

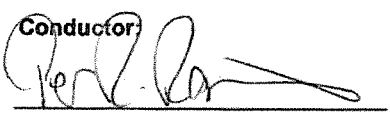
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E. Aabo Andersen A/S
Finlandsvej 6
5700 Svendborg

CVR No. 89 22 82 12

Annual report 2016/2017

Adopted at the Company's Annual General Meeting on 22nd 12 2018

Conductor


Finishing Equipment	Oberflächentechnik	Linie lakiernicze	Окрасочное оборудование	
E. Aabo Andersen A/S Finlandsvej 6 DK-5700 Svendborg	Phone +45 62 22 00 11 CVR DK 89 22 82 12	E-mail aabo@aabo.dk Internet www.aabo.dk	Sydbank A/S SWIFT: SYBKDK22 Sydbank Flensburg SWIFT: SYBKDE22	Account no. 6840 0001 354 656 IBAN: DK0368400001354656 Rathausplatz 11 D-24937 Flensburg IBAN: DE74215106001000463972

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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 E. Aabo Andersen A/S for the financial year 1 October 2016 - 30 September 2017.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 30 September 2016 and of the results of the Company's operations and cash flows for the financial year 1 October 2016 - 30 September 2017.

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 its financial position.

We recommend that the Annual Report be approved at the annual general meeting.

Svendborg, den 11/1 2018

Executive Board




Per Rasmus Rasmussen

Board of Directors



Claus Aabo Andersen



Kim Vandbæk



Flemming Eitang
Chairman

Independent Auditors' Report

To the Shareholders of E. Aabo Andersen A/S

Opinion

We have audited the financial statements of E. Aabo Andersen A/S for the financial year 1 October 2016 to 30 September 2017 which comprise income statement, balance sheet and notes, including summary of significant accounting policies, for the Company. The financial statements are in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 September 2017 and of the result of the Company's operations for the financial year 1 October 2016 to 30 September 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 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 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 of accounting information 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 judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risk 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

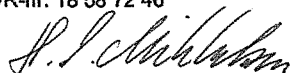
Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Svendborg, den 11/1 2018

Revisorgruppen

CVR-nr. 18 58 72 46



Hans Otto Mikkelsen

Registered Public Accountant
member of FSR – Danish Auditors
mne nr.: mne6343

Management's Review

Company Details

E. Aabo Andersen A/S
Finlandsvej 6
DK-5700 Svendborg

CVR No. 89 22 82 12
Municipality of domicile: Svendborg
Date of establishment: 10 April 1980
Financial year: 1 October – 30 September

Board of Directors

Director Claus Aabo Andersen
CFO Flemming Eltang
Director Kim Vandbæk

Executive Board

Per Rasmus Rasmussen

Auditors

RevisorGruppen
165A, Vestergade, floor 1
DK-5700 Svendborg

Financial institution

Sydbank A/S
2, Klosterplads
DK-5700 Svendborg

Management's Review

Operating Review

Main Operations of the Company

The Company's most important business areas are solution design, sales, manufacturing and installation of finishing equipment and accessories for wet paint and powder coating in industrial plants.

This year, exports have accounted for 80% of the total sales.

Development in the Company's Activities and Financials

Management considers the result for 2016/17 to be unsatisfactory. Political influence and uncertainty in several significant markets has led to low activity or postponements of major projects with a significant drop in revenue.

The company has completed a demerger where the company's properties are transferred to the subsidiary Aabo Andersen Ejendomme ApS. This resulted in a reduction of assets with DKK 13,982,041, liabilities with DKK 7,083,123 and the equity by DKK 6,889,918.

Expected Development

Management recognizes a significant improvement in the activities and order intake, and an improved and positive result for 2017/18 is expected to be on a par with previous financial years.

The Company's primary trading currencies are EUR and DKK. The Company does not engage in speculative currency transactions.

Post-Balance Sheet Events

After the end of the financial year no events have occurred which could significantly affect the Company's financial position.

Financial Statements for the Period 1 October til 30 September

Income statement

<u>Note</u>	<u>2016/2017</u> <u>kr.</u>	<u>2015/2016</u> <u>kr.</u>
Gross profit	15.179.803	28.398.486
1 Staff costs	-16.594.867	-19.207.739
Impairment losses and amortisation	-1.030.866	-1.098.615
Operating profit	-2.445.930	8.092.132
Financial income	34.369	34.223
Financial expenses	-247.374	-288.425
Profit before tax	-2.658.935	7.837.930
Tax on profit for the year	572.873	-1.734.400
Profit for the year	-2.086.062	6.103.530
Proposed profit appropriation		
Proposed dividends	0	3.000.000
Retained earnings	-2.086.062	3.103.530
	-2.086.062	6.103.530

