

# Ammeraal Beltech Modular A/S

Hjulmagervej 21, 7100 Vejle


CVR no. 25 53 94 19



## Annual report 2015

Approved at the annual general meeting of shareholders on 26 May 2016

Chairman:





Building a better  
working world



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## Statement by the Board of Directors, the Executive Board and the Board of Supervisors

The Board of supervisors and the Executive Board have today discussed and approved the annual report of Ammeraal Beltech Modular A/S for the financial year 1 January - 31 December 2015.

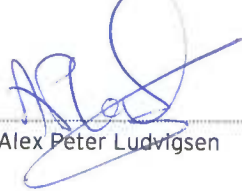
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

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

We recommend that the annual report be approved at the annual general meeting.

Vejle, 26 May 2016  
Executive Board:



Alex Peter Ludvigsen

Board of supervisors:




Johannes Abraham  
Teekens  
Chairman



Jorge Comerma Crusafon



Prakash Krishnaswamy  
Iyengar



Jose Wattez



Jesper Svendsen



## Independent auditors' report

To the shareholders of Ammeraal Beltech Modular A/S

### Independent auditors' report on the financial statements

We have audited the financial statements of Ammeraal Beltech Modular A/S for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### *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.

### *Auditors' responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

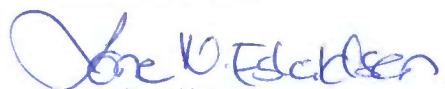
### *Opinion*

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

### Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 26 May 2015  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28

  
Lone N. Eskildsen  
State Authorised Public Accountant

  
Andreas Riggelsen  
State Authorised Public Accountant



## Management's review

### Company details

Name	Ammeraal Beltech Modular A/S
Address, Postal code, City	Hjulmagervej 21, 7100 Vejle
CVR No.	25 53 94 19
Registered office	Vejle
Financial year	1 January - 31 December
Board of supervisors	Johannes Abraham Teekens, Chairman Jorge Comerma Crusafon Prakash Krishnaswarny Iyengar Jose Wattez Jesper Svendsen
Executive Board	Alex Peter Ludvigsen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P O Box 330, 8100 Aarhus C, Denmark

### Financial highlights

DKK'000	2015	2014	2013	2012	2011
<b>Key figures</b>					
Revenue	349,780	302,578	277,263	261,880	254,725
Gross margin	149,978	126,204	118,026	122,468	107,804
Operating profit	51,100	36,057	29,072	34,567	20,270
Net financials	-1,730	-1,880	-6,732	-8,608	-5,495
<b>Profit/loss for the year</b>	<b>36,223</b>	<b>25,938</b>	<b>9,535</b>	<b>18,022</b>	<b>10,497</b>
Total assets	234,005	223,046	236,548	223,239	249,341
Investment in property, plant and equipment	-12,295	-21,787	-12,529	-6,536	-3,762
<b>Equity</b>	<b>160,532</b>	<b>122,337</b>	<b>94,374</b>	<b>85,792</b>	<b>91,124</b>
<b>Financial ratios</b>					
Operating margin	14.6%	11.9%	10.5%	13.2%	8.0%
Gross margin	42.9%	41.7%	42.6%	46.8%	42.3%
Return on assets	22.4%	15.7%	12.6%	14.6%	8.1%
Solvency ratio	68.6%	54.8%	39.9%	38.4%	36.5%
Return on equity	25.6%	23.9%	10.6%	20.4%	12.1%
<b>Average number of employees</b>	<b>194</b>	<b>190</b>	<b>182</b>	<b>177</b>	<b>172</b>

## Management's review

### Operating review

#### The Company's business review

The company's activity consists of development, production and sale of modular belts and chains made of plastic and steel for the use on internal conveyors. Primary market segments are the food processing, packaging and automotive industries.

#### Financial review

The growth continued in 2015 for Ammeraal Beltech Modular A/S. Sale of our modular products grew globally with all major product series and on all major markets.

