

Ammeraal Beltech Danmark A/S

Hjulgagervej 21
7100 Vejle
Denmark

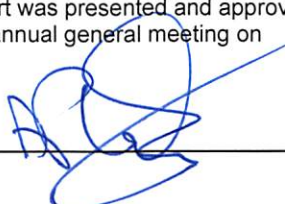
CVR no. 31 17 21 60

Annual report 2016

The annual report was presented and approved at
the Company's annual general meeting on

29 May 2017

chairman

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, is written over a horizontal line.

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ammeraal Beltech Danmark A/S for the financial year 1 January – 31 December 2016.

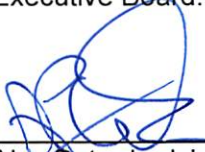
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Vejle, 29 May 2017
Executive Board:



Alex Peter Ludvigsen

Board of Directors:



Miranda Diana Boon
Chairman

Prakash
Krishnaswamy Iyengar

Bo Ensted Danielsen



Independent auditor's report

To the shareholders of Ammeraal Beltech Danmark A/S

Opinion

We have audited the financial statements of Ammeraal Beltech Danmark A/S for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibility for the financial statements

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

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



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.



Independent auditor's report

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Kolding, 29 May 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Nikolaj Møller Hansen
State Authorised
Public Accountant

Ammeraal Beltech Danmark A/S
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CVR no. 31 17 21 60

Management's review

Company details

Ammeraal Beltech Danmark A/S
Hjulgagervej 21
7100 Vejle
Denmark

CVR no.: 31 17 21 60
Financial year: 1 January – 31 December

Board of Directors

Miranda Diana Boon, Chairman
Prakash Krishnaswamy Iyengar
Bo Ensted Danielsen

Executive Board

Alex Peter Ludvigsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Jupitervej 4, st.
6000 Kolding
Denmark

Management's review

Operating review

Principal activities

The Company's main activity is to be a holding company and hold shares in Ammeraal Beltech Modular A/S.

Profit/loss for the year (including comparison with forecasts previously announced)

The income statement for 2016 shows a profit of DKK 28,570 thousand against a profit of DKK 20,317 thousand last year, and the balance sheet at 31 December 2016 shows equity of DKK 90,742 thousand.

Events after the balance sheet date

No significant events have occurred subsequent to the financial year.

Outlook

Interest in the subsidiary Ammeraal Beltech Modular A/S' products is expected to grow. Based on this, the Company's earnings for 2017 is expected to increase.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2016	2015
Gross profit/loss		-42	-65
Operating profit/loss		-42	-65
Financial income from group entities		35,742	25,903
Other financial income	2	463	2,344
Other financial expenses	3	-9,616	-9,581
Profit before tax		26,547	18,601
Tax on profit for the year		2,023	1,716
Profit for the year		28,570	20,317

Proposed profit appropriation

Proposed dividends for the financial year	61,000	0
Retained earnings	-32,430	20,317
	28,570	20,317

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Fixed assets			
Investments	4		
Equity investments in group entities		216,023	179,878
		<u>216,023</u>	<u>179,878</u>
Total fixed assets		<u>216,023</u>	<u>179,878</u>
Current assets			
Receivables			
Receivables from group entities		0	7,343
Corporation tax		2,004	1,332
		<u>2,004</u>	<u>8,675</u>
Total current assets		<u>2,004</u>	<u>8,675</u>
TOTAL ASSETS		<u>218,027</u>	<u>188,553</u>
EQUITY AND LIABILITIES			
Equity	5		
Share capital		600	600
Retained earnings		90,142	61,169
Total equity		<u>90,742</u>	<u>61,769</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Payables to group entities		126,895	126,725
Other payables		390	59
		<u>127,285</u>	<u>126,784</u>
Total liabilities other than provisions		<u>127,285</u>	<u>126,784</u>
TOTAL EQUITY AND LIABILITIES		<u>218,027</u>	<u>188,553</u>

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 January 2016	600	61,169	0	61,769
Foreign exchange adjustment, foreign subsidiary	0	403	0	403
Transferred over the profit appropriation	0	-32,430	61,000	28,570
Equity at 31 December 2016	600	29,142	61,000	90,742

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Ammeraal Beltech Danmark A/S for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act. Selected rules applying to reporting class c enterprises have been selected.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- The changes have no monetary effect on the income statement or the balance sheet for 2015 or for the comparative figures. The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Ammeraal Beltech Holding B. V.

Consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Ammeraal Beltech Danmark A/S and group entities are included in the consolidated financial statements of Ammeraal Beltech Holding B. V.

Reporting currency

The financial statements are presented in Danish kroner.

Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill and other excess values at the time of acquisition.

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.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Receivables, 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.

Upon recognition of foreign subsidiaries and associates that are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Upon recognition of foreign subsidiaries that are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

Income statement

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Other external costs

Other external costs comprise administration, office premises, etc.

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, 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

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. The maximum amortisation period is between 5 and 25 years and longest for strategically acquired entities with a strong market position and long-term earnings profile. The expected useful lives are as follows:

Goodwill	10 years
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Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Equity investments in group entities

Equity investments in group entities are measured at the proportionate share of the entities' net asset value calculated in accordance with the parent company's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by an amount equivalent to the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised as provisions.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Net revaluation of equity investments in group entities is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost. Dividends from group entities expected to be adopted in the group entities prior to the approval of the Company's annual report, are not tied up in the revaluation reserve.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an 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 assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast 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.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred 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 based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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 as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Income from equity investments in group entities and associates

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

The proportionate share of the individual associates' profit/loss after tax is recognised in the Group's and the Parent Company's income statements after elimination of a proportionate share of intra-group gains/losses and amortisation of goodwill.

Equity investments in group entities

Equity investments in group entities are measured at fair value. If the fair value cannot be determined reliably, equity investments in group entities are recognised at cost. If cost exceeds the net realisable value, write-down is made to this lower value.

Financial statements 1 January – 31 December

Notes

DKK'000	2016	2015
2 Other financial income		
Interest income from group entities	0	2,344
Foreign exchange gains	463	0
	<u>463</u>	<u>2,344</u>
3 Other financial expenses		
Interest expense to group entities	9,616	9,249
Foreign exchange losses	0	332
	<u>9,616</u>	<u>9,581</u>
4 Investments		
DKK'000		Equity investments in group entities
Cost at 1 January 2016		<u>466,850</u>
Cost at 31 December 2016		466,850
Impairment losses at 1 January 2016		<u>-286,972</u>
Share of the profit for the year		46,662
Exchange adjustment		403
Goodwill amortisation, investments		<u>-10,920</u>
Impairment losses at 31 December 2016		<u>-250,827</u>
Carrying amount at 31 December 2016		<u>216,023</u>

Remaining goodwill included in the above carrying amount at 31 December 2016 totals DKK 8,426 thousand.

Name/legal form	Registered office	Equity interest
Subsidiaries:		
Ammeraal Beltech Modular A/S	Vejle	100%

5 Equity

The share capital consists of 600 tdk. shares.

All shares rank equally.

Financial statements 1 January – 31 December

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6 Mortgages and collateral

The Company is part of a financing agreement entered into by the Group. As collateral for the Group's financing agreement, the Company has issued a company charge to Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A secured upon the Company's group receivables and shares.

7 Contractual obligations, contingencies, etc.

Contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

8 Related party disclosures

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

Control

Ammeraal Beltech Holding B.V., Comeniusstraat 8, 1817 MS, Alkmaar, The Netherlands.

Ammeraal Beltech Holding B.V. holds the majority of the share capital in the Company

Ammeraal Beltech Danmark A/S is part of the consolidated financial statements of Ammeraal Beltech Holding B.V., Comeniusstraat 8, 1817 MS, Alkmaar, The Netherlands., which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Ammeraal Beltech Holding B.V. can be obtained from the Company.

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Ownership

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

Ammeraal Beltech Holding B.V., Comeniusstraat 8, 1817 MS, Alkmaar, The Netherlands.