

Alexander Binzel Skandinavia A/S

c/o Advokat Jakob Lund Poulsen, Knabrostræde 30 2.tv
1210 Copenhagen

CVR no. 76 81 88 19

Annual report 2017

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

24 May 2018

Knud Erik Therkelsen
chairman

Contents

| | |
|---|---|
| Statement by the Board of Directors and the Executive Board | 2 |
| Independent auditor's report | 3 |
| Management's review | 5 |
| Company details | 5 |
| Operating review | 6 |
| Financial statements 1 January – 31 December | 7 |
| Income statement | 7 |
| Balance sheet | 8 |
| Notes | 9 |

Alexander Binzel Skandinavia A/S
Annual report 2017
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Alexander Binzel Skandinavia A/S for the financial year 1 January – 31 December 2017.

The annual report has been 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.

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

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

Copenhagen 24 May 2018
Executive Board:

Knud Erik Therkelsen

Stephen Walter Hallows

Board of Directors:

Emil Schubert

Jakob Lund Poulsen

Stephen Walter Hallows



Independent auditor's report

To the shareholder of Alexander Binzel Skandinavia A/S

Opinion

We have audited the financial statements of Alexander Binzel Skandinavia A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet 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, 24 May 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

David Olafsson
State Authorised
Public Accountant
MNE no. 19737

Alexander Binzel Skandinavia A/S
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Management's review

Company details

Alexander Binzel Skandinavia A/S
c/o Advokat Jakob Lund Poulsen, Knabrostræde 30 2.tv
1255 Copenhagen

| | |
|--------------------|-------------------------|
| Telephone: | 31139393 |
| CVR no.: | 76 81 88 19 |
| Established: | 1 December 1984 |
| Registered office: | Copenhagen |
| Financial year: | 1 January – 31 December |

Board of Directors

Emil Schubert
Jakob Lund Poulsen
Stephen Walter Hallows

Executive Board

Knud Erik Therkelsen
Stephen Walter Hallows

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
2100 Copenhagen
Denmark

Annual general meeting

The annual general meeting will be held on 24 May 2018

Management's review

Operating review

Principal activity

The Company's main activity is hiring staff out to its Swedish affiliated company.

Development in the year

The Company's results are considered acceptable.

Subsequent events

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

| DKK | Note | 2017 | 2016 |
|--------------------------------------|------|-------------------|-------------------|
| Gross profit | | <u>1,195,077</u> | <u>1,083,952</u> |
| Staff costs | 2 | <u>-1,114,436</u> | <u>-1,097,740</u> |
| Operating profit/loss | | 80,641 | -13,788 |
| Financial income | 3 | 18,667 | 18,161 |
| Financial expenses | | <u>-26</u> | <u>-801</u> |
| Profit before tax | | 99,282 | 3,572 |
| Tax on profit/loss for the year | 4 | <u>-21,824</u> | <u>-770</u> |
| Profit for the year | | <u>77,458</u> | <u>2,802</u> |
| Proposed profit appropriation | | | |
| Retained earnings | | <u>77,458</u> | <u>2,802</u> |

Financial statements 1 January – 31 December

Balance sheet

| DKK | Note | 2017 | 2016 |
|---|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Receivables | | | |
| Receivables from group entities | | 1,885,355 | 1,834,331 |
| Prepayments | | 21,353 | 0 |
| | | <u>1,906,708</u> | <u>1,834,331</u> |
| Total current assets | | <u>1,906,708</u> | <u>1,834,331</u> |
| TOTAL ASSETS | | <u>1,906,708</u> | <u>1,834,331</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | 5 | | |
| Contributed capital | | 1,300,000 | 1,300,000 |
| Retained earnings | | 300,015 | 222,556 |
| Total equity | | <u>1,600,015</u> | <u>1,522,556</u> |
| Liabilities other than provisions | | | |
| Current liabilities | | | |
| Trade payables | | 2,056 | 0 |
| Corporation tax | | 21,824 | 770 |
| Other payables | | 282,813 | 311,005 |
| | | <u>306,693</u> | <u>311,775</u> |
| Total liabilities other than provisions | | <u>306,693</u> | <u>311,775</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>1,906,708</u> | <u>1,834,331</u> |
| Contractual obligations, contingencies, etc. | 6 | | |
| Related party disclosures | 7 | | |

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Alexander Binzel Skandinavia A/S for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

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

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.

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

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pension contributions and other social security costs, etc., to the Company's employees. Refunds received from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, 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.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax. 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.

Balance sheet

Receivables

Receivables are measured at amortised cost.

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

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. Where alternative tax rules can be applied to determine the tax value, deferred tax is measured based on the Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, 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 and jurisdiction.

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.

2 Staff costs

| DKK | 2017 | 2016 |
|-----------------------------|------------------|------------------|
| Wages and salaries | 1,056,337 | 1,035,648 |
| Pensions | 60,000 | 48,000 |
| Other social security costs | -1,901 | 14,092 |
| | <u>1,114,436</u> | <u>1,097,740</u> |
| Average number of employees | <u>2</u> | <u>2</u> |

3 Financial income

| DKK | 2017 | 2016 |
|-------------------------------------|---------------|---------------|
| Interest income from group entities | 18,667 | 18,161 |
| | <u>18,667</u> | <u>18,161</u> |

4 Tax on profit for the year

| DKK | 2017 | 2016 |
|--------------------------|---------------|------------|
| Current tax for the year | 21,824 | 770 |
| | <u>21,824</u> | <u>770</u> |

Financial statements 1 January – 31 December

Notes

5 Equity

| DKK | Contributed capital | Retained earnings | Total |
|---|------------------------|----------------------|-----------|
| Equity at 1 January 2017 | 1,300,000 | 222,557 | 1,522,557 |
| Transferred over the profit appropriation | 0 | 77,458 | 77,458 |
| Equity at 31 December 2017 | 1,300,000 | 300,015 | 1,600,015 |

6 Contractual obligations, contingencies, etc.

Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 202 thousand within 3 years (2016: DKK 48 thousand).

7 Related party disclosures

Alexander Binzel Skandinavia A/S' related parties comprise the following:

Other related parties

ABICOR BINZEL Sverige AB
Ringugnsgratan 4
216 16 Limhamn
Sweden

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

Ownership

The following shareholder is registered in the Company's register of shareholders as holding minimum 5% of the voting rights or minimum 5% of the share capital:

Alexander Binzel Schweisstechnik GmbH & Co. KG
Kiesacker
D-35148 Buseck
Germany

The consolidated financial statements of Alexander Binzel Schweisstechnik GmbH & Co. KG are available at the Company's address.