

RENO A/S

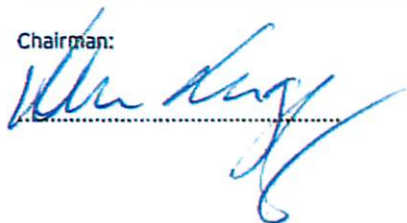
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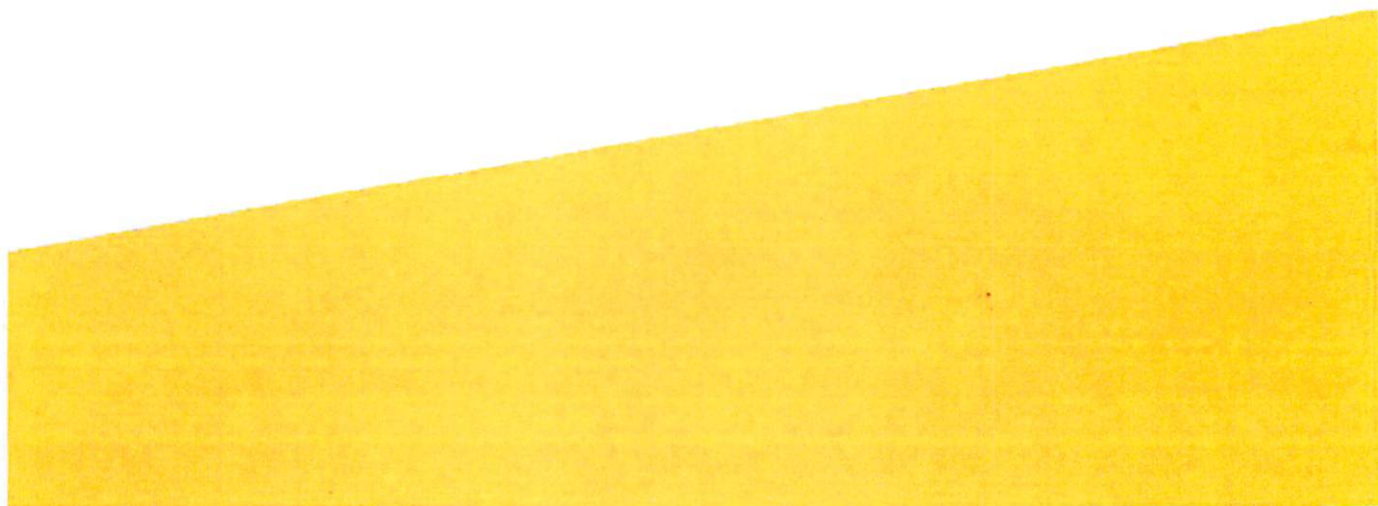
Annual report 2017/18

Approved at the Company's annual general meeting on 31 January 2019

Chairman:



Building a better
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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of RENO A/S for the financial year 1 October 2017 - 30 September 2018.

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 of the Company at 30 September 2018 and of the results of the Company's operations and cash flows for the financial year 1 October 2017 - 30 September 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Egå, 31 January 2019
Executive Board:

Fabio Roberto Do Rego

Board of Directors:

Kenneth Lagerborg
Chairman

Peter Hugo M. Kinnart

Joeri Ooms

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

Egå, 31 January 2019

Executive Board:



Fabio Roberto Do Rego

Board of Directors:

Kenneth Lagerborg
Chairman



Peter Hugo M. Kinnart



Joeri Ooms

Independent auditor's report

To the shareholders of RENO A/S

Opinion

We have audited the financial statements of RENO A/S for the financial year 1 October 2017 - 30 September 2018, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement 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 financial position of the Company at 30 September 2018 and of the results of the Company's operations as well as the cash flows for the financial year 1 October 2017 - 30 September 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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 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 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 the 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 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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 31 January 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Claus Hammer-Pedersen
State Authorised Public Accountant
mne21334



Jonas Busk
State Authorised Public Accountant
mne42771

Management's review

Financial highlights

DKK'000	2017/18	2016/17	2015/16	2014/15	2013/14
Key figures					
Gross margin	33,956	35,977	35,376	32,049	29,568
Operating profit/loss	10,000	11,013	9,943	7,749	8,327
Net financials	-326	-356	-425	-426	-298
Profit/loss for the year	7,578	8,304	7,412	5,750	6,043
Total assets					
Equity	21,324	22,746	21,442	21,023	22,272
Financial ratios					
Return on assets	19.9%	21.3%	19.0%	15.0%	16.8%
Current ratio	172.0%	173.5%	162.1%	156.6%	165.9%
Equity ratio	43.2%	44.5%	40.9%	40.2%	43.7%
Return on equity	34.4%	37.6%	34.9%	26.6%	25.6%
Average number of employees					
	59	58	57	57	57

Management's review

Business review

RENO A/S is a leading manufacturer and supplier of compressed air solutions and high-pressure cleaners for professional and industrial use.

