCo A/S for the financial year 1 January 2019 to 30 April 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 30 April 2020 of the Company and of the results of the Company operations for 1 January 2019 to 30 April 2020.

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

Hillerød, 26 August 2020

Executive Board

Peter Krogh

Board of Directors

Bo Harald Peter Risberg
Chairman

Claus Bjerre

Sarah Katherine Newbitt

Niels Erik Olsen

Rikke Kjær Nielsen

Independent Auditors Report

To the Shareholder of Kelvin BidCo A/S

Opinion

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

We have audited the Financial Statements of Kelvin BidCo A/S for the financial year 1 January 2019 - 30 April 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors Report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the over-ride of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hillerød, 26 August 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Aslund Pedersen
State Authorised Public Accountant
mne17120

Christian Engelbrecht Friis
State Authorised Public Accountant
mne44180

Company Information

The Company

Kelvin BidCo A/S
Trollesmindealle 25
DK-3400 Hillerød

Central Business Registration No:	39 63 11 48
Registered in:	Hillerød
Financial period:	1 January 2019 to 30 April 2020
Municipality of reg. office:	Hillerød, Denmark

Board of directors

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

Executive Board

Peter Krogh

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Milnersvej 43
DK-3400 Hillerød

Income Statement

		1 January 2019 to 30 April 2020	11 June 2018 to 31 December 2018
	Notes	TDKK	TDKK
Revenue		2.159	0
Administrative expenses	5	-33.471	-12
Operating profit/loss		-31.312	-12
Financial income	6	34.070	0
Financial expenses	7	-47.255	0
Profit/loss before tax		-44.497	-12
Tax on profit/loss for the year		1.684	0
Net profit/loss for the year		-42.813	-12
Distribution of profit			
Proposed distribution of profit			
Retained earnings		-42.813	-12
		-42.813	-12

Balance sheet

Notes	30 April 2020 TDKK	31 December 2018 TDKK
Investments in subsidiaries	1.847.493	0
Total non-current assets	1.847.493	0
Receivables from group entities	351.488	0
Other receivables	2.721	50
Corporation tax receivable from group enterprises	1.684	0
Cash and cash equivalents	6.033	0
Total current assets	361.925	50
 Total assets	 2.209.418	 50

Balance sheet

Note	30 April 2020 TDKK	31 December 2018 TDKK
Share capital	138.558	50
Retained earnings	1.347.317	-12
Total equity	1.485.875	38
Credit institutions	717.960	0
Other payables	5.386	0
Long-term debt	723.345	0
Trade payables	10	12
Other payables	188	0
Total current liabilities	198	12
 Total liabilities	 723.543	 12
 Total equity and liabilities	 2.209.418	 50

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January 2019	50	-12	38
Capital increase	138.508	1.357.319	1.495.826
Capital contribution	0	32.824	32.824
Profit for the year	0	-42.813	-42.813
Equity at 30 April 2020	<u>138.558</u>	<u>1.347.317</u>	<u>1.485.875</u>
Equity at 11 June 2018	50	0	50
Cash capital increase	0	0	0
Profit for the year	0	-12	-12
Equity at 31 December 2019	<u>50</u>	<u>-12</u>	<u>38</u>

Notes

1. Accounting policies

The Annual Report of Kelvin BidCo A/S for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019/20 are presented in TDKK.

Consolidated financial statements

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

Recognition and measurement

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

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

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

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

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

Derivative financial instruments

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

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

Notes

Income Statement

Revenue

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

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

Administrative expenses

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

Financial income and expenses

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

Tax on profit/loss for the year

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

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

Balance Sheet

Investments in subsidiaries

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

Receivables

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

Current tax receivables and liabilities

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

Financial debts

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

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

Notes

2. Key activities

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

3. Unusual events

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

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

4. Subsequent events

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

	1 January 2019 to 30 April 2020	11 June 2018 to 31 December 2018
	TDKK	TDKK
5. Employee expenses		
Wages and Salaries	1.898	0
Pensions	94	0
Other social security expenses	3	0
	1.994	0
Wages and Salaries, pensions and other social security expenses are recognised in the following items:		
Administrative expenses	1.994	0
	1.994	0
Average number of employees	2	0
6. Financial income		
Interest received from group enterprises	16.369	0
Other financial income	588	0
Exchange gains	17.113	0
	34.070	0
7. Financial expenses		
Other financial expenses	28.719	0
Exchange loss	18.536	0
	47.255	0

Notes

8. Related parties

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

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

9. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>30 April 2020</u>	<u>31 December 2018</u>
	<u>TDKK</u>	<u>TDKK</u>
Credit institutions		
After 5 years	<u>717.960</u>	<u>0</u>
	<u>717.960</u>	<u>0</u>

10. Derivatives financial instruments

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

The fair value of interest rate swaps are MDKK 5.4 at 30 April 2020, which is recognised as Other Payables. The maturity of derivatives is 31 October 2022.

11. Commitments and contingent liabilities

Charges and security

Shares in the subsidiaries Saballe TopCo ApS, Ellab A/S, Ellab Inc., Ellab GmbH, Ellab UK Limited, The IMC Group (International) Limited, IMC International Holdings Limited, Hanwell Solutions Limited have been pledged as security for credit institutions. The shares in Ellab A/S owned through the subsidiary, Saballe TopCo ApS, are recognised at book value of 214.820 TDKK. The shares for Ellab A/S' subsidiaries are recognized at booked value of 39.881 TDKK in the annual report for Ellab A/S.

The Group has pledged assets of 707.841 TDKK in the above subsidiaries as security for credit institutions.

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Kelvin HoldCo A/S, which is the management company of the joint taxation. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.