# A/S CIMBRIA

Faartoftvej 22
7700 Thisted

Central Business Registration No 17 52 37 16

Annual report 2015/16

The Annual General Meeting adopted the annual report on 29-05-17

Chairman of the General Meeting

**Contents** | **Page**

# COMPANY DETAILS

**Company**
A/S Cimbria
Fårtoftvej 22
7700 Thisted

Phone +45 96 17 90 00
Web: www.cimbria.com
E-mail: holding@cimbria.com

Central Business Registration number 17 52 37 16
Accounting year October 1st 2015 - December 31st 2016
Registered in: Thisted, Denmark

**Board of Directors**
Christian Andersen, Chairman
Roger Neil Batkin
Søren Overgaard
Palle Dybdal *)
Arne Johan Mose Sørensen *)

*) elected by the employees of the group

**Executive management**
Søren Overgaard

**Company auditor**
KPMG
Statsautoriseret Revisionspartnerselskab
Central Business Registration No 25 57 81 98

## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive management have today considered and approved the annual report of A/S Cimbria for the financial year October 1st 2015 to December 31st 2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

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 December 31st 2016 and of the results of their operations as well as the consolidated cashflows for the financial year October 1st 2015 to December 31st 2016.

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

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

Thisted, May 29th 2017

EXECUTIVE MANAGEMENT

Søren Overgaard

BOARD OF DIRECTORS

Christian Andersen
(Chairman)

Roger Neil Batkin
(Vice Chairman)

Soren Overgaard

Arne Johan Mose Sorensen

Palle Dybdal

# INDEPENDENT AUDITOR'S REPORTS

**To the shareholders of A/S Cimbria**

**Opinion**
We have audited the consolidated financial statements and the parent company financial statements of A/S Cimbria for the financial year 1 October 2015 – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 October 2015 – 31 December 2016 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 consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Management's responsibility for the consolidated financial statements and the parent company financial statements**
Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements**
Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company 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

identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.

evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 the Management's review**
Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company 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 the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, May 29th 2017
**KPMG**
Statsautoriseret Revisionspartnerselskab
CVR-nr 25 57 81 98

Steffen Hansen
State Authorised Public Accountant

# MANAGEMENT COMMENTARY

| Group financial highlight, 1.000 dkk | 2015/16 | 2014/15 | 2013/14 | 2012/13 | 2011/12 |
|---|---|---|---|---|---|
| | 15 months | 12 months | 12 months | 12 months | 12 months |
| **Income statement** | | | | | |
| Revenue | 1.698.946 | 1.332.168 | 1.174.752 | 1.196.243 | 1.054.396 |
| Gross profit | 535.620 | 398.102 | 334.969 | 320.977 | 306.084 |
| EBITDA | 266.729 | 188.150 | 139.806 | 134.817 | 140.424 |
| Operating profit | 234.881 | 165.579 | 117.044 | 113.274 | 123.648 |
| Net financials | 6.897 | 7.058 | 4.662 | 2.817 | 1.576 |
| Profit for the year | 172.213 | 115.854 | 81.084 | 85.901 | 92.566 |
| **Balance sheet** | | | | | |
| Balance sheet total | 843.749 | 852.363 | 750.288 | 599.591 | 659.083 |
| Equity | 383.157 | 309.459 | 275.031 | 245.682 | 279.559 |
| **Cash flow** | | | | | |
| cash flow from operating activities | 231.275 | 126.379 | 223.160 | 160.127 | 123.814 |
| cash flow from investing activities | -17.304 | -22.656 | -25.968 | -41.962 | -86.435 |
| cash flow from financing activities | -102.157 | -81.701 | -51.678 | -148.931 | 5.463 |
| Increase / decrease in Cash | 111.814 | 22.022 | 145.514 | -30.766 | 42.841 |
| Investment in tangible assets | 17.304 | 22.732 | 25.968 | 41.962 | 27.103 |
| **Employees** | | | | | |
| Average full time employees | 903 | 848 | 836 | 779 | 695 |
| **Ratio in %** | | | | | |
| Gross margin | 31,5 | 29,9 | 28,5 | 26,8 | 29,0 |
| EBITDA margin | 15,7 | 14,1 | 11,9 | 11,3 | 13,3 |
| Solvency ratio | 45,4 | 36,3 | 36,7 | 41,0 | 42,4 |
| Return on equity | 49,7 | 39,6 | 31,1 | 32,7 | 38,1 |

Gross margin $\frac{\text{Gross profit x 100}}{\text{Revenue}}$

EBITDA margin $\frac{\text{EBITDA x 100}}{\text{Revenue}}$

Solvency ratio $\frac{\text{Equity ultimo x 100}}{\text{Total assets}}$

Return on equity $\frac{\text{Profit for the year}}{\text{Average equity}}$

# MANAGEMENT COMMENTARY

**Primary activity**
A/S Cimbria is the parent company for the Cimbria Group.

The activities of the group are primarily development, production, sale and installation of equipment as well as turnkey plants worldwide - primarily within the agroindustry.

A/S Cimbria holds shares in subsidiaries and coordinates the activities of the Group.

