

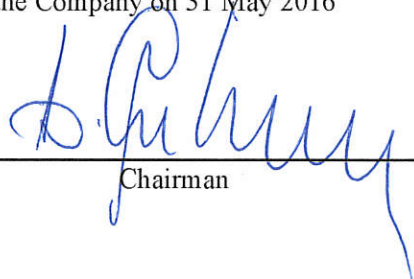
# **Krones Nordic ApS**

**Skovlytoften 33  
2840 Holte**

**CVR no. 30 07 58 11**

**Annual report for the period 1 January to 31 December 2015**

The annual report was presented and  
adopted at the annual general meeting of  
the Company on 31 May 2016

A handwritten signature in blue ink, appearing to be 'L. P. Hansen', written over a horizontal line.

Chairman

## Contents

|   | <b>Page</b> |
|---|-------------|
| Statement by the Executive Board                    | 2           |
| Independent auditor's report                        | 3           |
| <b>Management's review</b>                          |             |
| Company details                                     | 5           |
| Financial highlights                                | 6           |
| Management's review                                 | 7           |
| <b>Financial Statements 1 January - 31 December</b> |             |
| Accounting policies                                 | 9           |
| Income statement                                    | 13          |
| Balance sheet                                       | 14          |
| Statement of Changes in Equity                      | 16          |
| Notes   | 17          |

## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Krones Nordic ApS for the financial year 1 January - 31 December 2015.

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

It is my opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the result of the Company's operations for the year 1 January - 31 December 2015.

Further, in my opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, the result for the Company's year and the financial position.

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

Holte, 31 May 2016

**Krones Nordic ApS**

Dirk Cichon





## **Independent auditor's report**

**To the Shareholder of Kroner Nordic ApS**

### **Independent auditor's report on the financial statements**

We have audited the financial statements of Kroner Nordic ApS for the financial year 1 January - 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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.

#### **Auditor's 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 regulation. 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 auditor's 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 auditor considers 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 assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.



## **Independent auditor's report**

### **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 further 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.

Copenhagen, 31 May 2016

**KPMG**  
Statsautoriseret Revisionspartnerselskab  
CVR no.: 25 57 81 98

Klaus Rytz  
State Authorised  
Public Accountant

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## Management's review

### Company details

#### The Company

Krones Nordic ApS  
Skovlytoften 33  
2840 Holte

Telephone: +45 88 32 33 00

Fax: +45 88 32 33 01

CVR no.: 30 07 58 11

Financial Period: 1 January - 31 December

Established: 22 April 1982

Registered office: Rudersdal

#### Executive Board

Dirk Cichon

#### Auditors

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

#### Consolidated Financial Statements

The Company is included in the consolidated financial statements of Krones AG.

The consolidated financial statements of Krones AG may be obtained at the following address:

Krones AG  
Böhmerwaldstraße  
593073 Neutraubling  
Germany

#### General meeting

The annual general meeting is held on 31 May 2016 at the Company's address.

## Management's review

### Financial Highlights

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

|                                       | 2015    | 2014    | 2013    | 2012    | 2011    |
|---------------------------------------|---------|---------|---------|---------|---------|
|                                       | DKK'000 | DKK'000 | DKK'000 | DKK'000 | DKK'000 |
| <b>Key figures</b>                    |         |         |         |         |         |
| Revenue                               | 119.760 | 122.022 | 91.048  | 81.187  | 82.993  |
| Gross profit/loss                     | 39.219  | 36.570  | 37.200  | 42.826  | 37.122  |
| Ordinary operating profit             | 14.274  | 12.632  | 13.344  | 17.921  | 12.858  |
| Net financials                        | 676     | 1.038   | 991     | 996     | 956     |
| Profit for the year                   | 11.421  | 10.305  | 10.719  | 14.157  | 10.340  |
| Non-current assets                    | 255     | 596     | 1.237   | 1.812   | 2.437   |
| Current assets                        | 182.828 | 181.204 | 159.732 | 153.635 | 135.920 |
| Balance sheet total                   | 183.082 | 181.800 | 160.968 | 155.447 | 138.357 |
| Share capital                         | 315     | 315     | 315     | 315     | 315     |
| Equity                                | 147.740 | 146.319 | 146.015 | 145.296 | 131.139 |
| <b>Ratios</b>                         |         |         |         |         |         |
| Profit margin                         | 11,9%   | 10,4%   | 14,7%   | 22,1%   | 15,5%   |
| Return on Invested Capital            | 7,8%    | 7,4%    | 8,4%    | 12,2%   | 10,1%   |
| Solvency ratio                        | 80,7%   | 80,5%   | 90,7%   | 93,5%   | 94,8%   |
| Return on equity                      | 7,8%    | 7,1%    | 7,4%    | 10,2%   | 8,2%    |
| Average number of full-time employees | 39      | 37      | 40      | 39      | 38      |

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratio "Recommendations and Financial Ratios 2015". For definitions, see under accounting policies.

