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**TITGEMEYER**  
**SKANDINAVIEN A/S**

Lunikvej 32, DK-2670 Greve

**Annual Report for 1 January - 31  
December 2016**

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CVR No 87 24 82 16

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
31/5 2017

Finn Kristiansen  
Chairman



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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of TITGEMEYER SKANDINAVIEN A/S for the financial year 1 January - 31 December 2016.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for 2016.

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

Greve, 31 May 2017

## Executive Board

Finn Kristiansen  
CEO

## Board of Directors

Joachim Weinrich Wilhelm  
Sommer  
Chairman

André Kutscheidt

Finn Kristiansen

# Independent Auditor's Report

To the Shareholder of TITGEMEYER SKANDINAVIEN A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of TITGEMEYER SKANDINAVIEN A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for opinion

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

## Management's responsibilities for the Financial Statements

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

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

## Auditor's responsibilities for the audit of the Financial Statements

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

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

# Independent Auditor's Report

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.
- 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.

Hellerup, 31 May 2017

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Poul Madsen

statsautoriseret revisor

## Company Information

### The Company

TITGEMEYER SKANDINAVIEN A/S  
Lunikvej 32  
DK-2670 Greve

Telephone: + 45 43600966  
Facsimile: + 45 43690219  
E-mail: info@titgemeyer.dk

CVR No: 87 24 82 16  
Financial period: 1 January - 31 December  
Municipality of reg. office: Greve

### Board of Directors

Joachim Weinrich Wilhelm Sommer, Chairman  
André Kutscheidt  
Finn Kristiansen

### Executive Board

Finn Kristiansen

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### Bankers

Danske Bank A/S  
Taastrup Hovedgade 54  
2630 Taastrup

## Income Statement 1 January - 31 December

	Note	2016 DKK	2015 DKK
<b>Gross profit/loss</b>		<b>5.424.741</b>	<b>5.278.008</b>
Staff expenses	2	-5.176.016	-4.546.224
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-148.507	-144.954
<b>Profit/loss before financial income and expenses</b>		<b>100.218</b>	<b>586.830</b>
Financial income	4	94.700	18.014
Financial expenses	5	-77.109	-69.883
<b>Profit/loss before tax</b>		<b>117.809</b>	<b>534.961</b>
Tax on profit/loss for the year		0	0
<b>Net profit/loss for the year</b>		<b>117.809</b>	<b>534.961</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings	117.809	534.961
	<b>117.809</b>	<b>534.961</b>

# Balance Sheet 31 December

## Assets

	Note	2016 DKK	2015 DKK
Other fixtures and fittings, tools and equipment		373.096	510.689
Leasehold improvements		43.651	54.564
<b>Property, plant and equipment</b>	6	<b>416.747</b>	<b>565.253</b>
Other receivables		314.852	312.974
<b>Fixed asset investments</b>	7	<b>314.852</b>	<b>312.974</b>
<b>Fixed assets</b>		<b>731.599</b>	<b>878.227</b>
<b>Inventories</b>	8	<b>4.092.136</b>	<b>4.141.524</b>
Trade receivables		1.904.158	1.907.761
Other receivables		1.805	2.304
Deferred tax asset	9	500.000	500.000
Prepayments		148.799	169.224
<b>Receivables</b>		<b>2.554.762</b>	<b>2.579.289</b>
<b>Cash at bank and in hand</b>		<b>689.864</b>	<b>1.235.040</b>
<b>Currents assets</b>		<b>7.336.762</b>	<b>7.955.853</b>
<b>Assets</b>		<b>8.068.361</b>	<b>8.834.080</b>



# Balance Sheet 31 December

## Liabilities and equity

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
Share capital		1.250.000	1.250.000
Retained earnings		2.000.478	1.864.732
<b>Equity</b>		<b><u>3.250.478</u></b>	<b><u>3.114.732</u></b>
Payables to group enterprises		2.238.022	2.621.270
<b>Long-term debt</b>		<b><u>2.238.022</u></b>	<b><u>2.621.270</u></b>
Trade payables		534.843	917.665
Payables to group enterprises		606.271	674.850
Other payables		1.438.747	1.505.563
<b>Short-term debt</b>		<b><u>2.579.861</u></b>	<b><u>3.098.078</u></b>
<b>Debt</b>		<b><u>4.817.883</u></b>	<b><u>5.719.348</u></b>
<b>Liabilities and equity</b>		<b><u>8.068.361</u></b>	<b><u>8.834.080</u></b>
Main activity	1		
Contingent assets, liabilities and other financial obligations	10		

## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	1.250.000	1.864.732	3.114.732
Exchange adjustments	0	17.937	17.937
Net profit/loss for the year	0	117.809	117.809
<b>Equity at 31 December</b>	<b>1.250.000</b>	<b>2.000.478</b>	<b>3.250.478</b>

Share capital consists of 9 shares of nominally DKK 100K, 10 shares of nominally DKK 30K and 1 share of nominally DKK 50K. No shares carry special rights.

There have been no changes in share capital in the past 5 years.

# Notes to the Financial Statements

## 1 Main activity

The company's aim is to market components for the transportation industry and for the industry in the Nordic countries

	2016 DKK	2015 DKK
<b>2 Staff expenses</b>		
Wages and salaries	4.637.997	4.115.902
Pensions	317.096	299.062
Other social security expenses	220.923	131.260
	<b>5.176.016</b>	<b>4.546.224</b>
<b>Average number of employees</b>	<b>9</b>	<b>8</b>
<b>3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>		
Depreciation of property, plant and equipment	148.507	144.954
	<b>148.507</b>	<b>144.954</b>
<b>4 Financial income</b>		
Other financial income	265	2.763
Exchange adjustments	94.435	15.251
	<b>94.700</b>	<b>18.014</b>
<b>5 Financial expenses</b>		
Interest paid to group enterprises	32.134	39.710
Other financial expenses	126	5
Exchange adjustments, expenses	44.849	30.168
	<b>77.109</b>	<b>69.883</b>

## Notes to the Financial Statements

### 6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January	1.427.422	880.196
Cost at 31 December	1.427.422	880.196
Impairment losses and depreciation at 1 January	916.733	825.632
Depreciation for the year	137.593	10.913
Impairment losses and depreciation at 31 December	1.054.326	836.545
<b>Carrying amount at 31 December</b>	<b>373.096</b>	<b>43.651</b>

### 7 Fixed asset investments

	Deposita DKK
Cost at 1 January	312.974
Additions for the year	1.878
Cost at 31 December	314.852
<b>Carrying amount at 31 December</b>	<b>314.852</b>

### 8 Inventories

	2016 DKK	2015 DKK
Finished goods and goods for resale	3.948.065	3.584.095
Goods in transit	144.071	557.429
	<b>4.092.136</b>	<b>4.141.524</b>

### 9 Deferred tax asset

The company has a total tax asset around DKK 0,7 million. The estimated market value of which amounts to DKK 500, which is recognized as a tax asset in the balance sheet.

# Notes to the Financial Statements

## 10 Contingent assets, liabilities and other financial obligations

### Contingent liabilities

The company has entered into operating leases with an average lease payment on DKK 351K. The leasing contracts have a remaining maturity of up to 48 months with a total remaining lease payments on DKK 1,145K.

The company has signed lease with an annual rent of DKK 636K. the notice period of the lease is 12 months.

## **Notes, Accounting Policies**

### **Basis of Preparation**

The Annual Report of TITGEMEYER SKANDINAVIEN A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2016 are presented in DKK.

### **Recognition and measurement**

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

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

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

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

### **Translation policies**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction.

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

## **Income Statement**

### **Gross profit/loss**

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

## **Notes, Accounting Policies**

### **Revenue**

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

### **Expenses for raw materials and consumables**

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the enterprise.

### **Other external expenses**

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

### **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment 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 relating to the financial year.

### **Tax on profit/loss for the year**

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

## **Balance Sheet**

### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment

## Notes, Accounting Policies

are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5-8 years

Assets costing less than DKK 12,900 are expensed in the year of acquisition.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Inventories

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

There have been written down for slow moving and obsolete items

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimi-



## **Notes, Accounting Policies**

nation in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### **Financial debts**

Loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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