

A/S Cimbria

Faartoftvej 22
7700 Thisted

Central Business Registration No 17 52 37 16

Annual report 2019

The Annual General Meeting adopted the
annual report on 28/8- 2020



Chairman of the General Meeting

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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 January 1st 2019 - December 31st 2019

Registered in: Thisted, Denmark

Board of Directors

Stephan Buskies, Chairman

Roger Neil Batkin

Christian Krog Andersen

Kjeld Borggaard Nielsen *)

Arne Johan Mose Sørensen *)

*) elected by the employees of the group

Executive management

Gary Rollinson

Christian Andersen

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 January 1st 2019 to December 31st 2019.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at December 31st 2019 and of the results of the operations for the financial year January 1st 2019 to December 31st 2019.

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, August 26th 2020

EXECUTIVE MANAGEMENT

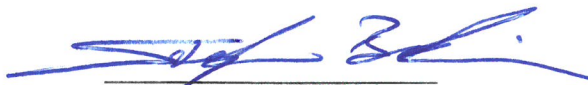


Gary Rollinson



Christian Krog Andersen

BOARD OF DIRECTORS



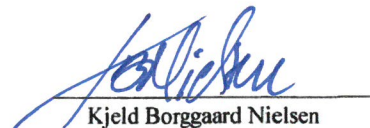
Stephan Buskies
(Chairman)



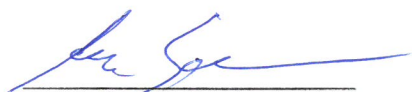
Roger Neil Batkin
(Vice Chairman)



Christian Krog Andersen



Kjeld Borggaard Nielsen



Arne Johan Mose Sørensen

INDEPENDENT AUDITOR'S REPORTS

To the shareholders of A/S Cimbria

Opinion

We have audited the financial statements of A/S Cimbria for the financial year 1 January 2019 – 31 December 2019, comprising income statement, balance sheet and notes, including 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 Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January 2019 – 31 December 2019 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 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 financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 as to 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 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 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 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 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

Independent auditor's report

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.

Aalborg, August 26th 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR nr. 25 57 81 98



Steffen Hansen

State Authorised Public Accountant

MNE-nr: 32737

MANAGEMENT COMMENTARY

Financial highlight, 1.000 dkk	2019	2018	2017	2015/16	2014/15
	12 months	12 months	12 months	15 months	12 months
Income statement					
Operating profit	6.952	4.264	3.750	3.093	-192
Net financials	60.025	47.985	59.161	169.949	120.800
Profit for the year	65.503	51.010	61.361	172.213	115.854
Balance sheet					
Balance sheet total	468.162	393.393	477.039	716.333	602.872
Equity	317.433	251.792	299.146	383.157	309.459
Investment in tangible assets	343	0	0	1.168	1.840
Employees					
Average full time employees	34	34	35	38	35
Ratio in %					
Solvency ratio	67,8	64,0	62,7	53,5	51,3
Return on equity	23,0	18,5	18,0	49,7	39,6

*group financial highlight is adjusted historically to be comparable with the current group structure.

Solvency ratio	$\frac{\text{Equity ultimo} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Profit for the year}}{\text{Average equity}}$

Primary activity

A/S Cimbria is the parent company for the Cimbria Group.

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

Development in activities and finances

The activities of the company are unchanged compared to previous years.

Profit before tax was m.dkk 67.

Tax on profit was m.dkk 1 and the profit for the year was m.dkk 66.

The profit for the year is considered satisfactory.

Revenue and profit for 2020 is expected to be below 2019 as a result of the global virus outbreak of Covid-19.

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 competitiveness 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.

Research and development activities

The Cimbria Group develops and improves the product portfolio continuously. This activity will continue during the next financial year.

Uncertainty relating to recognition and measurement

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

ACCOUNTING POLICIES

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium). Pursuant to section 112 (1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The company has pursuant to §86 section 4 of the Danish Financial Statements Act not disclosed cashflow statements.

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 company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the company 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 company, 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.

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.

Income statement

Administrative expenses

Administrative expenses comprise expenses incurred for management and administration of the company, 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.

ACCOUNTING POLICIES

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 company 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

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 and other equipment

Land and buildings, plant and machinery as well as other 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.