The Company markets and supplies a wide:

- ▶ Industrial range of well-known brands in all product areas. The Company also develops, manufactures and assembles a wide range of own products under its own brands, RENO and FF.
- ▶ Distributor programme in piston compressors and high pressure cleaners through Danish as well as foreign retailers.
- ▶ Range of specialist and customized industry solutions, project sales, contract works and OEM. Official distributor of Ingersoll Rand industrial compressors in Denmark.
- ▶ End-to-end service solutions with after-sale and maintenance services performed by own nationwide service organisation.

The distributor division is in Thyregod and is made up of sales support to distributors, procurement, production, assembly and distribution centres. The Industry division is located in Egå, Gadstrup and Nørre Sundby and comprises industrial sale and service, including nationwide travelling service technicians.

Financial review

The income statement for 2017/18 shows a profit of DKK 7,578 thousand against a profit of DKK 8,304 thousand last year, and the balance sheet at 30 September 2018 shows equity of DKK 21,324 thousand. Management considers results for the year satisfactory based on the Company's development throughout the latest year compared with the general market development.

The Company operates with a distributor and an industry division which contribute equally to revenue and earnings. Both divisions are regarded as market leaders in their respective sectors, and the broad basis in distribution channels and customer segments contributes to a stable foundation.

The Company is primarily exposed to cash flows in Danish kroner and Euro and a small amount of invoicing is in Norwegian or Swedish kroner. The USD exposure is relatively small and relates primarily to purchases outside the EU. The Company has chosen not to use hedging for its currency exposures.

In 2017/18, the average number of employees was 59 fulltime employees.

Knowledge resources

The Company operates on a market where specialist knowledge is necessary in order to meet customers' demands. The employees are therefore important in order to meet the Company's long-term targets, and it is crucial to employ and maintain the best employees in the industry.

Special risks

In terms of products, customers and geographically the Company is well diversified in particular compared to the rest of the industry; historically this has contributed to stable revenue as well as earnings.

Considering its role a leading manufacturer in the industry and considering the above diversification, the Company is independent of individual customers and industries.

The Company is dependent on central production and stocks in Thyregod as the distribution business model demands that we are able to deliver from day to day. This risk is limited in the industry division thanks to 4 physical and 17 mobile (service trucks) storage points and the possibility to establish emergency stocks within a relatively short period of time.

Management's review

The company uses XAL which is no longer supported by the supplier. The Company is exposed to a higher risk until this has been replaced.

The Company works strategically with the identification and handling of the Company's risk management, in particular at board level.

All in all, the Company is assessed as representing a low to medium risk compared to the rest of the industry.

Impact on the external environment

The Company is environmentally responsible and is making ongoing efforts to reduce the environmental impact of business operations.

Over the years, we have continuously widened our range of products and marketing of personal protection equipment, oil-free compressors, heat recovery and energy optimisation, etc., which has a positive effect on our customers' environmental impact. Furthermore, as distributors of Ingersoll Rand, we represent the industry's leading programme of energy-efficient screw compressors.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date that would influence the assessment of the annual report.

Outlook

Next year, the Company expects to further expand its market position. The general market growth in Denmark is expected to remain relatively limited.

Based on measures taken compared with the general market development, a modest growth is expected in the distribution and industry divisions.

Management expects financial performance for the coming year to be at a level above 2017/18.

Financial statements 1 October 2017 - 30 September 2018

Income statement

Note	DKK'000	<u>2017/18</u>	<u>2016/17</u>
	Gross margin	33,956	35,977
10	Distribution costs	-11,411	-11,372
10,2	Administrative expenses	-12,545	-13,592
	Operating profit	<u>10,000</u>	<u>11,013</u>
3	Financial income	22	4
4	Financial expenses	-348	-360
	Profit before tax	<u>9,674</u>	<u>10,657</u>
5	Tax for the year	-2,096	-2,353
	Profit for the year	<u><u>7,578</u></u>	<u><u>8,304</u></u>