Financial Statements for the Period 1 October til 30 September

Balance sheet

<u>Note</u>	<u>2016/2017</u> <u>kr.</u>	<u>2015/2016</u> <u>kr.</u>
Licences	33.591	290.249
Intangible assets	33.591	290.249
Land and buildings	0	11.865.071
Plant and machinery	1.753.371	1.332.229
Fixtures and fittings, tools and equipment	970.054	1.536.184
Property, plant and equipment	2.723.425	14.733.484
Rent deposit	599.500	0
Financial assets	599.500	0
Total non-current assets	3.356.516	15.023.733
Finished goods and goods for resale	2.523.970	2.054.824
Inventories	2.523.970	2.054.824
Trade receivables	2.562.999	4.691.666
2 Contract work in progress	2.158.334	1.500.712
Deferred tax asset	560.900	0
Receivables from group enterprises	0	406.916
Other receivables	1.125.937	573.380
Prepayments	254.417	210.077
Receivables	6.662.587	7.382.751
Cash at bank and in hand	10.383.647	18.116.491
Total current assets	19.570.204	27.554.066
Total assets	22.926.720	42.577.799

Financial Statements for the Period 1 October til 30 September

Balance sheet

<u>Note</u>	<u>2016/2017</u> kr.	<u>2015/2016</u> kr.
Share capital	1.000.000	1.000.000
Retained earnings	7.910.231	13.112.606
Revaluation reserves	114.000	3.896.604
Proposed dividend	0	3.000.000
3 Total equity	<u>9.024.231</u>	<u>21.009.210</u>
Deferred tax	42.600	1.501.100
Provision for warranty expenses	437.000	710.800
Total provisions	<u>479.600</u>	<u>2.211.900</u>
Mortgage credit institutions	0	5.359.619
Non-current liabilities other than provisions	<u>0</u>	<u>5.359.619</u>
Current portion of non-current liabilities other than provisions	0	254.477
Prepayments received from customers	6.640.457	3.892.610
Trade payables	3.655.852	4.772.926
Corporation tax	0	1.781.800
Payables to group enterprises	155.856	0
Other payables	2.970.724	3.295.257
Total current liabilities other than provisions	<u>13.422.889</u>	<u>13.997.070</u>
Total liabilities other than provisions	<u>13.422.889</u>	<u>19.356.689</u>
Total equity and liabilities	<u><u>22.926.720</u></u>	<u><u>42.577.799</u></u>

4 Mortgages

5 Contractual and Contingent Liabilities

6 Ownership

7 Joint taxation

Financial Statements for the Period 1 October til 30 September

Notes to the financial statements

	2016/2017 DKK	2015/2016 DKK			
1 Staff costs					
Wages and salaries	15.956.996	18.629.095			
Other social security costs	318.560	324.029			
Other costs	319.311	254.615			
	16.594.867	19.207.739			
 Average number of employees	 35	 41			
2 Contract work in progress					
Sales value of work done	24.741.529	24.247.200			
Payments received on account	-22.583.195	-22.746.488			
	2.158.334	1.500.712			
3 Equity					
	Share capital	Revaluation reserves	Retained earnings	Proposed dividends	Total
Equity at 01.10	1.000.000	3.896.604	13.112.606	3.000.000	21.009.210
Demerge / Divide			-3.116.313		-3.116.313
Dividends paid				-3.000.000	-3.000.000
Revaluation for the year		-3.782.604			-3.782.604
Transferred, see profit appropriation			-2.086.062	0	-2.086.062
Equity at 30.09	1.000.000	114.000	7.910.231	0	9.024.231

4 Mortgages

There is no pledged assets. Total liens recorded of guarantees amount to DKK 4,949,535.

5 Contractual and Contingent Liabilities

Leasing obligations DKK 1,384,576 in total payable over 5 years.

The company has entered into a lease contract with an annual rent of DKK 1,335,000 and can be terminated with 6 months' notice, however, irrevocably from both sides until 30.09.2026.

6 Ownership

The Company is owned by Aabo Andersen Holding ApS, Finlandsvej 6, 5700 Svendborg.

Financial Statements for the Period 1 October til 30 September

Notes to the financial statements

7 Joint taxation

The Company is jointly taxed with its parent company and its sister company. As a subsidiary, the Company is jointly and severally liable with the other companies in the joint taxation of corporate taxes, withholding taxes on dividends, and interest within the joint taxation.

Any subsequent correction of the taxable joint taxation income or withholding taxes could increase the amount of the Company's liabilities.

Financial Statements for the Period from 1 October to 30 September

Accounting Policies

The Annual Financial Statements have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B with addition of some rules applying to reporting class C.

The applied accounting practice remains unchanged compared to the last financial year.

The company has completed a demerger where the company's properties are transferred to the subsidiary Aabo Andersen Ejendomme ApS. This resulted in a reduction of assets with DKK 13,982,041, liabilities with DKK 7,083,123 and the equity by DKK 6,889,918. Comparative figures in the annual report have not been adjusted.

