

E. Aabo Andersen A/S
Finlandsvej 6
5700 Svendborg

CVR No. 89 22 82 12

Annual report 2014/2015

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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 2014 - 30 September 2015.

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 2015 and of the results of the Company's operations and cash flows for the financial year 1 October 2014 - 30 September 2015.

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, 18 December 2015

Executive Board



Claus Aabo Andersen

Board of Directors



Claus Aabo Andersen



Kim Vandbæk



Flemming Eltang
Chairman

Independent Auditors' Report

To the Shareholders of E. Aabo Andersen A/S

Report on the Financial Statements

We have audited the financial statements of E. Aabo Andersen A/S for the financial year 1 October to 30 September 2015 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.

Management's Responsibility for the Annual Financial Statements

The 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 the 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 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

The audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 September 2015 and of the result of the Company's operations for the financial year 1 October to 30 September 2015 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

Pursuant to the Danish Financial Statements Act, we have read the Management's Review. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the Management's Review is consistent with the financial statements.

Svendborg, 18 December 2015

RevisorGruppen



Hans Otto Mikkelsen

Registered Public Accountant

member of FSR – Danish Auditors

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

Claus Aabo Andersen

Auditors

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

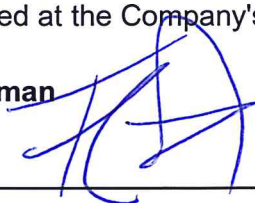
Financial institution

Sydbank A/S
2, Klosterplads
DK-5700 Svendborg

Adopted at the Company's Annual General Meeting on

82/12-2015

Chairman



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. Exports account for 76% of the total sales.

Development in the Company's Activities and Financials

The Profit for the year totals TDKK. 2,171 in comparison with last year's result of TDKK. 4,741. During the year the company has built capacity within the organization for further growth resulting in increased staff costs. For this reason and due to lower margin on some orders the result is below the level of last year and below our expectations at beginning of the year.

The company is satisfied with the Profit for the year.

Expected Development

The Company's has a high volume of orders for delivery in the new year and in addition we steadily issue many quotes. For the coming year the company expects increased sales and improved Profits.

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 2015.

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 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.

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.

Financial Statements for the Period 1 October to 30 September

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.

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 and loss on Debtors 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.

Balance Sheet

Property, Plant, and Equipment

Land and buildings, 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.

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. Land is not depreciated.

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:

		Residual value
Buildings	25 years	50%
Production installations and machinery	3-10 years	0%
Other fixtures and fittings, tools, and equipment	3-10 years	0 - 30%

Financial Statements for the Period 1 October to 30 September

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

New purchases with a cost below the tax limit for small purchases are expensed in full during the acquisition year under "Other External Expenses".

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.

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.

Payments received for invoicing on account have been deducted from this item.

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

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.

Financial Statements for the Period 1 October to 30 September

Dividend

Dividends are recognised as a liability on the date on which they are adopted at the Annual General Meeting. Dividends proposed for the reporting period are presented as a separate item under Equity.

Liabilities to Credit and Mortgage Credit Institutions

Liabilities to credit and mortgage credit institutions are measured at cost at the date of raising of the loan. Liabilities are subsequently measured at amortised cost. Capital losses and loan costs are recognised in the Income Statement over the loan period as a financial cost applying the effective interest method. Where the raising of the loan is associated with insignificant capital gains or losses, the liabilities are measured at nominal outstanding debt.

Other Liabilities

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

Financial Statements for the Period 1 October til 30 September

Income statement

<u>Note</u>	<u>2014/2015</u> <u>kr.</u>	<u>2013/2014</u> <u>kr.</u>
Gross profit	18.759.893	19.028.926
1 Staff costs	-14.659.772	-11.967.214
Impairment losses and amortisation	<u>-832.032</u>	<u>-697.437</u>
Operating profit	3.268.089	6.364.275
Financial income	31.622	156.797
Financial expenses	<u>-553.841</u>	<u>-319.433</u>
Profit before tax	2.745.870	6.201.639
Tax on profit for the year	<u>-574.770</u>	<u>-1.460.360</u>
Profit for the year	<u>2.171.100</u>	<u>4.741.279</u>
Proposed profit appropriation		
Proposed dividends	1.000.000	3.000.000
Retained earnings	<u>1.171.100</u>	<u>1.741.279</u>
	<u>2.171.100</u>	<u>4.741.279</u>

