

**Gram A/S**  
Gejlhavegård 2B, DK-6000 Kolding  
**Annual Report 2018**

The Annual Report was presented and adopted at  
the Annual General Meeting of the Company on

28 March 2019



---

Lars Enevold Kristensen, Chairman

CVR No 26 15 74 55  
The Annual Report comprises 40 pages

## Contents

Management's Statement and Auditor's Report	2
Management's Statement	2
Independent Auditor's Report	3
Management's Review	6
Company Information	6
Financial Highlights	7
Review	8
Financial Statements 1 January - 31 December	10
Description of Significant Accounting Policies	10
Income Statement	19
Statement of Comprehensive Income	20
Balance Sheet	21
Statement of Changes in Equity	23
Cash Flow Statement	24
List of Notes	25
Notes	26

## **Management's Review**

### **Management's Statement**

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Gram A/S for the financial year 2018.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU. Moreover, the Annual Report has been prepared in accordance with additional disclosure requirements of the Danish Financial Statements Act.


In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and the results of the Company's operations and cash flow for 2018.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company as well as a description of the most significant risks and elements of uncertainty facing the Company.

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

Kolding, 28 March 2019

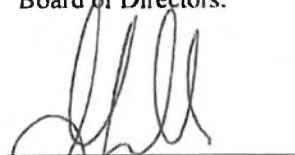
Executive Board:



---


Filip Marcin Mayer  
CEO

Board of Directors:



---

Marcin Bilik  
Chairman



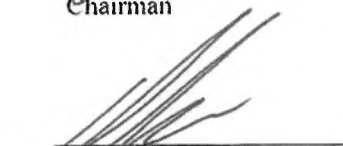
---

Piotr Pawel Rutkowski



---

Piotr Skubel



---

Filip Marcin Mayer

## **Management's Statement and Auditor's Report**

### **Independent Auditor's Report**

To the shareholders of Gram A/S

#### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations and cash flows for the financial year 1 January to 31 December 2018 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Gram A/S for the financial year 1 January - 31 December 2018, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the Financial Statements").

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## **Management's Statement and Auditor's Report**

### **Management's responsibilities for the Financial Statements**

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

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

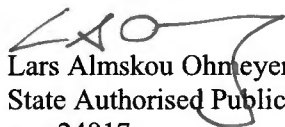
## **Management's Statement and Auditor's Report**

- Conclude on the appropriateness of Management's use of the going concern basis of accounting 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, where such disclosures are not adequate, 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 content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Trekantområdet, 28 March 2019

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31



Lars Almskou Ohmeyer  
State Authorised Public Accountant  
mne24817

## **Management's Review**

### **Company Information**

Gram A/S  
Gejlhavegård 2B  
DK-6000 Kolding

Tel: +45 73 20 10 00

Websites: [www.gram.dk](http://www.gram.dk)  
[www.gram.no](http://www.gram.no)  
[www.gram.se](http://www.gram.se)  
[www.gram.fi](http://www.gram.fi)

CVR No: 26 15 74 55  
Founded: 1 July 2001  
Place of reg. office: Kolding

### **Board of Directors**

Marcin Bilik (Chairman)  
Piotr Pawel Rutkowski  
Piotr Skubel  
Filip Marcin Mayer

### **Executive Board**

Filip Marcin Mayer, CEO

### **Bank**

Danske Bank

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Herredsvej 32  
DK-7100 Vejle

## Management's Review

### Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2018	2017	2016	2015	2014
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
<b>Key figures</b>					
<b>Profit</b>					
Revenue	48.654	43.550	43.781	37.560	33.287
Gross profit	5.022	6.252	6.129	3.713	3.586
Operating profit	1.405	1.897	1.824	1.387	1.207
Profit before tax	1.379	2.657	1.832	1.196	1.223
Net profit for the year	1.071	2.208	1.386	955	940
<b>Balance sheet</b>					
Balance sheet total	16.692	15.172	20.595	16.706	14.221
Equity	9.595	8.525	6.317	4.944	3.976
<b>Cash flows</b>					
Cash flows from:					
- operating activities	-653	-1.425	1.264	311	2.046
- investing activities	0	-104	-117	-84	3
- incl investment in property, plant and equipment	0	-104	0	-84	-1
- financing activities	0	0	0	0	0
Change in cash and cash equivalents for the year	-653	-1.529	1.147	228	2.049
<b>Number of employees</b>	<b>46</b>	<b>44</b>	<b>45</b>	<b>39</b>	<b>35</b>
<b>Ratios</b>					
Gross margin	10,3%	14,4%	14,0%	9,9%	10,8%
Profit margin	2,9%	4,4%	4,2%	3,7%	3,6%
Return on assets	8,4%	12,5%	8,9%	8,3%	8,5%
Solvency ratio	57,5%	56,2%	30,7%	29,6%	28,0%
Return on equity	11,8%	29,7%	24,6%	21,4%	26,8%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts.



## **Management's Review**

### **Main activity**

The main activity of GRAM A/S consists of trading in domestic appliances. The Company mainly sells its products in Denmark and the Nordic countries.

### **Financial period**

The financial period of GRAM A/S follows the calendar year.

### **Financial year 2018**

The profit for 2018 of EUR 1,071,180 is considered satisfactory.

Gram A/S continuously develops its product range to ensure that the Company appears as the preferred supplier of complete domestic appliance packages (hot, cold, wet).

