

# Müller Martini Nordic A/S

Hørkær 28, 2.  
2730 Herlev  
Denmark

CVR no. 78 42 02 19

## Annual report 2018

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

31.5.2019

chairman



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Müller Martini Nordic A/S  
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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 Müller Martini Nordic A/S for the financial year 1 January – 31 December 2018.

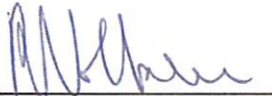
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

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.

Herlev,  
Executive Board:



Bernardo Volken  
CEO

Board of Directors:

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Dirk Leopold M. Deceuninck  
Chairman



Bernardo Volken

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Felix Stirnimann

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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 Müller Martini Nordic A/S for the financial year 1 January – 31 December 2018.

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 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

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.

Herlev,  
Executive Board:

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Bernardo Volken  
CEO

Board of Directors:



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Dirk Leopold M. Deceuninck  
Chairman

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Bernardo Volken

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Felix Stimmann



## Independent auditor's report

### To the shareholders of Müller Martini Nordic A/S

#### Opinion

We have audited the financial statements of Müller Martini Nordic A/S for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 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 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.

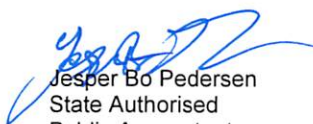
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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, 31 May 2019  
KPMG  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



David Olafsson  
State Authorised  
Public Accountant  
mne19737



Jesper Bo Pedersen  
State Authorised  
Public Accountant  
mne42778

**Müller Martini Nordic A/S**  
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## Management's review

### Company details

Müller Martini Nordic A/S  
Hørkær 28, 2.  
2730 Herlev  
Denmark

Telephone: +45 44 57 04 50  
Website: [www.mullermartini.com](http://www.mullermartini.com)

CVR no.: 78 42 02 19  
Registered office: Herlev  
Financial year: 1 January – 31 December

### Board of Directors

Dirk Leopold M. Deceuninck, Chairman  
Bernardo Volken  
Felix Stirnimann

### Executive Board

Bernardo Volken, CEO

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen  
Denmark

## Management's review

### Operating review

#### Principal activities

Müller Martini Nordic A/S is part of the graphic industry and delivers innovative solutions for book production - hardcover and paperback - newspaper distribution and offset printing.

Customers range from small bookbinders and printing firms to major media groups.

Development and production take place through the Parent, while the Company is responsible for the sale, service and installation of the machines. In addition, the Company works as a service company for the Nordic region and is involved to a limited extent with sales, service and installation of machines in the agency.

#### Development in activities and financial position

The Company's income statement for 2018 shows a loss of DKK 1,402 thousand, which is considered unsatisfactory.

#### Events after the balance sheet date

Pending details about employees dismissed in 2019. Amount(s) should be mentioned and the effect hereof.



## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2018	2017
<b>Gross profit</b>		9,029,603	9,613,523
Staff costs	2	-9,988,993	-10,117,895
Depreciation, amortisation and impairment		-63,265	0
<b>Operating loss</b>		-1,022,655	-504,372
Financial income		0	48,956
Financial expenses		-379,606	-195,297
<b>Loss before tax</b>		-1,402,261	-650,713
Tax on profit/loss for the year	3	0	-43,836
<b>Loss for the year</b>		-1,402,261	-694,549
<b>Proposed distribution of loss</b>			
Retained earnings		-1,402,261	-694,549

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2018	2017
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
Fixtures and fittings, tools and equipment		<u>126,480</u>	<u>189,744</u>
<b>Total fixed assets</b>		<u>126,480</u>	<u>189,744</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		9,231	50,723
Prepayments for goods		<u>781,294</u>	<u>350,353</u>
		<u>790,525</u>	<u>401,076</u>
<b>Receivables</b>			
Trade receivables		4,627,959	5,128,041
Receivables from group entities		0	376,284
Other receivables		348,530	262,168
Prepayments		<u>112,297</u>	<u>138,018</u>
		<u>5,088,786</u>	<u>5,904,511</u>
<b>Cash at bank and in hand</b>		<u>6,150,815</u>	<u>9,807,773</u>
<b>Total current assets</b>		<u>12,030,126</u>	<u>16,113,360</u>
<b>TOTAL ASSETS</b>		<u><u>12,156,606</u></u>	<u><u>16,303,104</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2018	2017
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		2,000,000	2,000,000
Retained earnings		2,628,238	4,030,499
<b>Total equity</b>		<u>4,628,238</u>	<u>6,030,499</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Prepayments received from customers		2,418,764	775,975
Trade payables		344,961	594,068
Payables to group entities		668,155	5,144,010
Corporation tax		0	43,836
Other payables		3,804,809	3,376,345
Deferred income		291,679	338,371
		<u>7,528,368</u>	<u>10,272,605</u>
<b>Total liabilities</b>		<u>7,528,368</u>	<u>10,272,605</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>12,156,606</u>	<u>16,303,104</u>
<b>Contractual obligations, contingencies, etc.</b>	4		
<b>Mortgages and collateral</b>	5		
<b>Related party disclosures</b>	6		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2018	2,000,000	4,030,499	6,030,499
Transferred over the distribution of loss	<u>0</u>	<u>-1,402,261</u>	<u>-1,402,261</u>
<b>Equity at 31 December 2018</b>	<u><u>2,000,000</u></u>	<u><u>2,628,238</u></u>	<u><u>4,628,238</u></u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Müller Martini Nordic A/S for 2018 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

### Income statement

#### Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Revenue

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

Revenue is recognised net of VAT, duties, and sales discounts and is measured at fair value of the consideration fixed.

#### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

#### Other external costs

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

#### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment 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 property, plant and equipment.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Other financial income and expenses

Other financial income comprises interest income, net capital or exchange gains on securities, etc.

Other financial expenses comprises interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, etc.

##### 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

#### Intangible assets

##### Property, plant and equipment

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	3-5 years
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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.

##### Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

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



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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

#### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

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

#### Receivables

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

#### 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.

#### Prepayments and deferred income

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

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Liabilities

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

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

Other liabilities are measured at net realisable value.

##### Prepayments and deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

##### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

DKK	2018	2017
<b>2 Staff costs</b>		
Wages and salaries	8,466,462	8,554,103
Pensions	792,967	877,573
Other social security costs	<u>729,564</u>	<u>686,219</u>
	<u>9,988,993</u>	<u>10,117,895</u>
Average number of full-time employees	<u>15</u>	<u>16</u>
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	<u>0</u>	<u>43,836</u>
	<u>0</u>	<u>43,836</u>

The Company's deferred tax asset amounts to DKK 2,055 thousand and has not been utilised in the financial statements due to uncertainty about when tax losses can be used. Further, the tax return for 2017 has not been completed due to open issues with the tax authorities.

## Financial statements 1 January – 31 December

### Notes

#### 4 Contractual obligations, contingencies, etc.

DKK	2018	2017
<b>Operating lease obligations</b>		
Liabilities under rental or lease agreement until maturity in total	942,184	1,237,751
	<u>942,184</u>	<u>1,237,751</u>

The term to maturity for liabilities under rental or lease agreement is 3,5 year at 31 December 2018.

#### 5 Mortgages and collateral

Balances with Danske Bank are pledged as security in a guarantee cover amount. The security amounts to DKK 325,000. Bank debt at 31 December 2018 is DKK 0.

#### 6 Related party disclosures

##### Ownership

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

Müller Martini Holding AG  
Sonnenbergstrassen 13  
Postfach 160  
6052, Hergiswill  
Schweiz