Financial Statements for the Period 1 October til 30 September

Balance sheet

<u>Note</u>	<u>2014/2015</u> <u>kr.</u>	<u>2013/2014</u> <u>kr.</u>
Licences	108.902	0
Intangible assets	108.902	0
2 Land and buildings	12.045.830	8.840.116
Plant and machinery	1.325.971	1.211.257
Fixtures and fittings, tools and equipment	1.426.428	1.518.494
Property, plant and equipment	14.798.229	11.569.867
Total non-current assets	14.907.131	11.569.867
Finished goods and goods for resale	1.527.675	1.061.429
Inventories	1.527.675	1.061.429
Trade receivables	6.046.882	1.804.206
3 Contract work in progress	2.371.429	1.398.099
Receivables from group enterprises	0	2.548.236
Other receivables	1.445.012	327.825
Prepayments	155.398	102.475
Receivables	10.018.721	6.180.841
Cash at bank and in hand	13.587.192	9.881.208
Total current assets	25.133.588	17.123.478
Total assets	40.040.719	28.693.345

Financial Statements for the Period 1 October til 30 September

Balance sheet

<u>Note</u>	<u>2014/2015</u> <u>kr.</u>	<u>2013/2014</u> <u>kr.</u>
Share capital	1.000.000	1.000.000
Retained earnings	10.009.076	8.837.976
Revaluation reserves	3.896.604	2.551.279
Proposed dividend	1.000.000	3.000.000
4 Total equity	15.905.680	15.389.255
Deferred tax	1.548.500	1.236.600
Provision for warranty expenses	490.000	442.000
Total provisions	2.038.500	1.678.600
Mortgage credit institutions	5.614.097	4.722.023
5 Non-current liabilities other than provisions	5.614.097	4.722.023
Current portion of non-current liabilities other than provisions	249.059	206.797
Prepayments received from customers	6.672.450	1.339.871
Trade payables	5.468.402	1.862.126
Corporation tax	484.256	1.503.160
Payables to group enterprises	836.966	0
Other payables	2.771.309	1.991.513
Total current liabilities other than provisions	16.482.442	6.903.467
Total liabilities other than provisions	22.096.539	11.625.490
Total equity and liabilities	40.040.719	28.693.345

6 Mortgages

7 Ownership

8 Joint taxation

Financial Statements for the Period 1 October til 30 September

Notes to the financial statements

				2014/2015	2013/2014
				DKK	DKK
1	Staff costs				
	Wages and salaries			14.073.649	11.576.576
	Other social security costs			243.262	198.358
	Other costs			342.861	192.280
				14.659.772	11.967.214
2	Land and buildings				
	Carrying amount			12.045.830	8.840.116
	Calculated value before revaluation			7.771.300	6.160.371
	Calculated difference value			4.274.530	2.679.745
3	Contract work in progress				
	Sales value of work done			22.018.711	32.162.123
	Payments received on account			-19.647.282	-30.764.024
				2.371.429	1.398.099
4	Equiaty				
		Share capital	Revaluation reserves	Retained earnings	Proposed dividends
	Equity at 01.10	1.000.000	2.551.279	8.837.976	3.000.000
	Dividends paid				-3.000.000
	Revaluation for the year		1.345.325		
	Transferred, see profit appropriation			1.171.100	1.000.000
	Equity at 30.09	1.000.000	3.896.604	10.009.076	15.905.680

The share capital comprises 6 A-shares of DKK 100,000 and 4 B-shares of DKK 100,000. Class A shares carry 10 votes for each share of DKK 100,000 and Class B shares carry one vote for each share of DKK 100,000.

The share capital for the past five years is, as follows:

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Balance at 01.10	1.000.000	1.000.000	1.000.000	1.000.000	1.000.000
Capital increase in cash	0	0	0	0	0
Balance at 30.09	1.000.000	1.000.000	1.000.000	1.000.000	1.000.000

Notes to the financial statements

	<u>2014/2015</u> <u>DKK</u>	<u>2013/2014</u> <u>DKK</u>
5 Non-current liabilities other than provisions		
Due after more than 5 years	<u>5.614.097</u>	<u>4.722.023</u>

6 Mortgages

The book value of pledged assets is DKK 29,506,182

Total liens recorded, consisting of company mortgage, owner's mortgage and guarantees amount to DKK 20,072,061.

7 Ownership

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

Aabo Andersen Holding ApS, Finlandsvej 6, 5700 Svendborg

8 Joint taxation

The Company is jointly taxed with its parent 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.