### **Outlook for 2019**

#### Product range

Gram A/S is a full package supplier of domestic appliances across Scandinavia and to secure and extend the current market position the company will in 2019 launch further new models to the current range within all product categories.

#### The market

The market continues to be characterised by heavy price competition and indications of major global overcapacity in the industry. Market growth for domestic appliances is expected at 3-4% in 2019.

#### Financial performance

GRAM expects to realise yet another profit in 2019 based on the product platform created in 2018.

#### Capital resources

Management considers the capital resources appropriate and adequate for the year ahead.

## **Management's Review**

### **Special risks**

#### **Risk Management**

Through its activities, the Company is exposed to a number of risks.

We refer to note 21 for a further description of these risks.

#### **Environmental impact**

Gram A/S is environmentally conscious and seeks continuously to reduce the impact of its operations on the environment.

GRAM collects environmental charges for the disposal of electronic waste in accordance with the Danish Environmental Protection Act.

#### **Subsequent events**

No material events affecting the assessment of the Financial Statements for 2018 have occurred after the balance sheet date.

## **Financial Statements 1 January - 31 December**

### **Description of Significant Accounting Policies**

Gram A/S is a public limited company registered in Denmark.

The Annual Report of Gram A/S for 2018 is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports prepared in accordance with the provisions applying to reporting class C, of the Danish Executive Order on Adoption of IFRS issued pursuant to the Danish Financial Statements Act.

Moreover, the Annual Report complies with the International Financial Reporting Standards (IFRS) issued by IASB.

### **Basis of Preparation**

The Annual Report is presented in EUR.

The Annual Report has been prepared under the historical cost basis.

The accounting policies described below have been applied consistently for the financial year and comparative figures.

The accounting policies remain unchanged compared to last year.

## **Financial Statements 1 January - 31 December**

### **Description of Significant Accounting Policies**

#### **Implementation of new standards and interpretations**

##### **Changes in accounting policies applied, including presentation and implementation of new financial reporting standards and interpretations**

The accounting policies applied by Gram A/S, including presentation, remain unchanged compared to last year. Gram A/S has implemented all new, amended standards, revised financial reporting standards and interpretations (IFRIC) as adopted by the EU which become effective for the financial year 1 January – 31 December 2018.

##### **Most recently adopted reporting standards (IFRS) and interpretations (IFRIC)**

IASB has issued the following new or amended standards, effective after 31 December 2018.

- IFRS 16 Leases, effective as from 1 January 2019.
- IFRIC 23 Uncertainty over Income Tax Treatment, effective as from 1 January 2019.

Gram A/S expects to implement the new standards and interpretations when they become mandatory, and the preliminary assessment is that Gram A/S will be affected by the coming standards to a very limited extent.

## **Financial Statements 1 January - 31 December**

### **Description of Significant Accounting Policies**

#### **Translation policies**

On initial recognition, transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of transaction. Exchange rate differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income or expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies are translated to the functional currency at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the dates when the receivables or the payables arose or the rates applied in the most recent annual report are recognised in financial income and expenses in the income statement.

The average exchange rates of the individual months are used as the transaction date rates to the extent that this does not present a significantly different view.

## **Financial Statements 1 January - 31 December**

### **Description of Significant Accounting Policies**

#### **Income Statement**

##### **Revenue**

Revenue from the sale of goods for resale is recognised in the income statement if transfer of risk to the buyer has been made before year end, and if the revenue can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the consideration agreed upon exclusive of VAT and charges collected on behalf of third parties. All types of discounts granted are recognised in revenue.

##### **Cost of sales**

Cost of sales comprises costs incurred to achieve revenue for the year. The Company recognises cost of sales corresponding to revenue for the year. This includes direct costs for consumables, wages and salaries as well as warranty obligations.

##### **Distribution expenses**

Distribution expenses comprise expenses incurred for the distribution of goods sold during the year and for sales campaigns etc. carried out during the year. Moreover, expenses for sales, logistics and marketing staff, advertising and exhibition expenses as well as depreciation, amortisation and impairment losses are included.

##### **Administrative expenses**

Administrative expenses comprise expenses incurred in the year for Management and administration, including expenses for administrative staff, office premises and office expenses as well as depreciation, amortisation and impairment. Moreover, provisions for bad debts are included.

##### **Other operating income and expenses**

Other operating income and expenses comprise items of a secondary nature to the activities of the enterprises, including gains and losses from current sale and replacement intangible assets and property, plant and equipment. Gains and losses from the disposal of intangible assets and property, plant and equipment are calculated as the selling price less selling costs and the carrying amount at the time of disposal.

## **Financial Statements 1 January - 31 December**

### **Description of Significant Accounting Policies**

#### **Financial income and expenses**

Financial income and expenses comprise interest, capital/exchange gains and losses as well as impairment losses in respect of current asset investments, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as extra payments and repayment under the on-account taxation scheme, etc.

#### **Tax on profit/loss for the year**

Gram A/S is included in the on-account taxation scheme. Tax for the year consists of current tax for the year and any changes in deferred tax for the year. The tax attributable to the profit is recognised in the income statement whereas the tax attributable to equity transactions is recognised directly in equity.

