

Annual Report for
Gram Commercial A/S
12006632

Contents

Guide for use of control report

Digital financial statements in pdf and XBRL format

The annual report must be filed with the Danish Business Authority in two versions: a readable pdf version (may be a system generated pdf file or a scanned version of the signed annual report) and an XBRL file containing raw data in XBRL format. It requires a special program to be able to present data in the XBRL file.

The financial statements in the pdf file must reflect the true and fair view. In the nature of the case, the XBRL file has no visual appearance, but the raw data must correspond to the figures and the text from the annual report.

The purpose of the control report

The control report is used solely to verify the information in the XBRL file and is one way of presenting the annual report. Thus, the control report is a reproduction of the XBRL file in a readable format. The purpose of the control report is solely to form a basis for control of the marking off of data, and therefore the visual expression of the control report is not important.

In the control report, you must decide:

1. Whether figures and text in grey areas are identical with the signed annual report.
2. Whether figures and text have been marked off to specific fields in the taxonomy.

In the control report, the headings over the grey areas refer to the field in the taxonomy to which the grey text is marked off. If there is also a heading inside grey area, this is just a repetition from the actual annual report and is not a double heading.

Revisor: Nettoomsætning
Revisors: Nettoomsætning the
Vores ansvar er at udtrykke en k

In the income statement, balance sheet and cash flow statement, the top line states the field in the taxonomy to which the figures are marked off, whereas the line in italics immediately below states the name of the line in the annual report.

At accounting line level, it is important to check that the field in the taxonomy to which an accounting line is marked off corresponds to the accounting line in the signed annual report. The text may differ, but the meaning must be the same. Thus, it is permitted to mark off "rental income" to "revenue" as the taxonomy does not include the field rental income. The accounting lines may also be reported at a higher level in the taxonomy if no appropriate line is available.

In the control report, you should not decide on:

- Note numbers and references as well as the order
- Layout and formatting
- The order of the part elements of the annual report
- Line breaks
- Appearance of notes and texts

Submission information

Report

Information on type of submitted report Årsrapport

Entity

Identification number [CVR] 12006632
Name Gram Commercial A/S
Registered office Vojens, Denmark
Telephone number +45 73 20 12 00
Fax number +45 73 20 12 07
Homepage www.gram-commercial.com
E-mail info@gram-commercial.com
Address , street name Aage Gramsvej
Address , street building identifier 1
Address , post code identifier 6500
Address , district name Vojens

Auditor

Name and surname Suzette Nielsen
Identification number [CVR] of audit firm 33963556
Name of audit firm Deloitte Statsautoriseret Revisionspartnerselskab
Description State Authorised Public Accountant

Executive board

Name and surname of member (1) Ole Brandorff-Lund
Title of member (1) Chief Executive Officer
Name and surname of member (2) Anders Sjøgaard

Supervisory board

Name and surname of member (1) Koichi Tsunematsu
Title of member (1) chairman
Name and surname of member (2) Ole Brandorff-Lund
Name and surname of member (3) Anders Sjøgaard
Name and surname of member (4) Allan Kremmling
Name and surname of member (5) Thomas Kruse

Information on enterprise submitting report

Identification number [CVR] of submitting enterprise 12006632

Name of submitting enterprise Gram Commercial A/S

Address of submitting enterprise, street and number Aage Gramsvej 1

Address of submitting enterprise, postcode and town 6500 Vojens

Other informations

| | |
|---|--------------------|
| Reporting period start date | 2015-01-01 |
| Reporting period end date | 2015-12-31 |
| Date of general meeting | 2016-05-27 |
| Name and surname of chairman of general meeting | Ole Brandorff-Lund |
| Type of auditor assistance | Revisionspåtegning |
| Reporting period start date last year | 2014-01-01 |
| Reporting period end date last year | 2014-12-31 |
| Currency: | DKK |

Statement by Management on the annual report

Statement by executive and supervisory boards

Statement by Management on the annual report

Identification of approved annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Gram Commercial A/S for the financial year 1 January to 31 December 2015.

Confirmation that annual report is presented in accordance with requirements provided for by legislation, any standards and requirements provided by articles of association or by agreement

The annual report was prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements.

Confirmation that financial statement gives true and fair view of assets, liabilities, equity, financial position and results

In our opinion, the Consolidated Financial Statements and the Parent Financial Statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2015 and of their financial performance as well as the consolidated cash flow for the financial year 1 January to 31 December 2015.

Recommendation for approval of annual report by general meeting

We recommend the annual report for adoption at the Annual General Meeting.