Revenue increased to t.DKK 349,780. The company's income statement for 2015 shows a profit of t.DKK 36.223 at December 31 2015.

As of July 2015 the Ammeraal Beltech Group was acquired by Advent International Inc.

#### Special risks

##### *Business risks:*

The key business risk of Ammeraal Beltech Modular A/S is related to the potential inability to be competitive in our main markets. Our continuous development and launching of new products reduce this risk.

##### *Financial risks:*

The company invoices in DKK currency as well as a number of foreign currencies, primarily Euro, USD Dollars and Great British Pounds. Purchases are made primarily in DKK kroner and Euro.

#### Impact on the external environment

Ammeraal Beltech Modular A/S is working continuously on new initiatives to minimize the resource consumption, waste production and environmental impact. The production of modular products requires a lot of electricity. Our focus is therefore mainly on our electricity consumption.

At the end of 2015, the company has no outstanding enforcement orders in relation to its environmental permits.

#### Research and development activities

The company functions as the Ammeraal Beltech group's competence center within modular products. All designs and development activities in modular products are done in Vejle, Denmark - often in close corporation with our customers. The development activities in 2016 are expected to be at the same high level as in 2015.

#### CSR report

Previous years our employees have been "upgraded" in order to increase the flexibility and efficiency in our production and to give the employees a more varied and exiting day. This work has continued in 2015 especially in relation to implementing LEAN. We are pleased to note that outcome continues to be very positive.

Being one of the large production companies in the local community, we undertake the responsibility for not only helping people get back into the labour market after a period of illness etc. but also giving people with different handicaps and challenges a chance for a meaningful work life.

In order to ensure, that we execute our activities with the context of our key values, sound business ethics and the legal framework within which our Group and company operates, a Code of Conduct has been implemented. This Code of Conduct provides a clear guidance to all our employees on the desired business conduct and behavior. The Code of Conduct also includes a whistle blower policy.



## **Management's review**

### **Operating review**

#### **Post balance sheet events**

No significant subsequent events are affecting the assessment of the annual report after the balance sheet date.



## Management's review

### Operating review

#### Outlook

The increase in demand for the Company's products is expected to continue. The profit before tax in 2016 is also expected to increase compared to the profit before tax in 2015.





## Financial statements for the period 1 January - 31 December

### Income statement

Note	DKK'000	2015	2014
	<b>Revenue</b>	349,780	302,578
	Cost of sales	-134,355	-128,724
2	Other operating income	0	12,635
	Other external expenses	-65,447	-60,285
	<b>Gross profit</b>	149,978	126,204
3	Staff costs	-84,823	-75,821
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-14,055	-14,326
	<b>Operating profit</b>	51,100	36,057
	Income from investments in group entities	-2,228	-3,494
4	Financial income	5,045	4,755
5	Financial expenses	-6,775	-6,635
	<b>Profit before tax</b>	47,142	30,683
6	Tax for the year	-10,919	-4,745
	<b>Profit for the year</b>	36,223	25,938
	<b>Proposed profit appropriation</b>		
	Retained earnings	36,223	25,938
		36,223	25,938



## Financial statements for the period 1 January - 31 December

### Balance sheet

Note	DKK'000	2015	2014
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
7	<b>Intangible assets</b>		
	Acquired intangible assets	786	1,196
		<u>786</u>	<u>1,196</u>
8	<b>Property, plant and equipment</b>		
	Land and buildings	8,827	9,712
	Plant and machinery	44,905	47,818
	Other fixtures and fittings, tools and equipment	1,861	2,199
	Property, plant and equipment in progress	1,002	2,176
		<u>56,595</u>	<u>61,905</u>
9	<b>Investments</b>		
	Investments in group entities, net asset value	2,571	2,826
	Other receivables	4,345	4,471
		<u>6,916</u>	<u>7,297</u>
	<b>Total non-current assets</b>	<u>64,297</u>	<u>70,398</u>
	<b>Current assets</b>		
	<b>Inventories</b>		
	Raw materials and consumables	9,628	8,486
	Finished goods and goods for resale	43,221	33,992
		<u>52,849</u>	<u>42,478</u>
10	<b>Receivables</b>		
	Trade receivables	5,555	4,556
	Receivables from group entities	106,716	99,371
	Other receivables	175	1,335
	Prepayments	2,094	3,765
		<u>114,540</u>	<u>109,027</u>
	<b>Cash</b>	2,319	1,143
	<b>Total current assets</b>	<u>169,708</u>	<u>152,648</u>
	<b>TOTAL ASSETS</b>	<u><u>234,005</u></u>	<u><u>223,046</u></u>