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
Other equipment	3 - 5 years

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

The useful life and residual value are reassessed annually. A change is treated as an accounting estimate and the effect on depreciation is recognized going forward.

ACCOUNTING POLICIES

Property and other equipment are written down to the lower of recoverable amount and carrying amount. Profits and losses from the sale of property and other 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.

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.

Receivables

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

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 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.

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.

INCOME STATEMENT 2019

Notes	<u>2019</u> (1.000 dkk.)	<u>2018</u> (1.000 dkk.)
Administrative expenses	24.056	24.744
Other income	<u>31.008</u>	<u>29.008</u>
Operating profit	6.952	4.264
Income from investments in subsidiaries	58.854	46.532
1 Financial income	1.536	1.878
1 Financial expenses	<u>365</u>	<u>426</u>
Profit before tax	66.977	52.248
2 Tax on profit	<u>1.474</u>	<u>1.238</u>
Profit for the year	<u>65.503</u>	<u>51.010</u>

BALANCE SHEET December 31 2019

Notes	<u>31.12.19</u> (1.000 dkk.)	<u>31.12.18</u> (1.000 dkk.)
Land and buildings	311	350
Other equipment	432	629
4 Property, plant and equipment	<u>743</u>	<u>979</u>
Investment in subsidiaries	343.799	325.993
5 Investment in subsidiaries	<u>343.799</u>	<u>325.993</u>
Fixed assets investments	<u>344.542</u>	<u>326.972</u>
Receivables from affiliated companies	10.887	22.204
Other receivables	2.184	1.862
6 Deferred tax assets	<u>184</u>	<u>205</u>
Receivables	<u>13.255</u>	<u>24.271</u>
Cash	<u>110.365</u>	<u>42.150</u>
Current assets	<u>123.619</u>	<u>66.421</u>
Assets	<u>468.162</u>	<u>393.393</u>

BALANCE SHEET December 31 2019

Notes	<u>31.12.19</u> (1.000 dkk.)	<u>31.12.18</u> (1.000 dkk.)
Share capital	49.000	49.000
Reserve for net revaluation	198.678	180.827
Retained earnings	<u>69.755</u>	<u>21.965</u>
Equity	<u>317.433</u>	<u>251.792</u>
7 Other provisions	<u>15.901</u>	<u>15.562</u>
Provisions	<u>15.901</u>	<u>15.562</u>
Trade payables	963	1.623
Payables to affiliated companies	124.405	114.169
Income tax	1.484	1.282
Other payables	<u>7.976</u>	<u>8.966</u>
Short term liabilities other than provisions	<u>134.828</u>	<u>126.039</u>
Liabilities other than provisions	<u>134.828</u>	<u>126.039</u>
Equity and liabilities	<u>468.162</u>	<u>393.393</u>
8 Staff costs		
9 Assets charged and contractual obligations		
10 Related parties		
11 Events after the balance sheet date		

PARENT

STATEMENT OF CHANGES IN EQUITY

	Share- capital	Net revaluation equity method	Retained earnings	Proposed dividend	Total
Equity 1. January 2018	49.000	152.703	443	97.000	299.146
Exchange rate adjustment of subsidiaries	0	-929	0	0	-929
Impact from financial contracts in subsidiaries	0	-436	0	0	-436
Dividend distributed	0	0	0	-97.000	-97.000
Proposed distribution of profit	0	29.488	21.522	0	51.010
Equity 31. December 2018	49.000	180.827	21.965	0	251.792
Equity 1. January 2019	49.000	180.827	21.965	0	251.792
Exchange rate adjustment of subsidiaries	0	541	-422	0	119
Impact from financial contracts in subsidiaries	0	20	0	0	20
Proposed distribution of profit	0	17.291	48.212	0	65.503
Equity 31. December 2019	49.000	198.678	69.755	0	317.433

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
	<u>49.000.000</u>

No shares have special rights.