**Development in activities and finances**
The activities of the group are unchanged compared to previous years.

The A/S Cimbria Group was acquired by the american stock exchange company, AGCO Corporation the 12th of September 2016.

The group has changed it's financial year end from 30/9 to 31/12. The financial year is 1/10 2015 - 31/12 2016 and the income statement contains 15 months of activity.

In 2015/16 Cimbria reached a revenue of m.dkk 1699, equal to an increase of m.dkk 367 compared to last year. EBITDA was m.dkk 267 mio. kr. Profit before tax was m.dkk 228.

Tax on profit was m.dkk 56 and the profit for the year was m.dkk 172.

The profit for the year is considered satisfactory.

The accounting year 2017 covers 12 months and the turnover and profit is expected to decrease compared to the 15 months accounting year 2016.

**Particular risks**
The board of directors and the executive management are having a continuous dialog concerning risks related to the operation of the business. A thorough review is made annually and risks are assessed both in relation to the likelihood of the risk but also in relation to the possible impact on the group.

*Market risk*
The Cimbria Group is influenced by the development in the agro industry. The activity level of the agro industry is driven by the demand for food, commodity prices and the ability of the customers to obtain finance. The Cimbria Group is primarily producing for secured orders and a high degree of flexibility is needed in order to follow the development of the market.

Macro economic changes could potentially influence the activity and profit of the Group, however the magnitude of such impact is mitigated by the geographical diversification of the Group.

*Business risk*
Ability to maintain a leading position in the market as a supplier of advanced solutions of high quality at competitive prices is an important success criteria of the group. The Cimbria Group has invested significant amounts during the recent years in securing the competiveness and expanding the production capacity.

*Financial risk*
The currency exposure is primarily related to DKK and Euro. Currency risks related to DKK and Euro are not hedged in accordance with the financial policy of the group. Material currency risks in other currencies are hedged by use of financial instruments.

## MANAGEMENT COMMENTARY

**Research and development activities**
The Cimbria Group develops and improves the product portfolio continuously. This activity will continue during the next financial year. Cost of research and development is taken to the income statement.

**Corporate social responsibility and gender underrepresentation**
Management is continuously monitoring any potential issues related to CSR. In the event that any issues occurs, mitigating actions are initiated immediately.

Sustainability is an integrated part of Cimbria and confirmed by the management in our latest strategy:

> ***"Cimbrias mission is to help create a sustainable link between efficient production and optimum utilization of agricultural crops, with due regard to humans and the environment."***

The board of directors has updated and approved the group policies related to Labour, Human rights, Environment and Anti-corruption.

We are continuously working to expand our sphere of influence related to matters regarding corporate social responsibility.

**Labour**
The purpose of the Group policy related to labour rights is to secure basic rights for all employees, such as the right to join trade unions for the protection of his/hers interests. The group policy also includes the elimination of discrimination with respect to employment based on age, sex, religion or race. Furthermore the policy states that we respect and obey minimum age provisions of national labour laws and regulations in the countries we operate and that we will not use, encourage to- or benefit from- child labour.

**Gender underrepresentation in the Board and management**
It is our intention to develop the Board of Directors in all Danish Group enterprises of reporting class C before December 2017 in order to reach a representation of at least one female member of the Boards of Directors elected by the annual general assembly, representing at least 25%. By start of the period there were no elected female members of the boards of these companies.

We encourage a higher equality in the composition of gender in the Management team. When replacing a person in the management team or expanding the management team both men and female applicants will be considered. The appointment will be based on qualifications no matter race, age, disability or gender. Currently, none of the 4 general meeting elected board members are women. As gender is not considered when executive employees are appointed no specific measures has been taken in order to change the distribution.

We will revisit the policy once each year and adjust when ever needed.

Management are not aware of any violation of the policy during 2015/16. Besides that we have not measured the result of the implementation of the policy.

**Human rights**
The Group policy related to human rights recognises the international humans rights such as the right to education and the freedom of speech and secures that no discrimination based on race, religion or political opinion takes place.

We will revisit the policy once each year and adjust when ever needed.

Management are not aware of any violation of the policy during 2015/16. Besides that we have not measured the result of the implementation of the policy.

# MANAGEMENT COMMENTARY

**Environment and Climate**

The Group policy related to environment is an important part of the everyday work. Alongside ordinary business principles, the driving force behind our work is a wish to contribute to overcoming the shortage of food in the world. The expertise and insights which it takes to develop solutions of such character have been accumulated by us in the course of 60 years of experience and on-going intensive research and development activities. On the basis of a holistic approach, we strive to create a sustainable connection between efficient production, care for people and environment and optimum utilization of the nature's resources. The crop optimisation involves a process of greater efficiency and rationalisations – while respecting the limits to efficiency. That is to say insights into whether greater efficiency in effect turns into the opposite. The drying temperatures and times, the speed of conveying and the cleaning capacity can be pushed to such an extent that the outcome is smaller yields or unnecessary damage to the environment. At Cimbria we devote many resources – in our consultancy, project management and product development – finding the exact limits to efficient crop handling. The is no seperate policy related to Climate in the Group.

We remain committed to obey and follow local environmental laws of the countries we operate in.

