

Alpine Metal Tech Denmark ApS
Knud Bro Allé 8
3660 Stenløse

Telephone +45 47 10 71 71
www.alpinemetaltech.com

Alpine Metal Tech Denmark ApS

Annual report 2015

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

on 30-05 2016


chairman

CVR no. 89 38 69 18

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Statement by the Board of Directors and the Executive Board

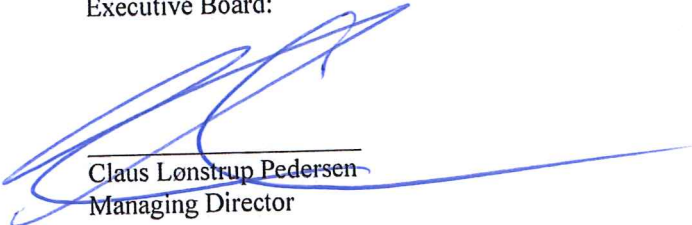
The Executive Board has today discussed and approved the annual report of Alpine Metal Tech Denmark ApS for the financial year 1 January – 31 December 2015.

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 2015 and of the results of the Company's operations for the financial year 1 January – 31 December 2015.

We recommend that the annual report should be approved at the annual general meeting.

Stenløse, 30 May 2016
Executive Board:



Claus Lønstrup Pedersen
Managing Director



Independent auditor's report

To the shareholders of Alpine Metal Tech Denmark ApS

Independent auditor's report on the financial statements

We have audited the financial statements of Alpine Metal Tech Denmark ApS for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements 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 that 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 based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's activities for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Copenhagen, 30 May 2016

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no.: 25 57 81 98

Per Ejning Olsen
State Authorised
Public Accountant

Company details

Alpine Metal Tech Denmark ApS
Knud Bro Allé 8
3660 Stenløse

Telephone:	+45 47 10 71 71
Website:	www.alpinemetaltech.com
E-mail:	denmark@alpinemetaltech.com
CVR no.:	89 38 69 18
Established:	16 January 1980
Registered office:	Egedal
Financial year:	1 January – 31 December

Executive Board

Claus Lønstrup Pedersen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København
Denmark

Annual general meeting

The annual general meeting will be held on 15 May 2016.

Financial statements 1 January – 31 December

Accounting policies

The annual report of Alpine Metal Tech Denmark ApS for 2015 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

Pursuant to section 32 of the Danish Financial Statements Act, the items revenue, costs for raw materials and consumables and other external costs have been aggregated to the item gross profit.

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

Recognition and measurement

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements 1 January – 31 December

Accounting policies

Income statement

Revenue

Revenue from the sale of machines and spare parts is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT, and taxes charged on behalf of third parties.

Costs for raw materials and consumables

Costs for raw materials and consumables comprise costs, incurred in generating the revenue for the year. Such costs include direct and indirect costs for raw materials and consumables.

Other external costs

Other external costs comprise of costs for buildings, sales costs and other fixed costs. Costs are accrued according to the period the costs concern.

Staff costs

Staff costs comprise wages to personnel, pension contributions and other social security expenses.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Intangible assets and property, plant and equipment

Software, plant and machinery, fixtures and fittings, tools and equipment are measured at cost less accumulated amortisation, depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub suppliers, and wages and salaries.

Amortisation and depreciation are provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Software	5 years
Plant and machinery	5-12 years
Fixtures and fittings, tools and equipment	3-5 years

Impairment of assets

The carrying amount of property, plant and equipment is subject to an annual impairment test.

When there is an indication that assets may be impaired, an impairment test of each individual assets and group of assets is made. Write-down to the recoverable amount is made, if this amount is lower than the carrying amount.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in the cost.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses based on an individual assessment of receivables.

Financial statements 1 January – 31 December

Accounting policies

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Liabilities other than provisions

Liabilities other than provision are measured at net realisable value.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2015	2014
Gross profit		14,288	36,592
Staff costs	2	-11,105	-17,221
Amortisation and depreciation		-188	-359
Ordinary operating profit		2,995	19,012
Financial income		846	447
Financial expenses		-203	-30
Profit before tax		3,638	19,429
Tax on profit for the year	3	-923	-4,771
Profit for the year		<u>2,715</u>	<u>14,658</u>
Proposed profit appropriation			
Proposed dividend for the financial year		0	0
Retained earnings		2,715	14,658
		<u>2,715</u>	<u>14,658</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2015	2014
ASSETS			
Non-current assets			
Intangible assets	4		
Software		226	344
		<u>226</u>	<u>344</u>
Property, plant and equipment	5		
Plant and machinery		61	120
Tools and equipment		8	9
		<u>69</u>	<u>129</u>
Total non-current assets		<u>295</u>	<u>473</u>
Current assets			
Inventories			
Raw materials and consumables		0	2,612
Work in progress		0	601
		<u>0</u>	<u>3,213</u>
Receivables			
Trade receivables		1,938	8,827
Receivables from group entities		12,839	22,258
Other receivables		0	227
Deferred taxes		221	168
Prepayments		521	515
		<u>15,519</u>	<u>31,995</u>
Cash at bank and in hand		<u>3,395</u>	<u>3,989</u>
Total current assets		<u>18,914</u>	<u>39,197</u>
TOTAL ASSETS		<u>19,209</u>	<u>39,670</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2015	2014
EQUITY AND LIABILITIES			
Equity			
Share capital	8	5,000	5,000
Retained earnings		8,076	26,219
Proposed dividend for the financial year		0	0
Total equity		<u>13,076</u>	<u>31,219</u>
Current liabilities			
Trade payables		1,598	550
Corporation tax		456	3,788
Other payables		4,079	4,113
		<u>6,133</u>	<u>8,451</u>
Total liabilities		<u>6,133</u>	<u>8,451</u>
TOTAL EQUITY AND LIABILITIES		<u>19,209</u>	<u>39,670</u>
Contractual obligations, contingencies, etc.	6		
Mortgages and collateral	7		
Related parties	8		