Management's statement about management's review

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

Date of approval of annual report

Vojens, 27. May 2016

Executive board

Ole Brandorff-Lund
Chief Executive Officer

Anders Sjøgaard

Supervisory board

Koichi Tsunematsu
chairman

Ole Brandorff-Lund

Anders Sjøgaard

Allan Kremmling

Thomas Kruse

Auditor's reports

The independent auditor's reports (Audit)

Independent auditor's reports

Independent auditor's reports

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statements.

Addressee of auditor's report on audited financial statements

To the shareholders of Gram Commercial A/S

Auditor's report on financial statements

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of Gram Commercial A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies, for the Group as well as for the Parent. The consolidated financial statements and parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement of executive and supervisory boards responsibility for financial statements

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control as Management determines is necessary to enable the preparation and fair presentation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Statement of auditor's responsibility for audit and audit performed

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent 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 about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent 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 consolidated financial statements and parent 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 Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

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

Our audit has not resulted in any qualification.

Opinion on audited financial statements

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations and cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on management's review [Auditor's report on audited financial statements]

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

Kolding

27. May 2016

Suzette Nielsen

State Authorised Public Accountant

Deloitte Statsautoriseret Revisionspartnerselskab

33963556

Income Statement 1. January 2015 - 31. December 2015

| | Group 01-01-2015 31-12-2015 x1000 DKK | Group 01-01-2014 31-12-2014 x1000 DKK | Parent 01-01-2015 31-12-2015 x1000 DKK | Parent 01-01-2014 31-12-2014 x1000 DKK |
|---|--|--|---|---|
| Profit or loss [abstract] | | | | |
| Profit (loss) [abstract] | | | | |
| Revenue <i>Revenue</i> | 376.276 | 354.193 | 310.165 | 294.270 |
| Cost of sales <i>Cost of sales</i> | 275.155 | 258.402 | 252.528 | 238.901 |
| Gross profit <i>Gross profit/loss</i> | 101.121 | 95.791 | 57.637 | 55.369 |
| Sales cost and distribution costs [abstract] | | | | |
| Sales cost and distribution costs <i>Sales and distribution expenses</i> | 64.819 | 59.873 | 34.366 | 31.312 |
| Administrative expenses <i>Administrative expenses</i> | 21.975 | 21.730 | 17.694 | 17.780 |
| Profit (loss) from operating activities <i>Operating profit/loss (EBIT)</i> | 14.327 | 14.188 | 5.577 | 6.277 |
| Finance income <i>Financial income</i> | 2.002 | 268 | 1.519 | 226 |
| Finance costs <i>Financial expenses</i> | 287 | 1.118 | 484 | 1.091 |
| Profit (loss) in subsidiaries, joint ventures and associates [abstract] | | | | |
| Profit (loss) in subsidiaries <i>Dividends from investments in subsidiaries</i> | | | 7.813 | 5.911 |
| Impairment of investments in subsidiaries <i>Impairment of investments in subsidiaries</i> | 0 | 0 | -3.136 | 0 |
| Profit (loss) before tax <i>Profit before tax</i> | 16.042 | 13.338 | 11.289 | 11.323 |

| | | | | |
|---|--------|-------|-------|-------|
| Tax expense (income), continuing operations <i>Tax on profit/loss for the year</i> | 3.523 | 3.972 | 1.447 | 2.032 |
| Profit (loss) <i>Profit/loss for the year</i> <i>Net profit/loss for the year</i> | 12.519 | 9.366 | 9.842 | 9.291 |

| Group 01-01-2015 31-12-2015 x1000 DKK | Group 01-01-2014 31-12-2014 x1000 DKK | Parent 01-01-2015 31-12-2015 x1000 DKK | Parent 01-01-2014 31-12-2014 x1000 DKK |
|--|--|---|---|
|--|--|---|---|

Statement of comprehensive income
[abstract]

Components of other comprehensive income, before tax [abstract]

Exchange differences on translation [abstract]

Other comprehensive income, before tax,
exchange differences on translation
Exchange difference on translating foreign operations

| | | | |
|--------|-----|---|---|
| -1.678 | 542 | 0 | 0 |
|--------|-----|---|---|

Other comprehensive income
Other total comprehensive income

| | | | |
|--------|-----|---|---|
| -1.678 | 542 | 0 | 0 |
|--------|-----|---|---|

Comprehensive income
Total comprehensive income for the year

| | | | |
|--------|-------|-------|-------|
| 10.841 | 9.908 | 9.842 | 9.291 |
|--------|-------|-------|-------|