We will revisit the policy once each year and adjust when ever needed.

Management are not aware of any violation of the policy during 2015/16.

**Anti-corruption**

The Group policy related to anti-corruption secures that we act according to high ethical standards and clearly forbid the participation in any kind of bribery or facility payments - both directly and indirectly. Furthermore the policy provides guidance to employees on how to react to the offering of extraordinary gifts.

Following the acqusition by AGCO in September 2016 the Cimbria Group adabted AGCOs Anti-corruption policies. Training of all relevant employees will take place during 2017.

Management are not aware of any violation of the policy during 2015/16. Besides that we have not measured the result of the implementation of the policy.

**Uncertainty relating to recognition and measurement**

No significant uncertainties related to recognition and measurement has been identified.

**Events after the balance sheet date**

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

# ACCOUNTING POLICIES

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied for these financial statements are consistent with those applied last year.

The group has changed it's financial year end from 30/9 to 31/12. The financial year is 1/10 2015 - 31/12 2016 and the income statement contains 15 months of activity.

**Recognition and measurement**
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Group, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Group, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

**Consolidated financial statements**
The consolidated financial statements comprise A/S Cimbria (Parent) and the group enterprises (subsidiaries) that are controlled by the Parent, see list of subsidiaries in note 4. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

The consolidated financial statements are prepared on the basis of the financial statements of A/S Cimbria and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

**Business combinations**
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

## ACCOUNTING POLICIES

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

**Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

**Derivative financial instruments**

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are classified directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are classified directly as equity.

# ACCOUNTING POLICIES

## Income statement

### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and measured at fair value.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

### Cost of sales

Cost of sales comprises direct and indirect costs incurred to earn revenue. In cost of sales, commercial businesses recognise consumption of goods whereas manufacturing businesses recognise costs of raw materials, consumables, and production staff as well as depreciation.

Cost of sales concerning contract work in progress is recognised as incurred.

Cost of sales also includes research costs, costs of development projects that do not meet the criteria for recognition in the balance sheet, and amortisation of recognised development projects. In addition, provisions for loss on contract work in progress are recognised.

### Distribution costs

Distribution costs comprise costs incurred for distribution of goods sold and also for sales campaigns, including costs for sales and distribution staff, advertising costs as well as depreciation and amortisation.

### Administrative expenses

Administrative expenses comprise expenses incurred for management and administration of the Group, including expenses for the administrative staff and Management, stationery and office supplies as well as depreciation and amortisation.

### Financial income and expenses

These items comprise interest income and expenses, the interest portion of finance lease payments, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, amortisation premium or allowance on mortgage debt etc. as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

### Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Parent is jointly taxed with all of its Danish subsidiaries and the Danish Parent companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognised based on a specific assessment of the purpose of the individual subsidiary.

## Balance sheet

### Goodwill and goodwill on consolidation

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The period of amortisation is usually five years, however, it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer period of amortisation is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

### Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation. For group-manufactured assets, cost comprises direct and indirect costs of materials, components, sub suppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

| | |
|---|---|
| Buildings | 20 years |
| Plant and machinery | 5 - 8 years |
| Other equipment | 3 - 5 years |

Land and buildings are assessed at regular intervals and revaluated at fair value.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement as adjustment to depreciation and impairment losses, or under other operating income if the selling price exceeds original cost.

# ACCOUNTING POLICIES

**Investments in subsidiaries and associates**
Investments in subsidiaries and associates are recognised and measured under the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or less unamortised positive, or negative, goodwill and plus or less unrealised intra-group profits or losses.

The Parent's share of the enterprises' profits or losses after elimination of unrealised intra-group profits and losses and less or plus amortisation of positive, or negative, goodwill is recognised in the income statement.

Subsidiaries and associates with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Parent's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in subsidiaries and associates is transferred to reserve for net revaluation according to the equity method under equity.

The purchase method is applied in the acquisition of investments in subsidiaries and associates; see above description under consolidated financial statements.

**Inventories**
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of goods for resale, raw materials and consumables consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs as well as indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of and depreciation and impairment losses on machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Receivables**
Receivables are measured at amortised cost, usually equalling nominal value less provisions for bad debts.

**Contract work in progress**
Contract work in progress (construction contracts) is measured at the selling price of the work carried out at the balance sheet date. The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress.

Usually, the stage of completion is determined as the ratio between actual and total budgeted consumption of resources. For some projects where the consumption of resources cannot be applied as a basis, the ratio between completed and total sub activities of the individual projects has been applied.

If the selling price of a construction contract cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

**Prepayments**
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Dividend**
Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

**Other provisions**
Other provisions comprise anticipated costs of non-recourse guarantee commitments, loss on contract work in progress, decided and published restructurings, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

If goods are sold on approval, a provision is made for the mark-up on the goods estimated to be returned as well as any expenses related to the returns.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is likely that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

**Long term debt**
At the time of borrowing, long term debt is measured at cost which corresponds to the proceeds received less transaction costs incurred. The debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

**Short term liabilities other than provisions**
Other financial liabilities are recognised at amortised cost which usually corresponds to nominal value.