## **Management's review**

### **Principal activity**

The Company's activities consist of sale and mounting of machines and plant mainly for the food and beverage industry. Production is located in the parent company.

### **Development in activities and financial position**

Revenue for the year amounted to DKK 119,760 thousand against DKK 122,020 thousand last year. Profit for the year amounted to DKK 11,421 thousand against DKK 10,305 thousand last year. This development should be compared with the Company's expectations as stated in the financial statement for 2014 of revenue for 2015 of 110-120 million.

Management considers the results for the year satisfactory.

### **Environmental issues**

The Krones AG Group is environmentally conscious and is continuously working to reduce the environmental impact of the Company's operations.

The Group has implemented an eco-management system in compliance with EMAS, which is the Community Eco-Management and Audit Scheme. In that connection, an environmental company policy was drafted to commit the Group to continuous environmental improvements.

In the financial year, the ongoing environmental effort produced results when two chemicals previously used in the Company's plant, primarily for products for the food and beverage industry, were phased out and replaced by new-found alternatives. This has positive effects on both the working environment and the external environment.

### **Outlook**

Management expects revenue of DKK 110-120 million for 2016 while profit for the year is expected to be DKK 9-10 million.

### **Research and development activities**

The Company has no significant research and development activities as research and development are performed by the parent company abroad.

### **Particular risk**

The Company has no unusual risks. Large parts of the Company's purchase and sale are performed in EUR.

### **Currency risk**

The Company's transactions are primarily settled in DKK and EUR where the foreign exchange risks are assessed to be low.



## **Management's review**

### **Significant events after the balance sheet date**

No significant events have occurred after the balance sheet date that may significantly affect the financial position of the Company.

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

### **Accounting policies**

The annual report of Krones Nordic ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from previous years.

In accordance with Section 86 of the Danish Financial Statements Act, no cash flow statement has been prepared as the parent company prepares a cash flow statement in which the cash flows of the company are included.

### **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 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 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.

## **Income Statement**

### **Revenue**

Income from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties.

Revenue is measured at fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All forms of discounts granted are included in revenue.

### **Cost of goods sold**

Cost of goods sold comprises costs incurred in generating the revenue for the year, including direct costs for finished goods.

### **Other external costs**

Other external costs comprise expenses for distribution, sales, advertising, administration, premises, loss on bad debt, operating lease, etc.

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

### **Accounting policies**

#### **Staff costs**

Staff costs comprise salaries and wages, including holiday pay and pension contributions and other social security costs, etc., relating to the Company's employees. Staff costs are less government refunds received.

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

Financial income and expenses comprise interest income and expense, realised and unrealised gains and losses in respect of transactions denominated in foreign currencies, as well as surcharges and refunds under the on-account tax scheme, etc.

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

Tax for the year comprises current tax and changes in deferred tax for the year including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### **Balance Sheet**

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

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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

|  |     |       |
|--|-----|-------|
| Leasehold improvements                     | 3-5 | years |
| Fixtures and fittings, tools and equipment | 3-5 | years |

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised as other operating income or other operating costs, respectively.

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

### **Accounting policies**

#### **Inventories**

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

#### **Receivables**

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made.

#### **Prepayments**

Prepayments comprise costs incurred in relation to subsequent financial years.

#### **Equity**

#### **Dividend**

Proposed dividend is shown as a specific equity item. Dividend is included as an obligation on the time of adoption at the annual general meeting.

#### **Deferred tax assets and liabilities**

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

Deferred tax is measured using the balance sheet liability method in respect of temporary differences arising between carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax is measured on the basis of the tax rules and tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement. For the current year the current tax rate are 23.5 %.

## Financial statements 1 January - 31 December

### Accounting policies

#### Liabilities

Other liabilities are measured at net realisable value.

#### Financial ratios

The financial ratios have been calculated as follows.