Balance

Assets

| | Group 31-12-2015 x1000 DKK | Group 31-12-2014 x1000 DKK | Parent 31-12-2015 x1000 DKK | Parent 31-12-2014 x1000 DKK |
|---|---|---|--|--|
| Assets [abstract] | | | | |
| Non-current assets [abstract] | | | | |
| Property, plant and equipment [abstract] | | | | |
| Land and buildings [abstract] | | | | |
| Land and buildings <i>Land and buildings</i> | 3.047 | 2.943 | 0 | 0 |
| Plant and machinery <i>Plant and machinery</i> | 9.053 | 11.023 | 9.053 | 11.023 |
| Other plant, fixtures and fittings, tools and equipment <i>Other fixtures, fittings, tools and equipment</i> | 17.674 | 12.852 | 16.286 | 11.136 |
| Fixtures and fittings [abstract] | | | | |
| Leasehold improvements <i>Leasehold improvements</i> | 1.005 | 1.411 | 1.005 | 1.411 |
| ongoing investments <i>Ongoing investments</i> | 773 | 5.101 | 773 | 5.101 |
| Property, plant and equipment <i>Property, plant and equipment</i> | 31.552 | 33.330 | 27.117 | 28.671 |
| Intangible assets and goodwill [abstract] | | | | |
| Intangible assets other than goodwill [abstract] | | | | |
| Patents, licenses and software <i>Licences and software</i> | 1.542 | 2.139 | 1.542 | 2.139 |
| Goodwill | 36.646 | 36.646 | 36.646 | 36.646 |

| | | | | |
|--|--------|--------|--------|--------|
| <i>Goodwill</i> | | | | |
| Intangible assets and goodwill | | | | |
| <i>Intangible assets</i> | 38.188 | 38.785 | 38.188 | 38.785 |
| Investments in subsidiaries, joint ventures and associates [abstract] | | | | |
| Investments in subsidiaries | | | | |
| <i>Investments in group companies</i> | 0 | 0 | 8.469 | 19.911 |
| Investments in subsidiaries, joint ventures and associates | | | | |
| <i>Financial assets</i> | 0 | 0 | 8.469 | 19.911 |
| Trade and other non-current receivables [abstract] | | | | |
| Non-current prepayments [abstract] | | | | |
| Non-current prepayments deposits | | | | |
| <i>Deposits</i> | 1.029 | 1.044 | 1.029 | 1.044 |
| Trade and other non-current receivables | | | | |
| <i>Other non-current assets</i> | 1.029 | 1.044 | 1.029 | 1.044 |
| Non-current assets | | | | |
| <i>Non-current assets</i> | 70.769 | 73.159 | 74.803 | 88.411 |
| Current assets [abstract] | | | | |
| Classes of current inventories [abstract] | | | | |
| Current inventories | | | | |
| <i>Inventories</i> | 64.453 | 60.821 | 64.330 | 60.801 |
| Trade and other current receivables [abstract] | | | | |
| Current prepayments | | | | |
| <i>Prepayments</i> | 4.354 | 3.711 | 2.189 | 2.361 |
| Receivables from sales and services | | | | |
| Receivables from sales and services | | | | |
| <i>Trade receivables</i> | 46.050 | 46.742 | 46.015 | 46.708 |
| Current receivables due from related | | | | |

parties [abstract]

Current receivables due from related parties

Receivables from group companies

1.950

2.677

3.411

3.159

Other current receivables [abstract]

Other current receivables

Other receivables

4.762

4.948

1.183

964

Trade and other current receivables

Total receivables

57.116

58.078

53.256

53.192

Current tax assets, current

Corporation tax

0

0

458

0

Cash and cash equivalents [abstract]**Cash [abstract]**

Cash

Cash at bank and in hand

98.309

80.444

90.807

73.766

Current assets

Current assets

219.878

199.343

208.393

187.759

Assets

Total assets

290.647

272.502

283.196

276.170

Liabilities

| | Group 31-12-2015 x1000 DKK | Group 31-12-2014 x1000 DKK | Parent 31-12-2015 x1000 DKK | Parent 31-12-2014 x1000 DKK |
|--|---|---|--|--|
| Equity and liabilities [abstract] | | | | |
| Equity [abstract] | | | | |
| Issued capital | | | | |
| <i>Share capital</i> | 50.000 | 50.000 | 50.000 | 50.000 |
| Retained earnings [abstract] | | | | |
| Retained earnings | | | | |
| <i>Retained earnings</i> | 147.514 | 135.162 | 142.968 | 133.126 |
| Other reserves [abstract] | | | | |
| Reserve for exchange adjustment | | | | |
| <i>Reserve for exchange adjustment</i> | -3.669 | -2.549 | 0 | 0 |
| Equity attributable to owners of parent | | | | |
| <i>Equity of Parent shareholders</i> | 193.845 | 182.613 | 192.968 | 183.126 |
| Non-controlling interests | | | | |
| <i>Equity minority interests</i> | 5.074 | 5.465 | 0 | 0 |
| Equity | | | | |
| <i>Equity</i> | 198.919 | 188.078 | 192.968 | 183.126 |
| Liabilities [abstract] | | | | |
| Non-current liabilities [abstract] | | | | |
| Non-current provisions [abstract] | | | | |
| Classes of other provisions [abstract] | | | | |
| Warranty provision [abstract] | | | | |
| Warranty provision | | | | |
| <i>Warranty obligations</i> | 1.448 | 1.321 | 1.448 | 1.321 |
| Current tax liabilities, non-current [abstract] | | | | |