**Deferred income**
Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**
The cash flow statement of the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Group's cash and cash equivalents at the beginning and the end of the financial year. No separate cash flow statement has been prepared for the Parent because it is included in the consolidated cash flow statement.

## ACCOUNTING POLICIES

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows to acquired enterprises are recognised in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognised up to the time of sale.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the Parent's share capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

## PARENT

## INCOME STATEMENT 2015/16

| Notes | | 2015/16 | 2014/15 |
|---|---|---|---|
| | | | (1.000 dkk.) |
| | | 15 months | 12 months |
| | Administrative expenses | 33.285.318 | 27.763 |
| | Other income | 36.378.001 | 27.571 |
| | **Operating profit** | 3.092.682 | -192 |
| | Income from investments in subsidiaries | 171.393.963 | 117.475 |
| 1 | Financial income | 1.341.181 | 737 |
| 1 | Financial expenses | 2.785.430 | 2.588 |
| | **Profit before tax** | 173.042.397 | 115.433 |
| 2 | Tax on profit | 828.998 | -421 |
| | **Profit for the year** | 172.213.399 | 115.854 |

| | | |
|---|---|---|
| **Proposed distribution of profit/loss:** | | |
| Ordinary dividend for the financial year | 150.000.000 | 100.000 |
| Transfer to reserve for net revaluation | 37.802.452 | 9.514 |
| Retained earnings | -15.589.053 | 6.339 |
| | 172.213.399 | 115.854 |

## PARENT

## BALANCE SHEET December 31. 2016

| Notes | | 31.12.16 | 30.9.15 |
|---|---|---|---|
| | | | (1.000 dkk.) |
| | Land and buildings | 427.573 | 476 |
| | Other equipment | 2.101.318 | 2.129 |
| 3 | **Property, plant and equipment** | 2.528.890 | 2.605 |
| 4 | Investment in subsidiaries | 442.213.471 | 355.241 |
| | **Investment in subsidiaries** | 442.213.471 | 355.241 |
| | **Fixed assets investments** | 444.742.361 | 357.846 |
| | Receivables from affiliated companies | 10.855.880 | 81.353 |
| | Other receivables | 3.637.121 | 216 |
| | Income taxes | 3.037.570 | 11.164 |
| 5 | Deferred tax assets | 107.648 | 72 |
| | **Receivables** | 17.638.219 | 92.805 |
| | **Cash** | 253.951.990 | 152.222 |
| | **Current assets** | 271.590.209 | 245.027 |
| | **Assets** | 716.332.571 | 602.872 |

# PARENT

## BALANCE SHEET December 31. 2016

| Notes | | 31.12.16 | 30.9.15 |
|---|---|---|---|
| | | | (1.000 dkk.) |
| | Share capital | 49.000.000 | 49.000 |
| | Reserve for net revaluation | 168.459.832 | 129.173 |
| | Retained earnings | 15.696.936 | 31.286 |
| | Proposed dividend for the financial year | 150.000.000 | 100.000 |
| | **Equity** | 383.156.768 | 309.459 |
| 6 | Other provisions | 11.631.799 | 3.852 |
| | **Provisions** | 11.631.799 | 3.852 |
| | Trade payables | 1.510.155 | 1.624 |
| | Payables to affiliated companies | 311.776.818 | 281.936 |
| | Income tax | 0 | 0 |
| | Other payables | 8.257.030 | 6.000 |
| | **Short term liabilities other than provisions** | 321.544.004 | 289.561 |
| | **Liabilities other than provisions** | 321.544.004 | 289.561 |
| | **Equity and liabilities** | 716.332.571 | 602.872 |

7 Staff costs
8 Fee to auditors appointed by the annual general assembly
9 Assets charged and contractual obligations
10 Related parties

## PARENT

## STATEMENT OF CHANGES IN EQUITY

| | Share-capital | Net revaluation equity method | Retained earnings | Proposed dividend | Total |
|---|---|---|---|---|---|
| Equity 1. October 2014 | 49.000.000 | 121.084.680 | 24.946.381 | 80.000.000 | 275.031.061 |
| Exchange rate adjustment of subsidiaries | 0 | 339.564 | 0 | 0 | 339.564 |
| Adjustment of hedging instruments in subsidiaries | 0 | -1.765.000 | 0 | 0 | -1.765.000 |
| Dividend distributed | 0 | 0 | 0 | -80.000.000 | -80.000.000 |
| Proposed distribution of profit | 0 | 9.514.213 | 6.339.608 | 100.000.000 | 115.853.821 |
| **Equity 30. September 2015** | **49.000.000** | **129.173.457** | **31.285.989** | **100.000.000** | **309.459.446** |
| Equity 1. October 2015 | 49.000.000 | 129.173.457 | 31.285.989 | 100.000.000 | 309.459.446 |
| Exchange rate adjustment of subsidiaries | 0 | 173.215 | 0 | 0 | 173.215 |
| Adjustment of hedging instruments in subsidiaries | 0 | 1.310.708 | 0 | 0 | 1.310.708 |
| Dividend distributed | 0 | 0 | 0 | -100.000.000 | -100.000.000 |
| Proposed distribution of profit | 0 | 37.802.452 | -15.589.053 | 150.000.000 | 172.213.399 |
| **Equity 31. December 2016** | **49.000.000** | **168.459.832** | **15.696.936** | **150.000.000** | **383.156.768** |