Profit margin  $\text{Profit before financials} \times 100 / \text{Revenue}$

Return on invested capital  $\text{EBITA} \times 100 / (\text{Working Capital} + \text{Fixed Assets})$

Solvency ratio  $\text{Equity at year end} \times 100 / \text{Total assets}$

Return on equity  $\text{Net profit for the year} \times 100 / \text{Average equity}$

## Financial statements 1 January - 31 December

### Income statement

|   | <u>Note</u> | <u>2015</u><br>DKK | <u>2014</u><br>DKK'000 |
|---|-------------|--------------------|------------------------|
| <b>Revenue</b>  |             | <b>119.759.798</b> | <b>122.022</b>         |
| Cost of goods sold                                      |             | -66.668.836        | -71.650                |
| Other external costs                                    |             | -13.871.614        | -13.802                |
| <b>Gross profit</b>                                     |             | <b>39.219.348</b>  | <b>36.570</b>          |
| Staff costs   | 1           | -24.762.503        | -23.666                |
| Depreciation  |             | -183.233           | -272                   |
| <b>Profit/loss before financial income and expenses</b> |             | <b>14.273.612</b>  | <b>12.632</b>          |
| Financial income  | 2           | 682.240            | 1.053                  |
| Financial costs   |             | -5.935             | -15                    |
| <b>Profit before tax</b>                                |             | <b>14.949.917</b>  | <b>13.670</b>          |
| Tax on profit for the year                              | 3           | -3.529.214         | -3.365                 |
| <b>Profit for the year</b>                              |             | <b>11.420.703</b>  | <b>10.305</b>          |
| <b>Proposed profit appropriation</b>                    |             |                    |                        |
| Proposed dividend for the year                          |             | 10.000.000         | 10.000                 |
| Retained earnings                                       |             | 1.420.703          | 305                    |
|   |             | <b>11.420.703</b>  | <b>10.305</b>          |

## Financial statements 1 January - 31 December

### Balance sheet

|  | <u>Note</u> | <u>2015</u><br>DKK        | <u>2014</u><br>DKK'000 |
|--|-------------|---------------------------|------------------------|
| <b>Assets</b>                              |             |                           |                        |
| Fixtures and fittings, tools and equipment |             | 200.493                   | 456                    |
| Leasehold improvements                     |             | 54.361                    | 140                    |
| <b>Property, plant and equipment</b>       | 4           | <u>254.854</u>            | <u>596</u>             |
| <b>Total non-current assets</b>            |             | <u>254.854</u>            | <u>596</u>             |
| Finished goods and goods for resale        |             | 154.009                   | 177                    |
| <b>Inventories</b>                         |             | <u>154.009</u>            | <u>177</u>             |
| Trade receivables                          |             | 26.993.717                | 23.139                 |
| Receivables from group enterprises         | 5           | 98.019.681                | 124.145                |
| Other receivables                          |             | 655.858                   | 741                    |
| Deferred tax asset                         |             | 18.105                    | 8                      |
| Prepayments                                | 6           | 29.648.897                | 10.708                 |
| <b>Receivables</b>                         |             | <u>155.336.258</u>        | <u>158.741</u>         |
| <b>Cash at bank and in hand</b>            |             | <u>27.337.307</u>         | <u>22.286</u>          |
| <b>Total current assets</b>                |             | <u>182.827.574</u>        | <u>181.204</u>         |
| <b>Total assets</b>                        |             | <u><u>183.082.428</u></u> | <u><u>181.800</u></u>  |

## Financial statements 1 January - 31 December

### Balance sheet

|   | <u>Note</u> | <u>2015</u><br>DKK               | <u>2014</u><br>DKK'000       |
|---|-------------|----------------------------------|------------------------------|
| <b>Equity and liabilities</b>                           |             |                                  |                              |
| Share capital   |             | 314.800                          | 315                          |
| Reserves in accordance with the articles of association |             | 1.600.000                        | 1.600                        |
| Retained earnings                                       |             | 135.824.774                      | 134.404                      |
| Proposed dividend for the year                          |             | 10.000.000                       | 10.000                       |
| <b>Total equity</b>                                     | 7           | <u><b>147.739.574</b></u>        | <u><b>146.319</b></u>        |
| Prepayments received from customers                     |             | 24.918.899                       | 4.530                        |
| Trade payables  |             | 1.550.460                        | 1.213                        |
| Debt to group enterprises                               |             | 2.694.173                        | 20.790                       |
| Corporation tax   |             | 60.685                           | 115                          |
| Other payables  |             | 6.118.637                        | 8.833                        |
| <b>Current liabilities other than provisions</b>        |             | <u><b>35.342.854</b></u>         | <u><b>35.481</b></u>         |
| <b>Total liabilities other than provisions</b>          |             | <u><b>35.342.854</b></u>         | <u><b>35.481</b></u>         |
| <b>Total equity and liabilities</b>                     |             | <u><u><b>183.082.428</b></u></u> | <u><u><b>181.800</b></u></u> |
| Contractual obligations and contingencies, etc.         | 8           |                                  |                              |