| | | | | |
|---|---------|---------|---------|---------|
| Deferred tax liabilities <i>Deferred tax liabilities</i> | 10.553 | 10.865 | 10.553 | 10.865 |
| Non-current liabilities <i>Non-current liabilities</i> | 12.001 | 12.186 | 12.001 | 12.186 |
| Current liabilities [abstract] | | | | |
| Current provisions [abstract] | | | | |
| Current warranty provision <i>Warranty obligations</i> | 4.092 | 3.769 | 4.092 | 3.769 |
| Trade and other current payables [abstract] | | | | |
| Current trade payables <i>Trade payables</i> | 44.433 | 39.179 | 41.986 | 37.252 |
| Current payables to related parties [abstract] | | | | |
| Current payables to related parties <i>Payables to group companies</i> | 2.210 | 1.047 | 5.418 | 14.650 |
| Other current payables <i>Other payables</i> | 28.954 | 27.398 | 26.731 | 25.142 |
| Current tax liabilities, current <i>Corporation tax</i> | 38 | 845 | 0 | 45 |
| Current liabilities <i>Current liabilities</i> | 79.727 | 72.238 | 78.227 | 80.858 |
| Liabilities <i>Total liabilities</i> | 91.728 | 84.424 | 90.228 | 93.044 |
| Equity and liabilities <i>Equity and liabilities</i> | 290.647 | 272.502 | 283.196 | 276.170 |

Cashflow

| | Group 01-01-2015 31-12-2015 x1000 DKK | Group 01-01-2014 31-12-2014 x1000 DKK | Parent 01-01-2015 31-12-2015 x1000 DKK | Parent 01-01-2014 31-12-2014 x1000 DKK |
|--|--|--|---|---|
| Cash flows from (used in) operating activities | | | | |
| Profit (loss) (kredit) <i>Profit/loss for the year</i> <i>Net profit/loss for the year</i> | 12.519 | 9.366 | 9.842 | 9.291 |
| Adjustments to reconcile profit (loss) | | | | |
| Total adjustments to reconcile profit (loss) (debet) <i>Adjustments</i> | 10.138 | 12.881 | 12.781 | 10.131 |
| Adjustments for decrease (increase) in working capital | | | | |
| Total adjustments for decrease (increase) in working capital (debet) <i>Working capital changes</i> | 5.303 | -25.463 | 2.262 | -23.781 |
| Income taxes refund (paid) (kredit) <i>Corporation tax paid</i> | 4.642 | 7.398 | 2.263 | 5.964 |
| Details on other components of cash flows from (used in) operating activities | | | | |
| Cash flows from operating activities before financial income and expenses | 27.960 | -3.216 | 24.885 | -4.359 |
| Financial income received | 74 | 227 | 76 | 226 |

| | | | | |
|--|--------|---------|--------|---------|
| Financial expenses paid | -287 | -351 | -484 | -527 |
| Cash flows from ordinary activities | 27.747 | -3.340 | 24.477 | -4.660 |
| Net cash flows from (used in) operating activities (debet) | | | | |
| <i>Cash flows from operating activities</i> | 23.105 | -10.738 | 22.214 | -10.624 |
| Cash flows from (used in) investing activities | | | | |
| Proceeds from sales of property, plant and equipment (debet) | | | | |
| <i>Sale of property, plant and equipment</i> | 78 | 320 | 78 | 93 |
| Purchase of property, plant and equipment (kredit) | | | | |
| <i>and intangible assets</i> | 5.337 | 9.150 | 5.270 | 8.040 |
| Details on other components of cash flows from (used in) investing activities | | | | |
| Other non-current assets | 19 | -20 | 19 | -20 |
| Net cash flows from (used in) investing activities (debet) | | | | |
| <i>Cash flows from investing activities</i> | -5.240 | -8.850 | -5.173 | -7.967 |
| Net increase (decrease) in cash and cash equivalents (debet) | | | | |
| <i>cash equivalents</i> | 17.865 | -19.588 | 17.041 | -18.591 |
| Cash and cash equivalents at beginning of period (debet) | | | | |
| <i>Cash and cash equivalents, beginning of year</i> | 80.444 | 100.032 | 73.766 | 92.357 |
| Cash and cash equivalents at end of period (debet) | | | | |
| <i>at 31 December 2015</i> | 98.309 | 80.444 | 90.807 | 73.766 |