**Share capital is divided as follows:**

| | |
|---|---|
| 40 shares each dkk. 1.000 | 40.000 |
| 822 shares each dkk. 5.000 | 4.110.000 |
| 810 shares each dkk. 10.000 | 8.100.000 |
| 530 shares each dkk. 25.000 | 13.250.000 |
| 160 shares each dkk. 50.000 | 8.000.000 |
| 50 shares each dkk. 100.000 | 5.000.000 |
| 42 shares each dkk. 250.000 | 10.500.000 |
| | 49.000.000 |

There were no changes in the share capital during the last five years.

Net revaluation is reduced by dividend declared on the annual general assembly in Cimbria Manufacturing A/S, Cimbria Unigrain A/S and Cimbria Bulk Equipment A/S. Total declared dividend from these subsidiaries since December 31st 2016 and before the date of the annual general assembly of A/S Cimbria is 74.000.000 kr.

# NOTES

## 1 FINANCIAL ITEMS

| | 2015/16 | 2014/15 |
|---|---|---|
| | | (1.000 dkk.) |
| | 15 months | 12 months |
| **Financial income** | | |
| Financial income from affiliated companies | 1.186.222 | 737 |
| Other financial income | 154.959 | 0 |
| | 1.341.181 | 737 |
| **Financial expenses** | | |
| Financial expenses from affiliated companies | 0 | 1.216 |
| Other financial expenses | 2.785.430 | 1.372 |
| | 2.785.430 | 2.588 |

## 2 TAX ON PROFIT

| | 2015/16 | 2014/15 |
|---|---|---|
| Adjustment concerning change in tax percentage | 0 | 5 |
| Current tax | 865.037 | -465 |
| Change of deferred tax | -36.039 | 39 |
| | 828.998 | -421 |

## 3 PROPERTY, PLANT AND EQUIPMENT

| | Land and buildings | Other equipment | Total |
|---|---|---|---|
| Cost at October 1st 2015 | 930.000 | 3.908.096 | 4.838.096 |
| Additions | 0 | 1.168.099 | 1.168.099 |
| Disposals | 0 | -477.748 | -477.748 |
| Cost at December 31st 2016 | 930.000 | 4.598.446 | 5.528.446 |
| Depreciation at October 1st 2015 | 453.865 | 1.779.383 | 2.233.248 |
| Additions | 48.563 | 1.124.910 | 1.173.473 |
| Disposals | 0 | -407.165 | -407.165 |
| Depreciation at December 31st 2016 | 502.428 | 2.497.128 | 2.999.556 |
| Carrying amount at December 31st 2016 | 427.573 | 2.101.318 | 2.528.890 |

# NOTES

## 4 INVESTMENT IN SUBSIDIARIES

| | Investment in subsidiaries |
|---|---|
| Cost at October 1st 2015 | 152.067.235 |
| Additions | 54.605 |
| Disposals | 0 |
| Cost at December 31st 2016 | 152.121.840 |
| | |
| Positive revaluation at October 1st 2015 | 209.320.799 |
| Additions | 82.105.883 |
| Disposals | 0 |
| Positive revaluation at December 31st 2016 | 291.426.682 |
| | |
| Negative revaluation at October 1st 2015 | 6.147.342 |
| Additions | -4.812.291 |
| Disposals | 0 |
| Negative revaluation at December 31st 2016 | 1.335.051 |
| | |
| Carrying amount at December 31st 2016 | 442.213.471 |
| | |
| Carrying amount of goodwill recognised | 44.979.554 |

| | Ownership in % |
|---|---|
| Subsidiaries: | |
| Cimbria Unigrain A/S, Thisted | 100 |
| Cimbria Manufacturing A/S, Thisted | 100 |
| Cimbria Bulk Equipment A/S, Herning | 100 |
| Cimbria Heid GmbH, Vienna (Austria) | 100 |
| Cimbria HMD, Litomysl (Czech Republic) | 100 |
| Cimbria Heid Italia S.r.l., Bologna (Italy) | 100 |
| Cimbria S.r.l., Imola (Italy) | 100 |
| Cimbria Norge A/S, Askim (Norway) | 100 |
| Cimbria East Africa Ltd., Nairobi (Kenya) | 100 |
| Cimbria Far East Sdn. Bhd., Kuala Lumpur (Malaysia) | 100 |
| Cimbria UK Limited, York (United Kingdom) | 100 |

## 5 DEFERED TAX ASSETS

| | 31.12.16 | 30.9.15 |
|---|---|---|
| | | (1.000 dkk.) |
| Land and buildings | 28.673 | 25 |
| Other equipment | 78.975 | 47 |
| | 107.648 | 72 |

## 6 OTHER PROVISIONS

Other provisions relates to the revaluation of subsidiaries with negative equity.