## Financial statements 1 January - 31 December

### Statement of changes in equity

|                                       | Share<br>capital | Reserves in<br>accordance<br>with the<br>articles of<br>association | Retained<br>earnings | Proposed<br>dividend<br>for the year | Total              |
|---------------------------------------|------------------|---|----------------------|--------------------------------------|--------------------|
|                                       | DKK              | DKK   | DKK                  | DKK                                  | DKK                |
| Equity at 1 January 2015              | 314.800          | 1.600.000   | 134.404.071          | 10.000.000                           | 146.318.871        |
| Dividend paid                         | 0                | 0   | 0                    | -10.000.000                          | -10.000.000        |
| Transferred, cf. profit appropriation | 0                | 0   | 1.420.703            | 10.000.000                           | 11.420.703         |
| <b>Equity at 31 December 2015</b>     | <b>314.800</b>   | <b>1.600.000</b>  | <b>135.824.774</b>   | <b>10.000.000</b>                    | <b>147.739.574</b> |

## Financial statements 1 January - 31 December

### Notes

|  | <u>2015</u><br>DKK       | <u>2014</u><br>DKK'000 |
|--|--------------------------|------------------------|
| <b>1 Staff costs</b>   |                          |                        |
| Wages and salaries   | 22.941.601               | 21.649                 |
| Pensions   | 1.764.368                | 1.497                  |
| Other social security costs  | <u>56.534</u>            | <u>520</u>             |
|  | <u><b>24.762.503</b></u> | <u><b>23.666</b></u>   |
| <br>   |                          |                        |
| Average number of employees  | <u>39</u>                | <u>37</u>              |
| <br>   |                          |                        |
| According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed. |                          |                        |
| <br>   |                          |                        |
| <b>2 Financial income</b>  |                          |                        |
| Interest income, group enterprises   | 680.095                  | 1.053                  |
| Other interest income, foreign exchange gains and similar income   | <u>2.145</u>             | <u>0</u>               |
|  | <u><b>682.240</b></u>    | <u><b>1.053</b></u>    |
| <br>   |                          |                        |
| <b>3 Tax on profit for the year</b>  |                          |                        |
| Current tax for the year   | 3.536.685                | 3.407                  |
| Adjustment of deferred tax for the year  | -10.390                  | -43                    |
| Adjustment of tax in respect of previous years   | <u>2.919</u>             | <u>1</u>               |
|  | <u><b>3.529.214</b></u>  | <u><b>3.365</b></u>    |

## Financial statements 1 January - 31 December

### Notes

#### 4 Property, plant and equipment

|  | Fixtures and<br>fittings, tools<br>and equipment | Leasehold<br>improvements | Total                 |
|--|--|---------------------------|-----------------------|
|  | DKK  | DKK                       | DKK                   |
| Cost at 1 January 2015                     | 3.997.264  | 1.277.237                 | 5.274.501             |
| Additions for the year                     | 149.158  | 0                         | 149.158               |
| Disposals                                  | -855.720   | 0                         | -855.720              |
| Cost at 31 December 2015                   | <u>3.290.702</u>                                 | <u>1.277.237</u>          | <u>4.567.939</u>      |
| Depreciation at 1 January 2015             | 3.540.834  | 1.136.572                 | 4.677.406             |
| Depreciation                               | 96.929   | 86.304                    | 183.233               |
| Disposals                                  | -547.554   | 0                         | -547.554              |
| Depreciation at 31 December 2015           | <u>3.090.209</u>                                 | <u>1.222.876</u>          | <u>4.313.085</u>      |
| <b>Carrying amount at 31 December 2015</b> | <b><u>200.493</u></b>                            | <b><u>54.361</u></b>      | <b><u>254.854</u></b> |

|   | 2015              | 2014           |
|---|-------------------|----------------|
|   | DKK               | DKK'000        |
| <b>5 Receivables from group enterprises</b> |                   |                |
| Deposit, group cash pool scheme             | 68.688.340        | 95.891         |
| Receivables from intra-group transactions   | 29.331.343        | 28.254         |
|   | <u>98.019.681</u> | <u>124.145</u> |

#### 6 Prepayments

Prepayments comprise prepaid expenses regarding rent and cost of goods.

#### 7 Equity

The share capital consists of 3,148 shares of a nominal value of DKK 100. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

## Financial statements 1 January - 31 December

### Notes

#### **8 Contractual obligations and contingencies, etc.**

The Company has entered into operating leases with residual lease payments totalling DKK 1,910 thousand. (2014: DKK 2,434 thousand).

Lease obligations (operating leases) falling due within one year total DKK 9,222 thousand (2014: DKK 1,022 thousand).

Further, the Company has an obligation of DKK 5,240 thousand in relation to rental contract. (2014: DKK 8,779 thousand)