Financial statements 1 January – 31 December

Notes

1 Principal activities

Alpine Metal Tech Denmark ApS is part of the Alpine Metal Tech Group, which again is part of the Montana Group. The Alpine Metal Tech Group operates on the world market for supply of marking machines to the steel industry and has activities in Austria, Denmark, England, Germany, USA and China.

The principal activities in Alpine Metal Tech Denmark ApS comprise sales work and service in defined markets on behalf of other companies within the Alpine Metal Tech group.

DKK'000	2015	2014
2 Staff costs		
Wages and salaries	10,684	16,238
Pensions	261	678
Other social security costs	160	305
	<u>11,105</u>	<u>17,221</u>

Pursuant to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

3 Tax on profit for the year		
Current tax for the year	977	5,144
Adjustment for the year of deferred tax	-54	-373
	<u>923</u>	<u>4,771</u>

4 Intangible assets	
DKK'000	Software
Cost at 1 January 2015	1,525
Additions	0
Cost at 31 December 2015	<u>1,525</u>
Amortisation and impairment losses at 1 January 2015	1,181
Amortisation	118
Amortisation and impairment losses at 31 December 2015	<u>1,299</u>
Carrying amount at 31 December 2015	<u>226</u>

Financial statements 1 January – 31 December

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5 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2015	1,601	2,423	4,024
Additions	39	0	39
Disposals	-975	-209	-1,184
Cost at 31 December 2015	665	2,214	2,879
Depreciation and impairment losses at 1 January 2015	1,481	2,414	3,895
Disposals	-946	-209	-1,155
Depreciation for the year	68	1	69
Depreciation and impairment losses at 31 December 2015	603	2,206	2,809
Carrying amount at 31 December 2015	62	8	70

6 Equity

DKK'000	Share capital	Retained earnings	Proposed dividend	Total
Balance at 1 January 2015	5,000	26,219	0	31,219
Extraordinary distributed dividend during the year	0	-20,858	0	-20,858
Transferred; see the profit appropriation	0	2,715	0	2,715
Balance at 31 December 2015	5,000	8,076	0	13,076

Share capital

The share capital consists of 50 shares of nom. DKK 100 thousand each. All shares rank equally. The share capital has not been changed for the last five years.

Treasury shares

The Company holds two treasury shares of nom. DKK 100 thousand each, totalling DKK 200 thousand. The Company holds a stake of 4% of the share capital.

The Company has not acquired or sold any treasury shares in the financial year.

Financial statements 1 January – 31 December

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7 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company has provided guaranties regarding advance payments and performance totalling DKK 5,050 thousand (2014: DKK 5,165 thousand).

The Company has provided guarantees for commitments according to tenancy agreement totalling DKK 400 thousand (2014: DKK 400 thousand).

Lease obligations

The Company has entered into operating leases, of which DKK 1,116 thousand falls due within one year. The leases have an average remaining term of 24 months, totalling a remaining lease fee of DKK 1,252 thousand.

8 Mortgages and collateral

The Company has pledged its trade receivables to Danske Bank through a floating company charge. The pledge is to cover any debt to Danske Bank. The floating company charge is maximised at DKK 3,750 thousand. Alpine Metal Tech Denmark ApS' debt to Danske Bank at 31 December 2015 amounts to DKK 0 thousand, while utilisation of provided lines for guarantees amounts to DKK 5,050 thousand.

9 Related party transactions

The Company's related parties comprise members of the former Board of Directors and the Executive Board in Alpine Metal Tech ApS Denmark, the principal shareholder Alpine Metal Tech GmbH, Austria, and other group enterprises.

No agreements or transactions with members of the former Board of Directors and the Executive Board have been made, in which the members have financial interest other than indicated by the terms and conditions of employment.

The activities in Alpine Metal Tech Denmark ApS are carried out in close cooperation with other companies in the Alpine Metal Tech Group and as a consequence, there is a significant amount of intercompany transactions that are recognised according to agreements. In 2015 and especially in 2014, the Company realised non-recurring income due to the transfer of activities and rights to another group company.

In the opinion of the Executive Board, all intercompany transactions are carried out on an arm's length basis.

Financial statements 1 January – 31 December

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9 Related party transactions (continued)

Ownership

The following shareholders are registered in the Company's register of shareholders as holding at least 5% of the voting rights or at least 5% of the share capital:

Alpine Metal Tech Holding GmbH, Buchbergstrasse 11, 4844 Regau, Austria.

The ultimate parent company of the Company is Montana Tech Components AG, and the consolidated financial statements for Montana Tech Components can be obtained at www.montanatechcomponents.com.