
GEA Refrigeration Components (Nordic) A/S

Nørskovvej 1B, DK-8660 Skanderborg

Annual Report for 1 January - 31 December 2018

CVR No 10 07 29 21

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
25/6 2019

Charlotte Thorsen
Chairman of the General
Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of GEA Refrigeration Components (Nordic) A/S for the financial year 1 January - 31 December 2018.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Skanderborg, 6 June 2019

Executive Board

Ib René Vinther Elgaard
CEO

Ulla Michelsen

Morten Unn Hansen

Board of Directors

Ann Tonia Jan Cuylaerts
Chairman

Erik Jan Bultje

Stefanus Gerardus Broens

Independent Auditor's Report

To the Shareholders of GEA Refrigeration Components (Nordic) A/S

We have audited the Financial Statements of GEA Refrigeration Components (Nordic) A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet and notes, including a summary of significant 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 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 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 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 audit. We also:

Independent Auditor's Report

- 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.

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 Financials Statements Act.

Independent Auditor's Report

Based on the work we have performed, in our view, 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 in Management's Review.

Copenhagen, 6 June 2019

KPMG

Statsautoriseret Revisionspartnerselskab

CVR No 25 57 81 98

David Olafsson

statsautoriseret revisor

mne19737

Company Information

The Company

GEA Refrigeration Components (Nordic) A/S
Nørskovvej 1B
DK-8660 Skanderborg

Telephone: + 45 75 52 60 15
Website: www.gearefrigeration.com

CVR No: 10 07 29 21
Financial period: 1 January - 31 December
Municipality of reg. office: Skanderborg

Board of Directors

Ann Tonia Jan Cuylaerts, Chairman
Erik Jan Bultje
Stefanus Gerardus Broens

Executive Board

Ib René Vinther Elgaard
Ulla Michelsen
Morten Unn Hansen

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø

Management's Review

Key activities

GEA Refrigeration Components (Nordic) A/S is a member of the Refrigeration Division of the multinational company GEA Group AG in Germany. GEA Refrigeration Components (Nordic) A/S sells compressors, chillers, condensers, valves, etc. to contracting companies doing business within refrigeration in Scandinavia.

Development in the year

The income statement of the Company for 2018 shows a profit of EUR 501,156, and at 31 December 2018 the balance sheet of the Company shows equity of EUR 2,693,862.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2018 EUR	2017 EUR
Gross profit/loss		1.121.470	800.284
Staff expenses	1	-373.640	-367.542
Other operating expenses		<u>-33.326</u>	<u>-105.362</u>
Profit/loss before financial income and expenses		714.504	327.380
Financial expenses		<u>-14.204</u>	<u>-5.248</u>
Profit/loss before tax		700.300	322.132
Tax on profit/loss for the year	2	<u>-199.144</u>	<u>-76.289</u>
Net profit/loss for the year		<u>501.156</u>	<u>245.843</u>

Distribution of profit

Proposed distribution of profit

Retained earnings	<u>501.156</u>	<u>245.843</u>
	<u>501.156</u>	<u>245.843</u>

Balance Sheet 31 December

Assets

	Note	2018 EUR	2017 EUR
Trade receivables		107.000	30.377
Receivables from group enterprises		3.091.318	2.762.962
Other receivables		25.843	10.411
Deferred tax asset		27.693	55.331
Receivables		3.251.854	2.859.081
Currents assets		3.251.854	2.859.081
Assets		3.251.854	2.859.081

Balance Sheet 31 December

Liabilities and equity

	Note	2018 EUR	2017 EUR
Share capital		67.116	67.116
Retained earnings		2.626.746	2.125.590
Equity	3	2.693.862	2.192.706
Other provisions		124.750	250.000
Provisions		124.750	250.000
Trade payables		25.374	17.335
Payables to group enterprises		194.529	180.815
Corporation tax		210.717	120.314
Other payables		2.622	97.911
Short-term debt		433.242	416.375
Debt		433.242	416.375
Liabilities and equity		3.251.854	2.859.081
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Notes to the Financial Statements

	2018	2017
	EUR	EUR
1 Staff expenses		
Wages and salaries	373.640	326.816
Pensions	0	27.836
Other social security expenses	0	2.659
Other staff expenses	0	10.231
	373.640	367.542
Average number of employees	0	4

The Company does not have any employees as the Company's activities are handled by the Management and employees employed in the affiliate, GEA Process Engineering A/S. During 2018 the Company have bought management and employee assistance for EUR 373,6 thousand, corresponding to an average of 3 full time employees.

2 Tax on profit/loss for the year

Current tax for the year	127.371	120.315
Deferred tax for the year	27.638	-48.290
Adjustment of tax concerning previous years	44.135	4.264
	199.144	76.289

3 Equity

	Share capital	Retained earnings	Total
	EUR	EUR	EUR
Equity at 1 January	67.116	2.125.590	2.192.706
Net profit/loss for the year	0	501.156	501.156
Equity at 31 December	67.116	2.626.746	2.693.862

The share capital consists of 500 shares of a nominal value of EUR 1,000. No shares carry any special rights.

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

Notes to the Financial Statements

4 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Contingencies regarding leasehold amount to EUR 16 thousand.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of GEA Process Engineering A/S (CVR No. 10 05 07 15), which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

There are no security and contingent liabilities at 31 December 2018.

5 Related parties

Ownership

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

GEA Refrigeration Technologies GmbH

Consolidated Financial Statements

The company is included in the consolidated financial statements of GEA Group AG, Germany.

Name	Place of registered office
GEA Group AG	Peter-Muller-Str. 12, 40468 Dusseldorf

The Group Annual Report of GEA Group AG may be obtained at the following address: www.geagroup.com.

Notes to the Financial Statements

6 Accounting Policies

The Annual Report of GEA Refrigeration Components (Nordic) A/S for 2018 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.

The Financial Statements for 2018 are presented in EUR.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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.

Notes to the Financial Statements

6 Accounting Policies (continued)

Income Statement

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.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

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

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.

The Company is jointly taxed with affiliated companies and their subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes. The administrative company is GEA Process Engineering A/S (CVR No. 10 05 07 15).

Notes to the Financial Statements

6 Accounting Policies (continued)

Balance Sheet

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

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

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of . Provisions are measured and recognised based on experience with guarantee work.

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 elimination 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.

Notes to the Financial Statements

6 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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