Financial statements 1 October 2017 - 30 September 2018

Balance sheet

Note	DKK'000	2017/18	2016/17
	ASSETS		
	Fixed assets		
6	Intangible assets		
	Goodwill	0	652
		0	652
7	Property, plant and equipment		
	Plant and machinery	632	633
	Other fixtures and fittings, tools and equipment	268	426
		900	1,059
8	Investments		
	Other securities and investments	6	7
	Other receivables	226	212
		232	219
	Total fixed assets	1,132	1,930
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	14,301	11,822
	Work in progress	1,396	1,372
	Finished goods and goods for resale	12,713	13,512
		28,410	26,706
	Receivables		
	Trade receivables	18,226	21,295
	Deferred tax assets	184	76
	Other receivables	409	825
	Prepayments	80	75
		18,899	22,271
	Cash	930	151
	Total non-fixed assets	48,239	49,128
	TOTAL ASSETS	49,371	51,058

Financial statements 1 October 2017 - 30 September 2018

Balance sheet

Note	DKK'000	<u>2017/18</u>	<u>2016/17</u>
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	2,100	2,100
	Retained earnings	19,224	11,646
	Dividend proposed for the year	0	9,000
	Total equity	<u>21,324</u>	<u>22,746</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	0	8,825
	Trade payables	9,466	9,338
	Payables to group entities	9,327	0
	Income taxes payable	3,437	3,869
	Other payables	5,817	6,280
		<u>28,047</u>	<u>28,312</u>
	Total liabilities other than provisions	<u>28,047</u>	<u>28,312</u>
	TOTAL EQUITY AND LIABILITIES	<u>49,371</u>	<u>51,058</u>

- 1 Accounting policies
- 11 Contractual obligations and contingencies, etc.
- 12 Related parties

Financial statements 1 October 2017 - 30 September 2018

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 October 2016	2,100	12,342	7,000	21,442
13	Transfer, see "Appropriation of profit"	0	-696	9,000	8,304
	Dividend distributed	0	0	-7,000	-7,000
	Equity at 1 October 2017	2,100	11,646	9,000	22,746
13	Transfer, see "Appropriation of profit"	0	7,578	0	7,578
	Dividend distributed	0	0	-9,000	-9,000
	Equity at 30 September 2018	2,100	19,224	0	21,324

Financial statements 1 October 2017 - 30 September 2018

Cash flow statement

Note	DKK'000	2017/18	2016/17
	Profit for the year	7,578	8,304
14	Adjustments	3,249	3,210
	Cash generated from operations (operating activities)	10,827	11,514
15	Changes in working capital	1,439	1,974
	Cash generated from operations (operating activities)	12,266	13,488
	Income taxes paid	-2,765	-2,355
	Cash flows from operating activities	9,501	11,133
	Additions of property, plant and equipment	-224	-583
	Cash flows to investing activities	-224	-583
	Dividends paid	-9,000	-7,000
	Proceeds of debt, group enterprises	9,327	0
	Cash flows from financing activities	327	-7,000
	Net cash flow	9,604	3,550
	Cash and cash equivalents at 1 October	-8,674	-12,224
16	Cash and cash equivalents at 30 September	930	-8,674

Financial statements 1 October 2017 - 30 September 2018

Notes to the financial statements

1 Accounting policies

The annual report of RENO A/S for 2017/18 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses. Property, plant and equipment and intangible assets, inventories and other non-monetary assets purchased in foreign currencies, are translated at historical exchange rates.

Income statement

Revenue

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

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

Gross margin

The items revenue, production costs and other operating income have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation.

Financial statements 1 October 2017 - 30 September 2018

Notes to the financial statements

1 Accounting policies (continued)

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, transactions denominated in foreign currencies and amortisation of financial assets and liabilities.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company have been jointly taxed with its former parent company CRAFT Holding A/S until 31.08.2018. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Goodwill is amortised on a straight-line basis over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years.

Goodwill is written down to the recoverable amount if this is lower than the carrying amount.

Financial statements 1 October 2017 - 30 September 2018

Notes to the financial statements

1 Accounting policies (continued)

Property, plant and equipment

Plant and machinery and other fixtures and fittings, 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 when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Plant and machinery 5-12 years

Fixtures and fittings, plant and equipment 3-5 years

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

Property, plant and equipment is written down to the recoverable amount if this is lower than the carrying amount.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as corrections of depreciation and impairment losses under other operating expenses to the extent that the selling prices exceeds the original cost.