# NOTES

## 7 STAFF COSTS

| | 2015/16 | 2014/15 |
|---|---|---|
| | | (1.000 dkk.) |
| | 15 months | 12 months |
| Wages and salaries | 25.710.061 | 16.978 |
| Pension costs | 1.752.000 | 1.274 |
| Other social security costs | 234.717 | 212 |
| | 27.696.778 | 18.464 |
| Average number of employees | 38 | 35 |

Salaries to executive management is not disclosed separately since executive management consist of one person only.

## 8 FEE TO AUDITORS APPOINTED BY THE ANNUAL GENERAL ASSEMBLY

| | | |
|---|---|---|
| Audit | 130.000 | 155 |
| Tax services | 363.706 | 185 |
| | 493.706 | 340 |

## 9 ASSETS CHARGED AND CONTRACTUAL OBLIGATIONS

The company has guaranteed for mortgage loan from Nordea Kredit in Cimbria Unigrain A/S and Cimbria Manufacturing A/S. The debt by end of December was m.dkk 18,5.

The Entity participates in a Danish joint taxation arrangement with AGCO A/S serving as the administration company and is therefore jointly and severally liable with its jointly taxed enterprises for the total income tax from the financial year 2012/13 and from 1 July 2012 also for obligations, if any, to withhold tax on interest, royalties and dividends for the jointly taxed enterprises. The total net liability to the Danish tax authorities appears from the financial statements of AGCO A/S.

## 10 RELATED PARTIES

Related parties consists of the Board of Directors, the executive management and the owners. No transaction has taken place during the year between the related parties, besides dividend to shareholder, salary and remuneration to management and group internal transactions which are eliminated in the consolidated accounts of XBA Finco Aps.

A/S Cimbria and subsidiaries are included in the consolidated financial statements of AGCO Corporation, Business Registration number 58-1960019 (Delaware, USA).

### Ownership

The following shareholders are registered as holding more than 5% of the voting share capital or the nominal value of the share capital:

XBA Bidco ApS, Fårtoftvej 22, 7700 Thisted, Central Business Registration number 34 88 70 71.

## GROUP

## INCOME STATEMENT 2015/16

| Notes | | 2015/16 | 2014/15 |
|---|---|---|---|
| | | | (1.000 dkk.) |
| | | 15 months | 12 months |
| 11 | **Revenue** | 1.698.946.297 | 1.332.168 |
| | Cost of sales | 1.163.326.748 | 934.066 |
| | **Gross profit** | 535.619.549 | 398.102 |
| | Distribution cost | 166.115.870 | 128.249 |
| | Administrative expenses | 134.623.021 | 104.274 |
| | **Operating profit** | 234.880.658 | 165.579 |
| 12 | Financial income | 0 | 445 |
| 12 | Financial expenses | 6.897.042 | 7.503 |
| | **Profit before tax** | 227.983.616 | 158.521 |
| 13 | Tax on profit | 55.770.217 | 42.667 |
| | **Profit for the year** | 172.213.399 | 115.854 |

# GROUP

## BALANCE SHEET December 31. 2016

| Notes | | 31.12.16 | 30.9.15 |
|---|---|---|---|
| | | | (1.000 dkk.) |
| | Goodwill | 44.979.554 | 49.194 |
| 14 | **Intangible assets** | 44.979.554 | 49.194 |
| | Land and buildings | 86.564.481 | 87.743 |
| | Plant and machinery | 39.263.123 | 47.832 |
| | Other equipment | 16.428.692 | 17.011 |
| 15 | **Property, plant and equipment** | 142.256.296 | 152.587 |
| | **Fixed assets investments** | 187.235.850 | 201.780 |
| | Raw materials and consumables | 50.506.850 | 59.362 |
| | Work in progress | 41.656.536 | 51.619 |
| | Finished goods | 33.008.030 | 47.092 |
| | Prepayments for goods | 639.590 | 772 |
| | **Inventories** | 125.811.006 | 158.845 |
| | Trade receivables | 98.965.754 | 124.633 |
| 16 | Contract work in progress | 102.616.106 | 136.214 |
| | Other receivables | 11.220.315 | 28.033 |
| 17 | Deferred tax assets | 5.368.211 | 3.613 |
| | Prepayments | 1.937.036 | 463 |
| | **Receivables** | 220.107.422 | 292.956 |
| | **Cash** | 310.595.102 | 198.781 |
| | **Current assets** | 656.513.530 | 650.582 |
| | **Assets** | 843.749.380 | 852.363 |

# GROUP

## BALANCE SHEET December 31. 2016

| Notes | | 31.12.16 | 30.9.15 |
| --- | --- | --- | --- |
| | | | (1.000 dkk.) |
| | Share capital | 49.000.000 | 49.000 |
| | Revaluation reserves | 32.760.000 | 32.760 |
| | Retained profit | 151.396.768 | 127.699 |
| | Proposed dividend | 150.000.000 | 100.000 |
| | **Equity** | 383.156.768 | 309.459 |
| 18 | Deferred tax | 61.317.249 | 29.178 |
| 19 | Other provisions | 37.512.674 | 36.927 |
| | **Provisions** | 98.829.923 | 66.104 |
| | Mortgage debt | 16.769.000 | 18.904 |
| 20 | **Long term debt** | 16.769.000 | 18.904 |
| | Current portion of long term debt | 1.720.000 | 1.742 |
| | Prepayments received from customers | 57.607.644 | 117.663 |
| | Trade payables | 161.310.950 | 200.884 |
| | Payables to affiliated companies | 0 | 17.891 |
| | Income tax | 11.211.932 | 10.786 |
| | Other payables | 112.953.452 | 108.622 |
| | Deferred income | 189.711 | 308 |
| | **Short term liabilities other than provisions** | 344.993.689 | 457.895 |
| | **Liabilities other than provisions** | 361.762.689 | 476.799 |
| | **Equity and liabilities** | 843.749.380 | 852.363 |