## Financial statements for the period 1 January - 31 December

### Balance sheet

Note	DKK'000	2015	2014
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
11	Share capital	3,000	3,000
	Retained earnings	157,532	119,337
	<b>Total equity</b>	<b>160,532</b>	<b>122,337</b>
	<b>Provisions</b>		
	Deferred tax	7,001	7,939
	Other provisions	2,922	2,477
12	<b>Total provisions</b>	<b>9,923</b>	<b>10,416</b>
	<b>Liabilities other than provisions</b>		
13	<b>Non-current liabilities other than provisions</b>		
	Lease liabilities	6,419	7,097
	Payables to group entities	0	35,000
		<b>6,419</b>	<b>42,097</b>
	<b>Current liabilities other than provisions</b>		
13	<b>Current portion of non-current liabilities</b>	<b>972</b>	<b>914</b>
	Trade payables	25,127	24,934
	Payables to group entities	0	1,376
	Income taxes payable	11,857	5,592
	Other payables	19,175	15,380
		<b>57,131</b>	<b>48,196</b>
	<b>Total liabilities other than provisions</b>	<b>63,550</b>	<b>90,293</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>234,005</b>	<b>223,046</b>

- 1 Accounting policies
- 14 Collateral
- 15 Contractual obligations and contingencies, etc.
- 16 Related parties



## Financial statements for the period 1 January - 31 December

### Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2015	3,000	119,337	122,337
Profit/loss for the year	0	36,223	36,223
Exchange adjustment	0	1,972	1,972
<b>Equity at 31 December 2015</b>	<b>3,000</b>	<b>157,532</b>	<b>160,532</b>

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Ammeraal Beltech Modular A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards medium-sized reporting class C enterprises.

##### Changes in accounting policies

Accounting policies are changed compared to last year due to the changes in the Danish Financial Statements Act regarding the following areas:

The increased size limits in the new Danish Financial Statements Act regarding the reporting class C enterprises have been implemented as of 2015. The change in accounting policies means that the company has been presented in accordance with the provisions of the Danish Financial Statements Act as regards medium-sized reporting class C enterprise. The change in accounting policies has no effect on the key figures or comparative numbers.

Except for the change mentioned above, the accounting policies applied by the Company are consistent with those of last year.

##### Omission to present a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company Ammeraal Beltech Holding B.V.

##### Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements of Ammeraal Beltech Modular A/S and its group entities are part of the consolidated financial statements of Ammeraal Beltech Holding B.V.

##### Reporting currency

The financial statements are presented in Danish kroner.

##### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

##### *Foreign group entities*

Foreign subsidiaries and associates are considered separate enterprises. Items in such enterprises' income statements are translated at the average exchange rates for the month, and their balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of such enterprises at the exchange rates at the balance sheet date and on translation of the income statements from the average exchange rates at the transaction date to closing.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Leases

Leases concerning non-current assets which qualify for recognition as assets held under finance leases and where the entity bears all significant risks and enjoys all significant benefits associated with the title to such assets are treated according to the same accounting policies as are other non-current assets.

