

Rota-Dan A/S
Troensevej 20
9220 Aalborg Øst
Central Business Registration No
79300314

Annual report 2017

The Annual General Meeting adopted the annual report on 01.03.2018

Chairman of the General Meeting

Name: Nils Dorin Jacobsen

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Entity details

Entity

Rota-Dan A/S
Troensevej 20
9220 Aalborg Øst

Central Business Registration No: 79300314

Registered in: Aalborg

Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Nils Dorin Jacobsen, Chairman
Joachim Kaufmann
Claus Svensk Jessen

Executive Board

Claus Svensk Jessen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Østre Havnepromenade 26, 4. sal
9000 Aalborg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Rota-Dan A/S for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations and cash flows for the financial year 01.01.2017 - 31.12.2017.

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.

Aalborg, 01.03.2018

Executive Board

Claus Svensk Jessen

Board of Directors

Nils Dorin Jacobsen
Chairman

Joachim Kaufmann

Claus Svensk Jessen

Independent auditor's reports

To the shareholders of Rota-Dan A/S

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Rota-Dan A/S for the financial year 01.01.2017 - 31.12.2017. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations and cash flows for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

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.

Independent auditor's reports

In connection with our extended review 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 extended review 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.

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.

Aalborg, 01.03.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Lars Birner Sørensen

State Authorised Public Accountant

Identification number (MNE) 11671

Management commentary

Primary activities

The Company's primary activities consist of trade in wheels and wheel parts.

Development in activities and finances

Profit for the year amounts to DKK 1,321k at 31 December 2017 after which equity amounts to DKK 3,471k. Profit for the year is considered satisfactory.

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 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Gross profit		4.323.214	3.892.816
Staff costs	1	(2.555.770)	(2.593.675)
Depreciation, amortisation and impairment losses		<u>(46.128)</u>	<u>(33.730)</u>
Operating profit/loss		1.721.316	1.265.411
Other financial income		9.685	336
Other financial expenses	2	<u>(38.116)</u>	<u>(19.705)</u>
Profit/loss before tax		1.692.885	1.246.042
Tax on profit/loss for the year	3	<u>(371.922)</u>	<u>(274.075)</u>
Profit/loss for the year		<u>1.320.963</u>	<u>971.967</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		1.300.000	900.000
Retained earnings		<u>20.963</u>	<u>71.967</u>
		<u>1.320.963</u>	<u>971.967</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Other fixtures and fittings, tools and equipment		65.670	111.798
Property, plant and equipment	4	65.670	111.798
Deposits		84.000	84.000
Fixed asset investments	5	84.000	84.000
Fixed assets		149.670	195.798
Manufactured goods and goods for resale		3.238.136	3.085.959
Prepayments for goods		364.890	265.215
Inventories		3.603.026	3.351.174
Trade receivables		2.219.481	1.543.814
Deferred tax		7.000	4.000
Other receivables		0	330
Prepayments		69.632	75.090
Receivables		2.296.113	1.623.234
Other investments		16.800	14.700
Other investments		16.800	14.700
Cash		834.572	537.975
Current assets		6.750.511	5.527.083
Assets		6.900.181	5.722.881

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		533.333	533.333
Retained earnings		1.637.436	1.616.473
Proposed dividend		<u>1.300.000</u>	<u>900.000</u>
Equity		<u>3.470.769</u>	<u>3.049.806</u>
Trade payables		822.928	582.220
Payables to group enterprises		1.203.403	755.460
Income tax payable		374.922	271.204
Other payables		<u>1.028.159</u>	<u>1.064.191</u>
Current liabilities other than provisions		<u>3.429.412</u>	<u>2.673.075</u>
Liabilities other than provisions		<u>3.429.412</u>	<u>2.673.075</u>
Equity and liabilities		<u>6.900.181</u>	<u>5.722.881</u>
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Mortgages and securities	9		

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	533.333	1.616.473	900.000	3.049.806
Ordinary dividend paid	0	0	(900.000)	(900.000)
Profit/loss for the year	0	20.963	1.300.000	1.320.963
Equity end of year	533.333	1.637.436	1.300.000	3.470.769

Cash flow statement 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Operating profit/loss		1.721.316	1.265.411
Amortisation, depreciation and impairment losses		46.128	33.730
Working capital changes	6	<u>(269.112)</u>	<u>(695.855)</u>
Cash flow from ordinary operating activities		1.498.332	603.286
Financial income received		7.585	336
Financial income paid		(38.116)	(18.450)
Income taxes refunded/(paid)		<u>(271.204)</u>	<u>(343.412)</u>
Cash flows from operating activities		1.196.597	241.760
Acquisition etc of property, plant and equipment		<u>0</u>	<u>(80.000)</u>
Cash flows from investing activities		0	(80.000)
Dividend paid		<u>(900.000)</u>	<u>(1.000.000)</u>
Cash flows from financing activities		(900.000)	(1.000.000)
Increase/decrease in cash and cash equivalents		296.597	(838.240)
Cash and cash equivalents beginning of year		<u>537.975</u>	<u>1.376.215</u>
Cash and cash equivalents end of year		834.572	537.975

Notes

	2017	2016
	DKK	DKK
1. Staff costs		
Wages and salaries	2.353.440	2.394.912
Pension costs	157.640	151.801
Other social security costs	44.690	46.962
	2.555.770	2.593.675
Average number of employees	6	6
	2017	2016
	DKK	DKK
2. Other financial expenses		
Financial expenses from group enterprises	38.115	18.375
Interest expenses	1	1.330
	38.116	19.705
	2017	2016
	DKK	DKK
3. Tax on profit/loss for the year		
Tax on current year taxable income	374.922	271.348
Change in deferred tax for the year	(3.000)	2.727
	371.922	274.075
		Other
		fixtures and
		fittings,
		tools and
		equipment
		DKK
4. Property, plant and equipment		
Cost beginning of year		1.786.667
Cost end of year		1.786.667
Depreciation and impairment losses beginning of the year		(1.674.869)
Depreciation for the year		(46.128)
Depreciation and impairment losses end of the year		(1.720.997)
Carrying amount end of year		65.670

Notes

	Deposits
	DKK
5. Fixed asset investments	
Cost beginning of year	84.000
Cost end of year	84.000
Carrying amount end of year	84.000

	2017	2016
	DKK	DKK
6. Change in working capital		
Increase/decrease in inventories	(251.852)	(326.307)
Increase/decrease in receivables	(669.879)	(26.292)
Increase/decrease in trade payables etc	652.619	(343.256)
	(269.112)	(695.855)

	2017	2016
	DKK	DKK
7. Unrecognised rental and lease commitments		
Herof liabilities under rental agreements or leases with group enterprises until expiry	252.252	168.168

8. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Anders Svensk Jessen Holding I ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

9. Mortgages and securities

All bank debt to Nordjyske Bank is secured by a floating charge on unsecured claims etc. of DKK 1,000k. The Company has no bank debt at 31 December 2017.

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 reporting class C.

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

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, 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.

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

Accounting policies

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 and impairment losses relating to property, plant and equipment comprise depreciation 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.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, net capital 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 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.

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.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Accounting policies

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
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Estimated useful lives and residual values are reassessed annually. Residual value is DKK 0 at 31 December 2017.

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 and consumables.

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.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets 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.

Prepayments

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

Other investments

Securities recognised under current assets comprise listed securities measured at fair value (market price) at the balance sheet date.

Accounting policies

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

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

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with purchase and sale, etc of property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.