### **Balance Sheet**

#### **Intangible assets**

The Company's intangible assets comprise goodwill and trademark rights. Goodwill and trademark rights are initially measured at cost in the balance sheet. Subsequently, goodwill and trademark rights are measured at cost less accumulated impairment losses. Goodwill and trademark rights are not amortised as they are considered having an indefinite useful life.

#### **Property, plant and equipment**

Leasehold improvements and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

The cost of assets under finance leases are calculated at the lower of the fair value and net present value of the assets of the future minimum lease payments. When computing the net present value, the interest rate implicit in the lease is applied as the discount rate or an approximated value.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Subsequent costs for, e.g. the replace of a component of a tangible asset are recognised in the carrying amount of the asset concerned when it is probable that the costs incurred will lead to future economic benefits for the Group. The replaced components are no longer recognised in the balance sheet, and the carrying amount is transferred to the income statement. All other costs for ordinary repair and maintenance are recognised in the income statement as incurred.

## **Financial Statements 1 January - 31 December**

### **Description of Significant Accounting Policies**

Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the assets, which are:

Leasehold improvements	5 years
Other fixtures and fittings, tools and equipment	3-5 years
IT	3 years

Depreciation is based on the scrap value of the asset and is reduced by any impairment losses. The scrap value is determined at the time of acquisition and is reassessed annually. If the scrap value exceeds the carrying amount of the asset, depreciation is discontinued.

If the period of depreciation or the scrap value changes, the effect on depreciation is recognised prospectively as a change in the accounting estimate.

Depreciation is recognised in the income statement in distribution and administrative expenses, respectively.

### **Investments in subsidiaries in the Financial Statements of the Parent Company**

Investments in subsidiaries are measured at cost. If there is any indication of impairment, an impairment test is prepared. If cost exceeds the recoverable amount, the asset is written down to its lower value.

### **Impairment of non-current assets**

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment, for the first time before the end of the year of acquisition.

The carrying amounts of goodwill and intangible assets with indefinite useful lives are tested for impairment together with other non-current assets in the cash-generating unit to which the goodwill is allocated and are written down to the recoverable amounts over the income statement in case of higher carrying amounts. As a main rule, the recoverable amount is stated as the net present value of expected future net cash flows from the enterprise or activity (cash-generating unit) to which the goodwill relates. The impairment of goodwill and intangible assets with indefinite useful lives is recognised in a separate line in the income statement.

Deferred tax assets are assessed annually and are only recognised to the extent that it is probable that they may be utilised.



## **Financial Statements 1 January - 31 December**

### **Description of Significant Accounting Policies**

The carrying amounts of other non-current assets are assessed annually to determine whether there is any indication of impairment. If there is indication of impairment, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the fair value of the asset less expected selling costs and the value in use. The value in use is calculated as the net present value of expected future cash flows from the activity or the cash-generating unit to which the activity relates.

Any impairment losses are recognised when the carrying amount of an asset or a cash-generating unit, respectively, exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement in production costs, distribution and administrative expenses, respectively. However, the impairment of goodwill and intangible assets with indefinite useful lives is recognised in a separate line in the income statement.

Impairment of goodwill is not reversed. Impairment of other assets is reversed to the extent that changes occur in assumptions and estimates leading to the impairment losses. Impairment losses are only reversed to the extent that the new carrying amount of the asset does not exceed the carrying amount that the asset would have had after amortisation had the asset not been impaired.

### **Inventories**

Inventories are measured at cost under the FIFO method. If the net realisable value is lower than cost, write-down is made to this lower value.

The cost of goods for resale equals landed cost.

The net realisable value of inventories is calculated at selling price with deduction of costs of completion and costs incurred to execute sales. The value is determined allowing for marketability, obsolescence and development in expected sales sum.

### **Receivables**

Receivables are initially measured at fair value and, subsequently, at amortised cost. Provisions for bad debts are made if the Company assesses that there is objective indication of impairment. Provisions for bad debts are made at an individual level.

### **Prepayments**

Prepayments comprise prepaid expenses incurred relating to subsequent financial years and are measured at cost.

## **Financial Statements 1 January - 31 December**

### **Description of Significant Accounting Policies**

#### **Pension obligations and similar long-term obligations**

The Company has entered into pension agreements and similar agreements with the main part of its employees.

Obligations relating to defined contribution plans in respect of which the Company pays fixed pension contributions on a current basis to independent pension companies are recognised in the income statement in the period in which they are earned, and accrued payments are recognised in the balance sheet in other payables.

#### **Tax payable and deferred tax**

Current tax liabilities and receivables are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on the taxable incomes of previous years and for taxes paid on account.

Deferred tax is measured under the balance sheet liability method on the basis of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax on temporary differences is not recognised if the temporary differences, apart from business acquisitions, have arisen at the time of acquisition without having any effect on results or taxable income. In cases where the computation of the tax base may be made according to different tax rules, deferred tax is measured on the basis of Management's intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised in other non-current assets at the value at which they are expected to be utilised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

## **Financial Statements 1 January - 31 December**

### **Description of Significant Accounting Policies**

#### **Provisions**

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

Provisions are measured at Management's best estimate of the amount at which the liability may be expected to be settled.

Provisions comprise expected costs of warranty obligations. Warranty obligations include obligations in respect of repair work within the warranty period of 1-5 years.

Warranty obligations are recognised as goods and services are sold based on warranty costs incurred in previous financial years.