On initial recognition, the costs of assets held under finance leases is measured at the lower of the fair value and the net present value of the lease payments, made up based on the interest rate implicit in the lease or, alternatively, the entity's borrowing rate.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

##### Income statement

###### Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

###### Other operating income

Other operating income and operating expenses comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of non-current assets.

###### Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

###### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

###### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

###### Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Acquired IP rights max. 7 years

Patents are amortised over the remaining patent period or a shorter useful life. Software licences are amortised over the period of the agreement, but not exceeding 7 years.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	10 - 33 years
Leasehold improvements	10 - 14 years
Plant and machinery	5 - 10 years
Other fixtures and fittings, tools and equipment	5 - 10 years

Land is not depreciated.

#### Income from investments in group entities

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, dividends declared from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

#### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

###### Intangible assets

Other intangible assets include patents and licences.

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

###### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

###### Investments in group entities

On initial recognition, investments in subsidiaries and associates are measured at cost and subsequently at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies less or plus any residual value of positive or negative goodwill determined in accordance with the acquisition method. Subsidiaries and associates with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the enterprise's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method in so far as the carrying amount exceeds the acquisition cost.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Gains or losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated selling costs. Gains or losses are recognised in the income statement as financial income or financial expenses.

###### Impairment of fixed assets

Intangible assets, property, plant and equipment and investments in subsidiaries and associates are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Inventories

Inventories are measured at the lower of cost, based on estimated average prices, and net realisable value.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank balances.

##### Equity

###### *Proposed dividends*

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

##### Provisions

Provisions comprise expected expenses relating to guarantee commitments, etc. Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Provisions are measured at net realisable value or at fair value if the obligation concerned is expected to be settled far into the future.

#### Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

#### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

#### Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including a guaranteed residual value, if any, based on the interest rate implicit in the lease.

#### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities}}{\text{Average assets} \times 100}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

<b>2 Other operating income</b>		
Gain on sale of shares in Ammeraal Beltech Modular s.r.l.	0	12,628
Gain on the sale of property, plant and equipment	0	7
	<u>0</u>	<u>12,635</u>
<b>3 Staff costs</b>		
Wages/salaries	76,813	68,078
Pensions	6,308	6,064
Other social security costs	1,702	1,679
	<u>84,823</u>	<u>75,821</u>
Average number of full-time employees	<u>194</u>	<u>190</u>
Total remuneration of the Executive Board and the Board of Directors: t.DKK 2,591 (2014: t.DKK 1,923)		
<b>4 Financial income</b>		
Exchange gain	4,868	4,523
Other financial income	177	232
	<u>5,045</u>	<u>4,755</u>
<b>5 Financial expenses</b>		
Interest expenses, group entities	2,344	3,365
Exchange losses	4,088	3,202
Other financial expenses	343	68
	<u>6,775</u>	<u>6,635</u>



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

DKK'000	2015	2014
<b>6 Tax for the year</b>		
Estimated tax charge for the year	11,857	5,592
Deferred tax adjustments in the year	-938	-847
	<u>10,919</u>	<u>4,745</u>
<b>7 Intangible assets</b>		
DKK'000		<b>Acquired intangible assets</b>
Cost at 1 January 2015		21,408
Additions in the year		429
Cost at 31 December 2015		<u>21,837</u>
Impairment losses and amortisation at 1 January 2015		20,212
Amortisation/depreciation in the year		839
Impairment losses and amortisation at		<u>21,051</u>
<b>Carrying amount at 31 December 2015</b>		<u><u>786</u></u>

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 8 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2015	23,522	245,733	14,685	2,176	286,116
Additions in the year	595	8,458	448	2,794	12,295
Disposals in the year	0	-570	0	-3,968	-4,538
Cost at 31 December 2015	24,117	253,621	15,133	1,002	293,873
Impairment losses and depreciation at 1 January 2015	13,810	197,915	12,486	0	224,211
Amortisation/depreciation in the year	1,480	10,950	786	0	13,216
Reversal of amortisation/depreciation and impairment of disposals	0	-149	0	0	-149
Impairment losses and depreciation at 31 December 2015	15,290	208,716	13,272	0	237,278
<b>Carrying amount at 31 December 2015</b>	<b>8,827</b>	<b>44,905</b>	<b>1,861</b>	<b>1,002</b>	<b>56,595</b>
Property, plant and equipment include finance leases with a carrying amount totalling	0	7,091	0	0	7,091