21 Staff cost

22 Fee to auditors appointed by the group

23 Assets charged and contractual obligations

## GROUP

## STATEMENT OF CHANGES IN EQUITY

| | Share capital | Revaluation reserves | Retained profit | Proposed dividend | Total |
|---|---|---|---|---|---|
| Equity 1. October 2014 | 49.000.000 | 32.760.000 | 113.271.061 | 80.000.000 | 275.031.061 |
| Exchange rate adjustment of subsidiaries | 0 | 0 | 339.564 | 0 | 339.564 |
| Adjustment of hedging instruments in subsidiaries | 0 | 0 | -1.765.000 | 0 | -1.765.000 |
| Dividend distributed | 0 | 0 | 0 | -80.000.000 | -80.000.000 |
| Proposed distribution of profit | 0 | 0 | 15.853.821 | 100.000.000 | 115.853.821 |
| **Equity 30. September 2015** | **49.000.000** | **32.760.000** | **127.699.446** | **100.000.000** | **309.459.446** |
| Equity 1. October 2015 | 49.000.000 | 32.760.000 | 127.699.446 | 100.000.000 | 309.459.446 |
| Exchange rate adjustment of subsidiaries | 0 | 0 | 173.215 | 0 | 173.215 |
| Adjustment of hedging instruments in subsidiaries | 0 | 0 | 1.310.708 | 0 | 1.310.708 |
| Dividend distributed | 0 | 0 | 0 | -100.000.000 | -100.000.000 |
| Proposed distribution of profit | 0 | 0 | 22.213.399 | 150.000.000 | 172.213.399 |
| **Equity 31. December 2016** | **49.000.000** | **32.760.000** | **151.396.768** | **150.000.000** | **383.156.768** |

## CASH FLOW STATEMENT 2015/16

| | 2015/16 | 2014/15 |
|---|---|---|
| | | (1.000 dkk.) |
| | 15 months | 12 months |
| **Operating profit** | 234.880.658 | 165.579 |
| Depreciation and amortisation of fixed assets | 31.848.361 | 22.570 |
| Other provisions | 586.099 | -4.268 |
| **Cash flow adjustments** | 32.434.460 | 18.302 |
| Change in inventories | 33.034.420 | -7.540 |
| Change in receivables | 74.603.579 | -70.700 |
| Change in payables etc. | -111.821.701 | 66.703 |
| **Working capital changes** | -4.183.702 | -11.538 |
| | 263.131.416 | 172.344 |
| Financial income received | 0 | 445 |
| Financial expenses paid | -6.897.042 | -7.503 |
| Tax paid | -24.959.454 | -38.907 |
| | -31.856.496 | -45.965 |
| **Cash flow from operating activities** | 231.274.920 | 126.379 |
| Net investment tangible assets | -17.303.728 | -22.656 |
| **Cash flows from investment activities** | -17.303.728 | -22.656 |
| Instalment on long term debt | -2.157.000 | -1.701 |
| Dividend paid | -100.000.000 | -80.000 |
| **Cash flows from financing activities** | -102.157.000 | -81.701 |
| **Increase / decrease in cash** | 111.814.192 | 22.022 |
| **Cash beginning balance** | 198.780.910 | 176.759 |
| **Cash end balance** | 310.595.102 | 198.781 |

# NOTES

## 11 REVENUE SPLIT BY GEOGRAFY

| | 2015/16 | 2014/15 |
|---|---|---|
| | | (1.000 dkk.) |
| | 15 months | 12 months |
| Revenue Denmark | 51.665.857 | 42.212 |
| Revenue outside Denmark | 1.647.280.440 | 1.289.956 |
| | 1.698.946.297 | 1.332.168 |

Disclosure of further breakdown in segments could potentially bring significant loss to the group. Hence no further information about business segments or markets are disclosed according to §96, 1 of the Danish Financial Statements Act.