#### **Financial liabilities**

Financial liabilities etc. are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the financial liabilities are measured at amortised cost using the effective interest method; the difference between the proceeds and the nominal value is recognised in the income statement in financial expenses over the loan period.

The remaining lease obligations of finance leases are moreover capitalised and recognised in financial liabilities.

Other liabilities are measured at net realisable value.

#### **Leases**

Lease obligations are divided into finance and operating lease obligations.

A lease is classified as a finance lease when, in all material respects, the risks and rewards of owning the leased asset are transferred to the lessee. Other leases are considered operating leases.

The accounting treatment of assets under finance leases and the related obligations is described in the sections "Property, plant and equipment" and "Financial liabilities", respectively.

Lease payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

## Financial Statements 1 January - 31 December

### Income Statement

	<u>Note</u>	<u>2018</u>	<u>2017</u>
		EUR	EUR
<b>Revenue</b>		<b>48.653.587</b>	<b>43.549.991</b>
Change in inventories of finished goods, work in progress and goods for resale		39.612	-209.833
Expenses for raw materials and consumables		-38.808.703	-34.613.040
Other external expenses		-4.862.822	-3.520.999
<b>Gross profit</b>		<b>5.021.674</b>	<b>5.206.119</b>
Staff expenses	2	-3.568.868	-3.267.975
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-47.628	-40.742
<b>Operating profit</b>		<b>1.405.178</b>	<b>1.897.402</b>
Income from investments in subsidiaries		0	721.952
Financial income	5	14.875	104.826
Financial expenses	6	-41.552	-66.748
<b>Profit before tax</b>		<b>1.378.501</b>	<b>2.657.431</b>
Tax on profit for the year	7	-307.321	-449.860
<b>Net profit for the year</b>		<b>1.071.180</b>	<b>2.207.572</b>

## Financial Statements 1 January - 31 December

### Statement of Comprehensive Income

	<u>Note</u>	<u>2018</u>	<u>2017</u>
		EUR	EUR
Net profit for the year	8	<u>1.071.180</u>	<u>2.207.572</u>
<b>Total statement of comprehensive income</b>		<b><u>1.071.180</u></b>	<b><u>2.207.572</u></b>

### Distribution of Profit

#### Proposed distribution of profit

Proposed dividend for the year	750.000	0
Retained earnings	<u>321.180</u>	<u>2.207.572</u>
	<b><u>1.071.180</u></b>	<b><u>2.207.572</u></b>

## Financial Statements 1 January - 31 December

### Balance Sheet at 31 December

#### Assets

	Note	2018	2017
		EUR	EUR
Goodwill		1.490.697	1.490.697
Trademark rights		1.761.095	1.761.095
<b>Intangible assets</b>	9	<b>3.251.792</b>	<b>3.251.792</b>
Leasehold improvements		59.021	93.339
Other fixtures and fittings, tools and equipment		24.921	38.232
<b>Property, plant and equipment</b>	10	<b>83.942</b>	<b>131.570</b>
Investments in subsidiaries	4	0	0
<b>Other non-current assets</b>		<b>0</b>	<b>0</b>
<b>Total non-current assets</b>		<b>3.335.734</b>	<b>3.383.362</b>
Inventories	11	3.904.779	3.865.167
Receivables	12	7.286.952	5.123.986
Receivables from group enterprises		63.468	80.076
Cash at bank and in hand		2.066.679	2.719.626
Corporation tax receivable	7	34.634	0
<b>Other current assets</b>		<b>13.356.511</b>	<b>11.788.854</b>
<b>Total assets</b>		<b>16.692.245</b>	<b>15.172.216</b>

## Financial Statements 1 January - 31 December

### Balance Sheet at 31 December

#### Liabilities and equity

	Note	2018 EUR	2017 EUR
Share capital		2.144.772	2.144.772
Retained earnings		6.699.764	6.378.584
Proposed dividend for the year		750.000	0
<b>Equity</b>	13	<b>9.594.536</b>	<b>8.523.356</b>
Deferred tax	15	596.369	586.590
Warranty obligations	16	203.425	222.154
<b>Long-term liabilities</b>		<b>799.794</b>	<b>808.744</b>
Payables to group enterprises		494.056	734.138
Trade payables		4.080.544	2.954.303
Warranty obligations	16	610.275	666.462
Accrued corporation tax	7	0	334.907
Other payables		1.113.041	1.150.307
<b>Current liabilities</b>		<b>6.297.915</b>	<b>5.840.116</b>
<b>Total liabilities</b>		<b>7.097.709</b>	<b>6.648.861</b>
<b>Total liabilities and equity</b>		<b>16.692.245</b>	<b>15.172.216</b>
Contingent assets, liabilities and security	17		
Notes without reference	16, 18-23		

## Financial Statements 1 January - 31 December

### Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total equity
	EUR	EUR	EUR	EUR
Equity at 1 January 2017	2.144.772	4.171.012	0	6.315.784
Changes in equity in 2017				
Net profit for the year	0	2.207.572	0	2.207.572
Total changes in equity in 2017	0	2.207.572	0	2.207.572
<b>Equity at 31 December 2017</b>	<b>2.144.772</b>	<b>6.378.584</b>	<b>0</b>	<b>8.523.356</b>
Equity at 1 January 2018	2.144.772	6.378.584	0	8.523.356
Changes in equity in 2018				
Net profit for the year	0	1.071.180	0	1.071.180
Proposed dividend for the year	0	-750.000	750.000	0
Total changes in equity in 2018	0	321.180	750.000	1.071.180
<b>Equity at 31 December 2018</b>	<b>2.144.772</b>	<b>6.699.764</b>	<b>750.000</b>	<b>9.594.536</b>