The annual report for 2016/17 is presented in Danish kroner.

The applied accounting practice includes the following main characteristics:

Recognition and Measurement:

Assets and liabilities are recognised in the Balance Sheet when it is probable that future economic benefits will flow to and out of the company respectively and the value of the asset or 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 whereby a constant effective rate of interest is recognised over the term of the asset/liability. Amortised cost is calculated as the initial cost value less any repayment and addition or deduction of the accumulated amortisation of the difference between the cost price and the nominal amount.

On recognition and measurement consideration is taken of profits, losses and risks that occur before the date of presentation of the Annual Financial Statements and which prove or disprove matters arising on or before the balance sheet date.

Revenues are recognised in the Income Statement as earned. In the P&L is further included costs incurred to generate the year's income including depreciation, amortisation, impairment losses, and provisions as well as changes in accounting estimates of amounts, which were previously recognised in the Income Statement.

Foreign Currency Translation

Foreign currency transactions during the year are translated at the exchange rate at the transaction date.

Receivables and liabilities in foreign currencies are recognised at the exchange rate at the balance sheet date.

Realised and unrealised exchange rate adjustments are recognised in the Income Statement as financial income/expenses.

Financial Statements for the Period 1 October to 30 September

Income Statement

Revenue and Cost Criterion

Revenues and costs accrue so they are covering the period until the end of the financial year.

Revenue is recognised in the Income Statement once delivery is made and risk has passed on to the buyer. Revenue is recognised net of VAT, charges, and sales discounts.

Work in progress on contracted finishing installations are recognised based on their stage of completion. Accordingly, the Revenue recognised corresponds to the sales value of work performed during the year (stage of completion method) based on an assessment of the degree of completion of the work. The degree of completion is stated based on a specific assessment of each individual finishing installation.

Gross profit

The gross profit is the sum of the annual net sales with deductions for material consumption and other external costs.

Raw materials and consumables

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Staff costs

Staff costs include wages and salaries as well as social costs, pensions etc.

Other external costs

Other external costs include costs for sales, advertising, rent, administration, distribution, loss on Debtors, leasing costs etc.

Financial posts

Financial income and costs include interest, amortisation of financial liabilities as well as additions and compensations for corporation taxes paid on account.

Tax on profit or loss

Corporation tax, which includes the current annual tax calculated according to the applicable tax legislation as well as deferred tax, is recognised in the financial statement with the part that is attributable to the Profit of the year. Postings directly on the Equity are entered Net of income taxes.

The company is subject to the Danish rules on compulsory joint taxation.

Balance Sheet

Property, Plant, and Equipment

Production plants and machinery, as well as other installations, operating equipment, fixtures and fittings are measured at cost plus revaluation less accumulated depreciation and impairment.

Financial Statements for the Period 1 October to 30 September

Depreciation is based on costs less estimated residual value after the end of the useful life of the asset. Depreciation commences once the asset is put into operation.

The Cost value comprises the acquisition price, other costs directly attributable to the acquisition and preparation costs. Interests are not recognised as costs.

The basis of depreciation is allocated on a straight-line basis over the expected useful lives of the assets which are:

Production installations and machinery	3-10 years	0%
Other fixtures and fittings, tools, and equipment	3-10 years	0 - 30%

Profit or loss from disposal of tangible fixed assets is recognised in the financial statement under other operating income or other operating costs.

Inventories

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

Finished goods and work in progress are measured at cost comprising the cost of raw materials, supplies and direct labour costs.

The net realizable value is calculated as sales price less selling costs and costs of completion. The net realizable value is determined according to marketability, obsolescence and development of expected selling price.

Receivables

Trade receivables are measured at amortised cost, which is usually equal to nominal value less provisions for bad debts, calculated based on an individual assessment.

Contract work in progress is measured at the sales value of work done based on an assessment of the degree of completion of the work. The degree of completion is stated based on a specific assessment of each individual contract.

Where the outcome of an individual contract cannot be reported reliably work is measured at cost.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Prepayments recognised as assets include prepaid expenses for the following financial year. Prepayments are measured at cost.

Financial Statements for the Period 1 October to 30 September

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost, which is usually equal to nominal value.

Equity

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

Provisions

Provisions comprise anticipated costs of warranty commitments, losses on work in progress, etc. Provisions are recognised when the company, as a result of an earlier event, has under a legal or actual liability and it is likely that the discharge of the obligation will consume the Company's financial resources.

Provisions comprise commitments to remedy defects and deficiencies within the warranty period of 1 to 2 years. Provisions are measured at net realisable value and are recognised based on the Company's experiences with warranties.

When it is clear that the overall costs will exceed the overall revenues from contract work in progress, the total expected loss is recognised as a provision.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated based on the planned use of the asset and settlement of the liability, respectively.

Liabilities

Other liabilities, which include trade receivables, payables to group entities and other payables, are measured at amortised cost, which is usually equal to nominal value.