

E. Aabo Andersen A/S
Finlandsvej 6
5700 Svendborg

CVR No. 89 22 82 12

Annual report 2017/2018

Adopted at the Company's Annual General Meeting on

10.12 - 2019

Conductor:



Finishing Equipment

Oberflächentechnik

Linie lakiernicze

Окрасочное оборудование

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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 2017 - 30 September 2018.

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 2018 and of the results of the Company's operations and cash flows for the financial year 1 October 2017 - 30 September 2018.

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 10/1 2019

Executive Board



Claus Aabo Andersen

Board of Directors



Christian Cordsen Nielsen
Chairman



Dan Højgaard Jensen



Claus Aabo Andersen



Gunnar Lassen

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 2017 to 30 September 2018 which comprise 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 financial position of the Company at 30 September 2018 and of the result of the Company's operations for the financial year 1 October 2017 to 30 September 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 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 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 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 note 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 the 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 the 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 the 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.

Odense, den 10/1 2019

Ernst & Young

Godkendt Revisionspartnerselskab

CVR-nr. 30 70 02 28



Søren Smedegaard Hvid

State Authorized

Public Accountant

MNE no.: mne31450

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

Christian Cordsen Nielsen
Claus Aabo Andersen
Dan Højgaard Jensen
Gunnar Lassen

Executive Board

Claus Aabo Andersen

Auditors

Ernst & Young Godkendt Revisionspartnerselskab
25, Englandsgade
DK-5100 Odense C

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 project planning, sales, manufacturing and installation of finishing equipment and accessories for wet paint and powder coating in industrial plants. Exports account for 78% of the total sales.

In March, E. Aabo Andersen A/S joined Aabo-Ideal A/S (former Ideal-Engineering A/S) in ownership under a new Holding company Aabo Ideal-Line Group ApS.

Development in the Company's Activities and Financials

The Profit for the year totals TDKK. 2,983 in comparison with last year's result of TDKK. -2,056.

Throughout the year the company has generated capacity within the organization for further growth and increased the turn over to earlier results.

The result is as expected at the beginning of the year. The company is satisfied with the Profit for the year.

Expected Development

The Company's order book for the upcoming year looks very positive and in addition we have many outstanding quotes pending. The company expects increased sales and improved Profits compared to the last financial year.

The management intends to merge the company with Aabo-Ideal A/S, with Aabo-Ideal A/S as the continuing company.

General Risks

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 as of 30 September 2018.

Financial Statements for the Period 1 October til 30 September

Income statement

<u>Note</u>	<u>2017/2018</u> <u>kr.</u>	<u>2016/2017</u> <u>kr.</u>
Gross profit	24.072.945	15.179.803
1 Staff costs	-19.424.644	-16.594.867
Impairment losses and amortisation	<u>-780.352</u>	<u>-1.030.866</u>
Operating profit	3.867.949	-2.445.930
Financial income	19.224	34.369
Financial expenses	<u>-60.731</u>	<u>-247.374</u>
Profit before tax	3.826.442	-2.658.935
Tax on profit for the year	<u>-843.840</u>	<u>572.873</u>
Profit for the year	<u>2.982.602</u>	<u>-2.086.062</u>
Proposed profit appropriation		
Proposed dividends	7.900.000	0
Retained earnings	<u>-4.917.398</u>	<u>-2.086.062</u>
	<u>2.982.602</u>	<u>-2.086.062</u>

Financial Statements for the Period 1 October til 30 September

Balance sheet

<u>Note</u>	<u>2017/2018</u> <u>kr.</u>	<u>2016/2017</u> <u>kr.</u>
Licences	0	33.591
Intangible assets	0	33.591
Plant and machinery	1.465.989	1.753.371
Fixtures and fittings, tools and equipment	829.261	970.054
Property, plant and equipment	2.295.250	2.723.425
Rent deposit	599.500	599.500
Financial assets	599.500	599.500
Total non-current assets	2.894.750	3.356.516
Finished goods and goods for resale	2.851.112	2.523.970
Inventories	2.851.112	2.523.970
Trade receivables	12.790.929	2.562.999
2 Contract work in progress	1.524.087	2.158.334
Deferred tax asset	59.300	560.900
Receivables from group enterprises	3.212.922	0
Other receivables	1.755.650	1.125.937
Prepayments	195.846	254.417
Receivables	19.538.734	6.662.587
Cash at bank and in hand	145.834	10.383.647
Total current assets	22.535.680	19.570.204
Total assets	25.430.430	22.926.720

Financial Statements for the Period 1 October til 30 September

Balance sheet

<u>Note</u>	<u>2017/2018</u> <u>kr.</u>	<u>2016/2017</u> <u>kr.</u>
Share capital	1.000.000	1.000.000
Retained earnings	2.992.833	7.910.231
Revaluation reserves	114.000	114.000
3 Total equity	<u>4.106.833</u>	<u>9.024.231</u>
Deferred tax	0	42.600
Provision for warranty expenses	706.800	437.000
Total provisions	<u>706.800</u>	<u>479.600</u>
Prepayments received from customers	6.279.663	6.640.457
Trade payables	2.771.335	3.655.852
Corporation tax	384.840	0
Payables to group enterprises	7.328.804	155.856
Other payables	3.852.155	2.970.724
Total current liabilities other than provisions	<u>20.616.797</u>	<u>13.422.889</u>
Total liabilities other than provisions	<u>20.616.797</u>	<u>13.422.889</u>
Total equity and liabilities	<u>25.430.430</u>	<u>22.926.720</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

	2017/2018	2016/2017			
	DKK	DKK			
1 Staff costs					
Wages and salaries	18.879.797	15.956.996			
Other social security costs	290.393	318.560			
Other costs	254.454	319.311			
	19.424.644	16.594.867			
Average number of employees	35	35			
2 Contract work in progress					
Sales value of work done	32.911.089	24.741.529			
Payments received on account	-31.387.002	-22.583.195			
	1.524.087	2.158.334			
3 Equity					
	Share capital	Revaluation reserves	Retained earnings	Proposed dividends	Total
Equity at 01.10	1.000.000	114.000	7.910.231	0	9.024.231
Demerge / Divide			0		0
Dividends paid				-7.900.000	-7.900.000
Revaluation for the year		0			0
Transferred, see profit appropriation			-4.917.398	7.900.000	2.982.602
Equity at 30.09	1.000.000	114.000	2.992.833	0	4.106.833

4 Mortgages

There is no pledged assets. Total liens recorded of guarantees amount to DKK 2,971,336.

5 Contractual and Contingent Liabilities

Leasing obligations DKK 1,900,416 in total payable over 5 years.

The company has entered into a lease contract with an annual rent of DKK 1,540,036 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 Ideal-line Group ApS, Gothersgade 175 2. tv., 1123 København K .

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 annual report for 2017/18 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.