## Financial Statements 1 January - 31 December

### Cash Flow Statement

	Note	2018	2017
		EUR	EUR
Net profit for the year		1.071.180	2.207.572
Adjustments	18	302.191	2.628.999
Change in working capital	19	-1.337.078	-5.930.530
<b>Cash flows from operating activities before financial income and expenses</b>		<b>36.293</b>	<b>-1.093.959</b>
Financial income	5	14.875	104.826
Financial expenses	6	-41.552	-66.748
<b>Cash flows from ordinary activities</b>		<b>9.617</b>	<b>-1.055.881</b>
Corporation tax paid		-662.564	-369.177
<b>Cash flows from operating activities</b>		<b>-652.947</b>	<b>-1.425.059</b>
Purchase of intangible assets		0	0
Purchase of property, plant and equipment		0	-103.968
<b>Cash flows from investing activities</b>		<b>0</b>	<b>-103.968</b>
<b>Change in cash and cash equivalents</b>		<b>-652.947</b>	<b>-1.529.027</b>
Cash and cash equivalents at 1 January		2.719.626	4.248.652
<b>Cash and cash equivalents at 31 December</b>		<b>2.066.679</b>	<b>2.719.626</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		2.066.679	2.719.626
<b>Cash and cash equivalents at 31 December</b>		<b>2.066.679</b>	<b>2.719.626</b>

## Financial Statements 1 January - 31 December

### List of notes

<u>Note</u>		<u>Page</u>
1	Accounting estimates and judgements	26
2	Staff expenses	28
3	Fee to auditors appointed at the General Meeting	28
4	Investments in subsidiaries	28
5	Financial income	29
6	Financial expenses	29
7	Tax on profit for the year	29
8	Distribution of profit	30
9	Intangible assets	30
10	Property, plant and equipment	32
11	Inventories	33
12	Receivables	33
13	Equity	33
14	Pensions and similar obligations	34
15	Deferred tax	34
16	Long-term liabilities	34
17	Contingent assets, liabilities and security	35
18	Cash flow statement - adjustments	35
19	Cash flow statement - change in working capital	35
20	Foreign exchange and interest rate risks as well as use of derivative financial instruments	36
21	Operating leases	38
22	Related parties	39
23	Subsequent events	39

## Financial Statements 1 January - 31 December

### Notes to the Annual Report

#### 1 Accounting estimates and judgements

##### Estimation uncertainty

The statement of the carrying amounts of certain assets and liabilities requires estimation of future events.

Estimates and assumptions are based on historical experience and other factors which Management considers appropriate in the circumstances, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and contingencies or unexpected circumstances may arise. The Company is moreover exposed to risks and uncertainties that may result in the actual outcome deviating from these estimates. Special risks relating to Gram A/S are mentioned in note 21.

It may become necessary to change previously made estimates due to changes in the circumstances forming the basis of the previous estimates or new knowledge or subsequent events.

Estimates material to the financial reporting are made, among other things, in connection with the calculation of depreciation, amortisation and impairment losses.

##### Impairment test of goodwill and trademark rights

In connection with the annual impairment test of goodwill and trademark rights, or when there is indication of impairment, estimates are made of how the parts of the Company (cash-generating units) to which the goodwill and the trademark rights relate will be able to generate future adequate, positive net cash flows to support the value goodwill and trademark rights in the part of the Company concerned.

Due to the nature of the business, estimates of expected cash flows are made for a number of years ahead, which naturally implies a some uncertainty. The uncertainty is reflected in the selected discount rate.

The impairment test and the related particularly sensitive circumstances are further described in note 10.

Based in the impairment test, there is no indication of impairment in 2018.

## Financial Statements 1 January - 31 December

### 1 Accounting estimates and judgements (continued)

#### Accounting policies

In connection with the application of the Company's accounting policies, Management makes assessments, besides estimates, which may have a material impact on the amounts recognised in the Annual Report.

Such assessments comprise, among other things, whether leases are to be treated as operating or finance leases.

In 2018, Management made the following assessments:

#### Leases

The Company has entered into leases with respect to motor vehicles. The leases have been entered into as operating leases. As Gram A/S does not have the legal title to the leased motor vehicles, both during and at the termination of the leases, and does not have any purchase options at the termination of the leases, Management has specifically assessed that the leases are to be treated as operating leases.