## 12 FINANCIAL ITEMS

| | | |
|---|---|---|
| **Financial income** | | |
| Other financial income | 0 | 445 |
| | 0 | 445 |
| **Financial expenses** | | |
| Financial expenses from affiliated | 0 | 1.216 |
| Other financial expenses | 6.897.042 | 6.287 |
| | 6.897.042 | 7.503 |

## 13 TAX ON PROFIT

| | | |
|---|---|---|
| Current tax | 25.385.565 | 29.609 |
| Change in deferred tax | 30.384.652 | 13.058 |
| | 55.770.217 | 42.667 |

## 14 INTANGIBLE ASSETS

| | Goodwill |
|---|---|
| Cost at October 1st 2015 | 59.332.045 |
| Additions | 0 |
| Disposals | 0 |
| Cost at December 31st 2016 | 59.332.045 |
| Amortisation at October 1st 2015 | 10.138.145 |
| Additions | 4.214.346 |
| Disposals | 0 |
| Amortisation at December 31st 2016 | 14.352.491 |
| Carrying amount at December 31st 2016 | 44.979.554 |

# NOTES

## 15 PROPERTY, PLANT AND EQUIPMENT

| | Land and buildings | Plant and machinery | Other equipment | Total |
|---|---|---|---|---|
| Cost at October 1st 2015 | 110.603.076 | 125.743.788 | 44.148.272 | 280.495.137 |
| Exchange rate adjustment | 70.035 | 24.781 | 283.448 | 378.264 |
| Additions | 2.143.072 | 8.484.898 | 7.759.134 | 18.387.105 |
| Disposals | 0 | -5.279.831 | -4.313.273 | -9.593.104 |
| Cost at December 31st 2016 | 112.816.183 | 128.973.637 | 47.877.581 | 289.667.401 |
| Positive revaluation at October 1st 2015 | 49.420.434 | 0 | 0 | 49.420.434 |
| Additions | 0 | 0 | 0 | 0 |
| Positive revaluation at December 31st 2016 | 49.420.434 | 0 | 0 | 49.420.434 |
| Depreciation at October 1st 2015 | 72.280.375 | 77.911.671 | 27.136.941 | 177.328.987 |
| Exchange rate adjustment | -41.731 | 10.130 | 148.001 | 116.400 |
| Additions | 3.433.492 | 17.068.543 | 7.183.647 | 27.685.684 |
| Disposals | 0 | -5.279.831 | -3.019.700 | -8.299.531 |
| Depreciation at December 31st 2016 | 75.672.136 | 89.710.513 | 31.448.889 | 196.831.539 |
| Carrying amount at December 31st 2016 | 86.564.481 | 39.263.123 | 16.428.692 | 142.256.296 |

## 16 CONTRACT WORK IN PROGRESS

| | 31.12.16 | 30.9.15 |
|---|---|---|
| | | (1.000 dkk.) |
| Contract work in progress | 1.181.256.683 | 646.849 |
| - less payments received | -1.078.640.577 | -510.635 |
| | 102.616.106 | 136.214 |

## 17 DEFERED TAX ASSETS

| | | |
|---|---|---|
| Land and buildings | 28.673 | 25 |
| Plant and machinery | 102.420 | 105 |
| Other equipment | 3.456.273 | 1.751 |
| Inventories | 439.192 | 268 |
| Receivables | 1.341.653 | 1.464 |
| | 5.368.211 | 3.613 |

## 18 DEFERED TAX

| | | |
|---|---|---|
| Land and buildings | 9.211.802 | 9.233 |
| Plant and machinery | -1.521.831 | -528 |
| Inventories | 1.170.491 | 2.208 |
| Receivables | -167.200 | -320 |
| Contract work in progress | 56.316.991 | 21.106 |
| Provisions | -3.683.374 | -2.506 |
| Mortgage debt | -9.630 | -14 |
| | 61.317.249 | 29.178 |

# NOTES

## 19 OTHER PROVISIONS

Other provisions relates to expected cost from finished projects and warranty liabilities.

## 20 LONG TERM DEBT

12 million dkk of long term debt is due after more than five years.

## 21 STAFF COST

| | 2015/16 | 2014/15 |
|---|---|---|
| | | (1.000 dkk.) |
| | 15 months | 12 months |
| Wages and salaries | 413.016.099 | 306.507 |
| Pension costs | 32.534.451 | 23.842 |
| Other social security costs | 26.185.975 | 20.986 |
| | 471.736.525 | 351.335 |
| Average number of employees | 903 | 848 |

Salaries to executive management is not disclosed separately since executive management consist of one person only.

## 22 FEE TO AUDITORS APPOINTED BY THE GROUP

| | | |
|---|---|---|
| Audit fee | 798.299 | 808 |
| Tax services | 0 | 185 |
| | 798.299 | 992 |

## 23 ASSETS CHARGED AND CONTRACTUAL OBLIGATIONS

The group has issued performance- and payment guarantees of m.dkk 203,4.

Mortgage debt is secured by mortgage in land and buildings. Carrying value of these assets is m.dkk 52,7.

The group has entered into lease agreements. Annual cost of lease is m.dkk 4,1. The agreements has various notices. The longest notice is 12 months.

The Danish group enterprises participate in a Danish joint taxation arrangement with AGCO A/S serving as the administration company and are therefore jointly and severally liable from the financial year 2012/13 for the total income tax and from 1 July 2012 also for obligations, if any, to withhold tax on interest, royalties and dividends for the jointly taxed enterprises. The total net liability to the Danish tax authorities appears from the financial statements of AGCO A/S.

## 24 RELATED PARTIES

A/S Cimbria Group are included in the consolidated financial statements of AGCO Corporation,
Business Registration number 58-1960019 (Delaware, USA).
The financial statement for AGCO Corporation can be obtained at www.agcocorp.com.