Note 14 provides more details on security for loans, etc. as regards property, plant and equipment.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 9 Investments

DKK'000	Investments in group entities, net asset value	Other receivables	Total
Cost at 1 January 2015	10,087	4,471	14,558
Disposals on demerger and sale of other enterprise	0	-126	-126
Cost at 31 December 2015	10,087	4,345	14,432
Value adjustments at 1 January 2015	-7,261	0	-7,261
Exchange adjustment	1,972	0	1,972
Share of the profit/loss for the year	-1,648	0	-1,648
Change in intragroup gains	-579	0	-579
Value adjustments at 31 December 2015	-7,516	0	-7,516
Carrying amount at 31 December 2015	2,571	4,345	6,916

DKK'000	Legal form	Domicile	Interest	Profit/loss
<b>Subsidiaries</b>				
Ammeraal Beltech Modular Inc.	Inc.	Pennsylvania, USA	100.00 %	0

#### 10 Receivables

Receivables from group entities comprise t.DKK 38,125 regarding cash pool (2014: t.DKK 38,622).

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 11 Share capital

The share capital consists of the following:

3 shares of DKK 1,000,000.00 each	3,000	3,000
	<u>3,000</u>	<u>3,000</u>

The Company's share capital has remained DKK 3,000 thousand over the past 5 years.

#### 12 Provisions

Other provisions comprise provisions for warranty commitments, totalling t.DKK 1,354. Warranty provisions relate to expected warranty expenses in accordance with usual guarantee commitments applicable to the sale of goods. Furthermore, other provisions total t.DKK 1,568.

#### 13 Long-term liabilities

DKK'000	Total debt at 31/12 2015	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	7,391	972	6,419	0
	<u>7,391</u>	<u>972</u>	<u>6,419</u>	<u>0</u>

#### 14 Collateral

The Company is part of a financing agreement entered into by the Group. The Group has obtained loans and credits, respectively. Intra-group receivables have been provided to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. as security for the group financing agreement.

Furthermore, the Company has provided a company charge to Coöperatieve Centrale Raiffeisen secured on the Company's inventories, trade receivables and plant and equipment. The company charge is limited to t.EUR 4,523.

#### 15 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company is jointly taxed with its parent, Ammeraal Beltech Danmark A/S, which acts as management company. Together with Ammeraal Beltech Danmark A/S, the Company is jointly and severally liable for the payment of corporation taxes for the income year 2013 and onwards as well as for withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

##### Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	<u>82,390</u>	<u>68,987</u>
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## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 16 Related parties

Ammeraal Beltech Modular A/S' related parties comprise the following:

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Ammeraal Beltech Danmark A/S	Hjulmagervej 21, DK-7100 Veje	Principal shareholder
Ammeraal Beltech Holding B.V.	Comeniusstraat 8, 1817 MS, Alkmaar, The Netherlands.	Parent company

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent's consolidated financial statements</u>
Ammeraal Beltech Holding B.V.	Comeniusstraat 8, 1817 MS, Alkmaar, The Netherlands.	Comeniusstraat 8, 1817 MS, Alkmaar, The Netherlands.
Ammeraal Beltech Danmark A/S	Hjulmagervej 21, DK-7100 Veje	

##### Related party transactions not carried through on normal market terms

There are no related party transactions that have not been carried through on normal market terms.

##### Information about remuneration to management

Information about remuneration to management appears from note 3, 'Staff costs'

##### Ownership

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

<u>Name</u>	<u>Domicile</u>
Ammeraal Beltech Danmark A/S	Hjulmagervej 21, DK-7100 Veje