## Financial Statements 1 January - 31 December

	2018	2017
	EUR	EUR
<b>2 Staff expenses</b>		
Wages and salaries	3.063.256	2.857.703
Pensions	379.275	316.687
Other social security expenses	126.337	93.585
	<b>3.568.868</b>	<b>3.267.975</b>
<b>Average number of employees</b>	<b>46</b>	<b>44</b>
<b>Remuneration to the Board of Directors and the Executive Board</b>		
	Board of Directors and Executive Board	Board of Directors and Executive Board
Salaries	398.672	405.116
Pensions	0	0
	<b>398.672</b>	<b>405.116</b>
<b>3 Fee to auditors appointed at the General Meeting</b>		
<b>Total fee</b>	<b>53.539</b>	<b>79.656</b>
<b>Specified as follows:</b>		
Audit	18.104	29.722
Other audit-related services	14.789	17.038
Tax and VAT services	20.647	32.896
	<b>53.539</b>	<b>79.656</b>
<b>4 Investments in subsidiaries</b>		
Cost at 1 January	0	2.106.136
Disposals for the year	0	-2.106.136
<b>Cost at 31 December</b>	<b>0</b>	<b>0</b>
Impairment losses 1 January	0	0
Impairment losses	0	0
<b>Impairment losses at 31 December</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>0</b>

## Financial Statements 1 January - 31 December

	2018	2017
	EUR	EUR
<b>5 Financial income</b>		
Exchange gains, net	14.754	104.743
Other financial income	121	82
	<u>14.875</u>	<u>104.826</u>
<b>6 Financial expenses</b>		
Interest, bank debt etc	7.124	3.589
Interest, payables	5.505	1.752
Exchange loss, net	28.923	61.407
	<u>41.552</u>	<u>66.748</u>
<b>7 Tax on profit for the year</b>		
<b>Tax for the year is broken down as follows:</b>		
Tax on profit for the year	-307.321	-449.860
	<u>-307.321</u>	<u>-449.860</u>
which is specified as follows:		
Deferred tax	-9.778	-20.531
Corporation tax	-297.542	-408.798
Adjustment of tax relating to previous years	0	-20.531
	<u>-307.321</u>	<u>-449.860</u>
<b>Tax on profit for the year is calculated as follows:</b>		
22% tax calculated on profit before tax	303.270	425.805
Other non-deductible costs etc	4.051	24.054
	<u>307.321</u>	<u>449.860</u>
<b>Effective tax rate</b>	<u>22%</u>	<u>17%</u>
<b>Corporation tax receivable/(payable) is specified as follows:</b>		
Corporation tax receivable, Denmark	66.567	-309.103
Accrued corporation tax, Sweden	-3.003	-3.574
Accrued corporation tax, Finland	-28.930	-28.930
	<u>34.634</u>	<u>-341.607</u>

## Financial Statements 1 January - 31 December

	2018	2017	
	EUR	EUR	
<b>8 Distribution of profit</b>			
Proposed dividend for the year	750.000	0	
Retained earnings	321.180	2.207.572	
	<b>1.071.180</b>	<b>2.207.572</b>	
<b>9 Intangible assets</b>			
	Goodwill	Trademark rights	Total
	EUR	EUR	EUR
Cost at 1 January 2017	1.373.926	1.761.095	3.135.021
Disposals	0	0	0
Additions	116.770	0	116.770
Cost at 31 December 2017	<b>1.490.697</b>	<b>1.761.095</b>	<b>3.251.792</b>
Amortisation and impairment losses at 1 January 2017	0	0	0
Amortisation	0	0	0
Amortisation and impairment losses at 31 December 2017	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at 31 December 2017</b>	<b>1.490.697</b>	<b>1.761.095</b>	<b>3.251.792</b>
Carrying amount at 31 December 2017 of assets with indefinite useful lives	<b>1.490.697</b>	<b>1.761.095</b>	
Cost at 1 January 2018	1.490.697	1.761.095	3.251.792
Disposals	0	0	0
Additions	0	0	0
Cost at 31 December 2018	<b>1.490.697</b>	<b>1.761.095</b>	<b>3.251.792</b>
Amortisation and impairment losses at 1 January 2018	0	0	0
Amortisation	0	0	0
Amortisation and impairment losses at 31 December 2018	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at 31 December 2018</b>	<b>1.490.697</b>	<b>1.761.095</b>	<b>3.251.792</b>
Carrying amount at 31 December 2018 of assets with indefinite useful lives	<b>1.490.697</b>	<b>1.761.095</b>	

## Financial Statements 1 January - 31 December

### 9 Intangible assets (continued)

#### Goodwill and other intangible assets

At 31 December 2018, Management has prepared an impairment test of the carrying amount of goodwill and other intangible assets.

With respect to the cash-generating units, the recoverable amount is calculated based on a calculation of values in use. Goodwill and trademark rights relate to the sale of domestic appliances under the trademark GRAM, which is the Company's only activity. The most material uncertainties relate to the determination of discount and growth rates as well as expected changes in selling and purchase prices in the forecast period.

The cash flows from the most recently approved budgets and forecasts for the next five years and a discount rate before tax of 10.1% have been applied for the calculation of the values in use. Growth in the terminal period is 1.5%.

The most material assumptions in relation to budget and forecast are the following:

- General market growth is expected to be modest at < 5% in the forecast period;
- Gram is expected to be able to continue increasing its market shares in the forecast period;
- The Company's cost effectiveness is expected to continue to improve in % of revenue.

Based on the prepared impairment test, there is no indication of impairment in 2018.

Goodwill and trademark rights have no legal finite useful life. Customers and the trademark GRAM are both assets that are essential for the Company's operations and are expected to continue to exist in the Company.