Investments

Investments comprise deposits and the portfolio of shares, which are measured at fair value.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Financial statements 1 October 2017 - 30 September 2018

Notes to the financial statements

1 Accounting policies (continued)

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

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Financial statements 1 October 2017 - 30 September 2018

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

Financial statements 1 October 2017 - 30 September 2018

Notes to the financial statements

DKK'000	2017/18	2016/17
2 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	652	194
Depreciation of property, plant and equipment	501	663
	<u>1,153</u>	<u>857</u>
3 Financial income		
Other financial income	22	4
	<u>22</u>	<u>4</u>
4 Financial expenses		
Interest expenses, group entities	14	1
Other interest expenses	213	247
Exchange adjustments	115	95
Other financial expenses	6	17
	<u>348</u>	<u>360</u>
5 Tax for the year		
Estimated tax charge for the year	2,204	2,364
Deferred tax adjustments in the year	-108	-11
	<u>2,096</u>	<u>2,353</u>
6 Intangible assets		
DKK'000		<u>Goodwill</u>
Cost at 1 October 2017		3,938
Cost at 30 September 2018		<u>3,938</u>
Impairment losses and amortisation at 1 October 2017		3,286
Amortisation in the year		652
Impairment losses and amortisation at 30 September 2018		<u>3,938</u>
Carrying amount at 30 September 2018		<u>0</u>
Amortised over		<u>10 years</u>

Financial statements 1 October 2017 - 30 September 2018

Notes to the financial statements

7 Property, plant and equipment

DKK'000	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Cost at 1 October 2017	10,998	4,015	15,013
Additions in the year	224	118	342
Disposals in the year	0	-292	-292
Transfer from other accounts	113	-113	0
Cost at 30 September 2018	11,335	3,728	15,063
Impairment losses and depreciation at 1 October 2017	10,365	3,589	13,954
Depreciation in the year	225	276	501
Reversal of prior-year impairment losses	0	-292	-292
Transferred	113	-113	0
Impairment losses and depreciation at 30 September 2018	10,703	3,460	14,163
Carrying amount at 30 September 2018	632	268	900
Depreciated over	5-12 years	3-5 years	

8 Investments

DKK'000	Other securities and investments	Other receivables	Total
Cost at 1 October 2017	7	212	219
Additions in the year	0	14	14
Disposals in the year	-1	0	-1
Cost at 30 September 2018	6	226	232
Carrying amount at 30 September 2018	6	226	232

9 Share capital

The Company's share capital has remained DKK 2,100 thousand in the past year.

Financial statements 1 October 2017 - 30 September 2018

Notes to the financial statements

DKK'000	<u>2017/18</u>	<u>2016/17</u>
10 Staff costs		
Wages/salaries	29,086	29,107
Pensions	3,389	3,306
Other social security costs	536	494
Other staff costs	842	586
	<u>33,853</u>	<u>33,493</u>
Average number of full-time employees	<u>59</u>	<u>58</u>

Remuneration to Management totalled DKK 3,150 thousand against DKK 3,600 thousand last year.

11 Contractual obligations and contingencies, etc.

Other contingent liabilities

DKK'000	<u>2017/18</u>	<u>2016/17</u>
Guarantee commitments	601	450
	<u>601</u>	<u>450</u>

The Company was jointly taxed with its former parent, CRAFFT Holding A/S, which acted as administration company until 31.08.2018. They were jointly and severally liable for payment of income taxes as of 1 November 2013 onwards.

Other financial obligations

Other rent and lease liabilities:

DKK'000	<u>2017/18</u>	<u>2016/17</u>
Rent and lease liabilities	6,133	7,126

Rent and lease liabilities include a rent obligation in interminable rent agreements with remaining contract terms of 0-5 years. Furthermore, the Company has liabilities under operating leases for cars and IT equipment. Of total liabilities, DKK 3,063 thousand falls due within one year.

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Notes to the financial statements

12 Related parties

RENO A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Atlas Copco Airpower	Antwerpen	Participating interest

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Atlas Copco AB	Stockholm, Sweden	www.atlascopcogroup.com

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Atlas Copco Airpower	Antwerpen, Belgien

	<u>2017/18</u>	<u>2016/17</u>
DKK'000		
13 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	0	9,000
Retained earnings/accumulated loss	7,578	-696
	<u>7,578</u>	<u>8,304</u>

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Notes to the financial statements

DKK'000	2017/18	2016/17
14 Adjustments		
Amortisation/depreciation and impairment losses	1,153	857
Tax for the year	2,204	2,364
Deferred tax	-108	-11
	<u>3,249</u>	<u>3,210</u>
15 Changes in working capital		
Change in inventories	-1,704	2,510
Change in receivables	3,480	-1,720
Change in trade and other payables	-337	1,184
	<u>1,439</u>	<u>1,974</u>
16 Cash and cash equivalents at year-end		
Cash according to the balance sheet	930	151
Short-term debt to banks	0	-8,825
	<u>930</u>	<u>-8,674</u>