NOTES

1 FINANCIAL ITEMS

	<u>2019</u>	<u>2018</u>
	(1.000 dkk.)	(1.000 dkk.)
Financial income		
Financial income from affiliated companies	1.443	1.710
Other financial income	<u>93</u>	<u>168</u>
	<u>1.536</u>	<u>1.878</u>
Financial expenses		
Other financial expenses	<u>365</u>	<u>426</u>
	<u>365</u>	<u>426</u>

2 TAX ON PROFIT

Adjustment to prior years	-31	0
Current tax	1.484	1.272
Change of deferred tax	<u>21</u>	<u>-35</u>
	<u>1.474</u>	<u>1.238</u>

3 PROPOSED DISTRIBUTION OF PROFIT/LOSS:

Transfer to reserve for net revaluation	17.291	29.488
Retained earnings	<u>48.212</u>	<u>21.522</u>
	<u>65.503</u>	<u>51.010</u>

4 PROPERTY, PLANT AND EQUIPMENT

	<u>Land and buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost at January 1st 2019	930	4.598	5.528
Additions	0	343	343
Disposals	0	-765	-765
Cost at December 31st 2019	<u>930</u>	<u>4.177</u>	<u>5.107</u>
Depreciation at January 1st 2019	580	3.969	4.549
Additions	39	321	360
Disposals	0	-545	-545
Depreciation at December 31st 2019	<u>619</u>	<u>3.745</u>	<u>4.364</u>
Carrying amount at December 31st 2019	<u>311</u>	<u>432</u>	<u>743</u>

NOTES

5 INVESTMENT IN SUBSIDIARIES

	Investment in subsidiaries
Cost at January 1st 2019	148.309
Disposals	-44
Cost at December 31st 2019	148.264
Positive revaluation at January 1st 2019	180.827
Exchange rate adjustments	541
Income from subsidiaries	61.782
Dividend	-41.525
Other adjustments	20
Goodwill depreciation	-2.967
Positive revaluation at December 31st 2019	198.678
Negative revaluation at January 1st 2019	18.705
Exchange rate adjustments	422
Income from subsidiaries	-82
Negative revaluation at December 31st 2019	19.044
Carrying amount at December 31st 2019	327.898
Carrying amount of goodwill recognised	36.080
Investments in subsidiaries	343.799
Provision for negative revaluation	-15.901
	327.898

NOTES

6 DEFERRED TAX ASSETS

	<u>31.12.19</u>	<u>31.12.18</u>
	(1.000 dkk.)	(1.000 dkk.)
Deferred tax 1st of January 2019	205	170
Deferred tax on profit for the year	<u>-21</u>	<u>35</u>
	<u>184</u>	<u>205</u>
Land and buildings	33	32
Other equipment	<u>151</u>	<u>173</u>
	<u>184</u>	<u>205</u>

7 OTHER PROVISIONS

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

8 STAFF COSTS

	<u>2019</u>	<u>2018</u>
	(1.000 dkk.)	(1.000 dkk.)
Wages and salaries	19.343	21.261
Pension costs	1.473	1.441
Other social security costs	<u>208</u>	<u>177</u>
	<u>21.024</u>	<u>22.879</u>
Average number of employees	<u>34</u>	<u>34</u>

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

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 13,3.

The Entity participates in a Danish joint taxation arrangement with AGCO Danmark 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 and 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 Danmark A/S.

10 RELATED PARTIES

Transactions

	<u>2019</u>	<u>2018</u>
	(1.000 dkk.)	(1.000 dkk.)
Sale of services to group companies	39.268	37.588

Receivables and debt to group companies is shown in the balance sheet and interests are shown in note 1.

A/S Cimbria and subsidiaries are included in the consolidated financial statements of AGCO Corporation, Business Registration number 58-1960019 (Delaware, USA), which is the smallest and largest group in which the company is a subsidiary.

The financial statement for AGCO Corporation can be obtained at www.agcocorp.com.

NOTES

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.

11 EVENTS AFTER THE BALANCE SHEET DATE

In early 2020, an outbreak of the coronavirus COVID-19 has affected large parts of the world. As a result of the outbreak of COVID-19 and the global / Danish measures taken to limit the spread of the virus, there is an increased risk related to predicting revenue and profit before tax for 2020. Management has taken steps to limit the financial impact of the outbreak. The outbreak of the virus has had no impact on the company's financial position.

In addition, no subsequent events of significance for the 2019 annual report have been identified.