## Financial Statements 1 January - 31 December

### 10 Property, plant and equipment

	Leasehold improve- ments	Other fixtures and fittings, tools and equipment	Total
	EUR	EUR	EUR
Cost at 1 January 2017	100.889	183.709	284.598
Disposals	0	0	0
Additions	66.503	37.500	104.003
Cost at 31 December 2017	<u>167.392</u>	<u>221.209</u>	<u>388.601</u>
Depreciation and impairment losses at 1 January 2017	50.185	166.103	216.289
Depreciation	23.868	16.874	40.742
Disposals	0	0	0
Depreciation and impairment losses at 31 December 2017	<u>74.053</u>	<u>182.977</u>	<u>257.031</u>
<b>Carrying amount at 31 December 2017</b>	<b><u>93.339</u></b>	<b><u>38.232</u></b>	<b><u>131.570</u></b>
Depreciated over	<u>3-5 years</u>	<u>3-5 years</u>	
Cost at 1 January 2018	167.392	221.209	388.601
Additions	0	0	0
Cost at 31 December 2018	<u>167.392</u>	<u>221.209</u>	<u>388.601</u>
Depreciation and impairment losses at 1 January 2018	74.053	182.977	257.031
Depreciation	34.318	13.310	47.628
Depreciation and impairment losses at 31 December 2018	<u>108.371</u>	<u>196.287</u>	<u>304.659</u>
<b>Carrying amount at 31 December 2018</b>	<b><u>59.021</u></b>	<b><u>24.921</u></b>	<b><u>83.942</u></b>
Depreciated over	<u>3-5 years</u>	<u>3-5 years</u>	

No changes have been made to material estimates relating to property, plant and equipment.

## Financial Statements 1 January - 31 December

	<u>2018</u>	<u>2017</u>
	EUR	EUR
<b>11 Inventories</b>		
Goods for resale	3.904.779	3.865.167
	<u>3.904.779</u>	<u>3.865.167</u>
Carrying amount of inventories recognised at net selling price	<u>212.760</u>	<u>197.443</u>
<b>12 Receivables</b>		
Trade receivables	7.032.589	5.041.735
Other receivables	254.363	82.251
	<u>7.286.952</u>	<u>5.123.986</u>
Provisions for bad debts included in the above receivables amount to	<u>30.100</u>	<u>0</u>
Provisions at 1 January	0	24.849
Exchange adjustments	0	0
Provisions applied in the year	0	-24.849
Provisions for the year	30.100	0
	<u>30.100</u>	<u>0</u>

The Company has not received any collateral with respect to trade receivables.

## 13 Equity

### Share capital

The share capital consists of 160 shares of a nominal amount of EUR 100k. No shares carry any special rights.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
	EUR	EUR	EUR	EUR
<b>Share capital</b>				
Share capital at 1 January	2.144.772	2.144.772	2.144.772	2.144.772
Capital increase	0	0	0	0
<b>Share capital at 31 December</b>	<u>2.144.772</u>	<u>2.144.772</u>	<u>2.144.772</u>	<u>2.144.772</u>

## Financial Statements 1 January - 31 December

### 14 Pensions and similar obligations

The Company only has defined contribution plans.

Under defined contribution plans, the employer is under an obligation to pay a certain contribution (eg a fixed amount or a fixed percentage of the pay), and the Company does not bear any risk with respect to the future development in interest rates, inflation, mortality and disability.

	2018	2017
	EUR	EUR
<b>15 Deferred tax</b>		
Deferred tax at 1 January	-586.590	-538.185
Exchange adjustment	0	-94
Deferred tax for the year included in net profit for the year	-9.778	-48.312
<b>Deferred tax at 31 December</b>	<b>-596.369</b>	<b>-586.590</b>
<b>Deferred tax is recognised in the balance sheet as follows:</b>		
Deferred tax (asset)	0	0
Deferred tax (liability)	-596.369	-586.590
<b>Deferred tax at 31 December</b>	<b>-596.369</b>	<b>-586.590</b>
<b>Deferred tax relates to:</b>		
Intangible assets	-711.013	-709.912
Property, plant and equipment	56.900	77.277
Current assets	53.530	43.437
Current liabilities	4.215	2.607
	<b>-596.369</b>	<b>-586.590</b>
<b>16 Long-term liabilities</b>		
Warranty obligations at 1 January	888.615	803.291
Applied in the year	-717.532	-572.842
Provisions for the year	642.617	658.166
<b>Warranty obligations at 31 December</b>	<b>813.700</b>	<b>888.615</b>
<b>The expected maturities of provisions are as follows:</b>		
Short-term liabilities	610.275	666.462
Long-term liabilities	203.425	222.154
<b>Warranty obligations at 31 December</b>	<b>813.700</b>	<b>888.615</b>

Warranty obligations relate to sold products which are delivered with a warranty of 1-5 years. The obligations have been stated based on historical warranty costs. The costs are expected to incur primarily within 1 year.

## Financial Statements 1 January - 31 December

### 17 Contingent assets, liabilities and security

#### Charges and security

Gram A/S has granted a floating charge of a nominal amount of EUR 807k (2017: EUR 807k) in respect of bank debt of EUR 0k.

At the balance sheet date, the floating charge comprises inventories with a carrying amount of EUR 3,904k (2017: EUR 3,865k) and trade receivables of EUR 7,033k (2017: EUR 5,042k).

#### Contingent liabilities

Through its rental contract, Gram A/S is under an obligation to pay rent for a 12-month period of notice totalling EUR 128k (2017: EUR 125k).

	2018	2017
	EUR	EUR
<b>18 Cash flow statement - adjustments</b>		
Disposal of shares in subsidiaries	0	2.106.136
Financial income	-14.875	-104.826
Financial expenses	41.552	66.748
Depreciation and amortisation	47.628	40.742
Tax on profit for the year	307.321	449.860
Other adjustments	-79.435	70.338
	<b>302.191</b>	<b>2.628.999</b>
<b>19 Cash flow statement - change in working capital</b>		
Change in inventories	-39.612	209.990
Change in receivables etc	-2.146.358	1.641.934
Change in suppliers etc	848.892	-7.782.454
	<b>-1.337.078</b>	<b>-5.930.530</b>

## Financial Statements 1 January - 31 December

### 20 Foreign exchange and interest rate risks as well as use of derivative financial instruments

#### The Company's risk management policy

Due to its operations, investments and financing, the Company is exposed to changes in exchange rates. The Company is not exposed to the interest-rate level as it has only bank deposits with a very low return. According to its policy, the Company does not actively speculate in financial risks, and its financial management is therefore exclusively directed at the management of financial operating and financing risks. For a further description of the accounting policies and methods applied, including recognition criteria and basis of measurement, we refer to the section Description of Significant Accounting Policies.

#### Foreign exchange risks

The Company's activities abroad are affected by the exchange rate development of mainly SEK. The Company is affected by material foreign exchange risks relating to receivables and payables in foreign currencies at the balance sheet date. The effect on profit for the year and equity of changes in exchange rates is as follow:

	Increase in exchange rate	2018 EUR	2017 EUR
DKK	1%	19.967	13.959
SEK	15%	-37.438	-12.418
NOK	20%	11.040	14.224
CNH	10%	1.113	35.478
		<b>-5.317</b>	<b>51.242</b>

Any decrease would have a similar positive/negative effect.

## Financial Statements 1 January - 31 December

### 20 Foreign exchange and interest rate risks as well as use of derivative financial instruments (continued)

#### Interest rate risks

According to its policy, the Group does not hedge the interest rate risks on interest-bearing debt.

An increase in the interest-rate level of 1% pa compared to the interest-rate level at the balance sheet date will, all other things being equal, have a minor effect on profit for the year and equity at year end of EUR 0k. Any decrease will have a similar negative effect. The assumptions have been stated based on the current utilisation of the overdraft facility and the expected market development in the interest-rate level.

#### Liquidity risks

The Company's liquidity reserve comprises cash and cash equivalents and unutilised overdraft facilities. It is moreover the Company's objective to have adequate liquidity resources in order to be able to act appropriately in connection with future liquidity swings.

The maturities of the Company's current assets and liabilities are 1 year; however, no settlement has been agreed with respect to cash and cash equivalents. The carrying amounts equal the fair values.

Current financial assets amount to EUR 7,385k (2017: EUR 5,204k). Moreover, the Company has cash and cash equivalents of EUR 2,067k (2017: EUR 2,720k).

Current financial liabilities amount to EUR 6,298k (2017: EUR 5,840k).

The fair values of financial assets and liabilities correspond to the carrying amounts.

## Financial Statements 1 January - 31 December

### 20 Foreign exchange and interest rate risks as well as use of derivative financial instruments (continued)

#### Credit risks

Gram A/S is not exposed to any material risks with respect to individual customers or business partners. The Company's policy for assuming credit risks implies that all major customers and other business partners are currently credit insured with TRYG Garanti. This comprises approximately 90% of the Company's customers.

Receivables overdue at 31 December but not provided for amount to:

	2018	2017
	EUR	EUR
<b>Receivables</b>		
Maturity		
Up to 30 days	647.553	362.854
Between 30 and 90 days	92.685	86.049
Above 90 days	32.066	50.365
	<b>772.304</b>	<b>499.268</b>

#### Capital management

Gram A/S is a subsidiary of an international group, and the objective is for the Company's equity to comply with current legislation.

	2018	2017
	EUR	EUR
<b>21 Operating leases</b>		
Non-cancellable operating lease payments are as follows:		
0-1 year	53.560	52.138
1-5 years	65.641	68.348
> 5 years	0	0
	<b>119.200</b>	<b>120.486</b>

The Company leases motor vehicles under operating leases. The lease term is typically a period of 3 years.

Operating leases of EUR 87k (2017: 81k EUR) have been recognised in the income statement for 2018.

## Financial Statements 1 January - 31 December

### 22 Related parties

#### Board of Directors and Executive Board

Management's remuneration is mentioned in note 3.

#### Group enterprises

Trading with group enterprises has comprised the following:

	2018	2017
	EUR	EUR
Purchase of goods, Parent Company	16.544.065	16.776.502
Sale of goods, subsidiaries	0	0
Bonus from the Parent Company	489.634	487.334
Warranty refund from the Parent Company	640.482	621.470

Trading has been effected on an arm's-length basis.

The Company's payables to group enterprises amount to EUR 494k.

Current intercompany accounts carry no interest and are concluded on trading terms and conditions similar to those applied for the Company's other customers and suppliers.

Apart from the above, there have been no transactions during the year with the Board of Directors, the Executive Board, senior officers, significant shareholders or other related parties.

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

Amica S.A. ul. Mickiewicza 52, 64-510 Wronki, Poland.

### 23 Subsequent events

No material events have occurred after 31 December 2018.