

LEMKEN SKANDINAVIEN APS

Munkehatten 1B, 5220 Odense SØ
CVR no. 33 95 29 02

Annual report for 2016

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 20.02.17

Eppo Anthony van der Ley
Dirigent

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The company

LEMKEN SKANDINAVIEN APS
Munkehatten 1B
5220 Odense SØ
Danmark
Registered office: Odense
CVR no.: 33 95 29 02
Financial year: 01.01 - 31.12

Executive Board

Geoffery Dirk Weisner
Eppo Athony van der Ley

Auditors

RSM Beierholm
Statsautoriseret Revisionspartnerselskab

Parent company

LEMKEN Landtechnik GmbH, Tyskland

Statement of the Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.16 - 31.12.16 for LEMKEN SKANDINAVIEN APS.

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

In our opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.16 and of the results of the the company's activities for the financial year 01.01.16 - 31.12.16.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Alpen, January 27, 2017

Executive Board

Geoffery Dirk Weisner

Eppo Athony van der Ley

To the Shareholder of LEMKEN SKANDINAVIEN APS**Opinion**

We have audited the financial statements of LEMKEN SKANDINAVIEN APS for the financial year 01.01.16 - 31.12.16, which comprise the income statement, balance sheet, statement of changes in equity and notes, inclusive of accounting policies. The financial statements are prepared in accordance with 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 31.12.16 and of the results of the company's operations for the financial year 01.01.16 - 31.12.16 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing 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 opinion.

Statement regarding the 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 during 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, we conclude that management's review is in

accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not identify any material misstatement of management's review.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 International Standards on Auditing 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 International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- 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.

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.

Odense, January 27, 2017

RSM Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Henrik Welinder
State Authorized Public Accountant

Primary activities

The company's objective is the intermediate sale of agricultural machinery and -items. The company shall be entitled to carry on all business which is intended directly or indirectly to serve the corporate purpose or to promote the development of the company. The company may participate in or establish other companies within Denmark and abroad which pursue the same of similiar business purpose.

Development in activities and financial affairs

The income statement for the period 01.01.16 - 31.12.16 shows a profit/loss of DKK 753,248 against DKK 1,008,597 for the period 01.01.15 - 31.12.15. The balance sheet shows equity of DKK 2,206,738.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2016 DKK	2015 DKK
	Gross profit	2.246.537	2.609.556
1	Staff costs	-1.257.265	-1.264.685
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	989.272	1.344.871
	Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment	-7.493	-7.493
	Profit/loss before net financials	981.779	1.337.378
	Financial income	218	16
2	Financial expenses	-16.303	-17.109
	Profit/loss before tax	965.694	1.320.285
3	Tax on profit or loss for the year	-212.446	-311.688
	Profit/loss for the year	753.248	1.008.597
Proposed appropriation account			
	Extraordinary dividend for the financial year	1.862.500	0
	Proposed dividend for the financial year	1.000.000	0
	Retained earnings	-2.109.252	1.008.597
	Total	753.248	1.008.597

Balance sheet

ASSETS		31.12.16	31.12.15
Note		DKK	DKK
	Other fixtures and fittings, tools and equipment	6.837	14.330
4	Total property, plant and equipment	6.837	14.330
	Total non-current assets	6.837	14.330
	Receivables from group enterprises	116.723	390.763
	Income tax receivable	0	283.591
	Other receivables	183.914	80.809
	Prepayments	49.515	94.730
	Total receivables	350.152	849.893
	Cash	2.618.998	3.012.513
	Total current assets	2.969.150	3.862.406
	Total assets	2.975.987	3.876.736

EQUITY AND LIABILITIES

Note	31.12.16 DKK	31.12.15 DKK
Contributed capital	80.000	80.000
Retained earnings	1.126.738	3.235.990
Proposed dividend for the financial year	1.000.000	0
Total equity	2.206.738	3.315.990
Provisions for deferred tax	1.504	368
Total provisions	1.504	368
Payables to other credit institutions	36.033	12.612
Trade payables	480.010	321.429
Income taxes	27.310	0
Other payables	224.392	226.337
Total short-term payables	767.745	560.378
Total payables	767.745	560.378
Total equity and liabilities	2.975.987	3.876.736

⁵ Contingent liabilities

⁷ Related parties

Statement of changes in equity

Figures in DKK	Contributed capital	Retained dividend for the earnings	Proposed financial year
01.01.16 - 31.12.16			
Balance pr. 01.01.16	80.000	3.235.990	0
Extraordinary dividend paid	0	-1.862.500	0
Net profit/loss for the year	0	-246.752	1.000.000
Balance as at 31.12.16	80.000	1.126.738	1.000.000

	2016 DKK	2015 DKK
1. Staff costs		
Wages and salaries	1.120.337	1.102.948
Pensions	82.408	108.562
Other social security costs	10.750	16.279
Other staff costs	43.770	36.896
Total	1.257.265	1.264.685
Average number of employees during the year	2	2

2. Financial expenses

Other interest expenses	160	1.371
Other financial expenses	16.143	15.738
Total	16.303	17.109

3. Tax on profit or loss for the year

Current tax for the year	211.310	312.409
Adjustment of deferred tax for the year	1.136	-721
Total	212.446	311.688

4. Property, plant and equipment

Figures in DKK	Other fixtures and fittings, tools and equipment
Cost pr. 01.01.16	22.500
Cost as at 31.12.16	22.500
Depreciation and impairment losses pr. 01.01.16	-8.170
Depreciation during the year	-7.493
Depreciation and impairment losses as at 31.12.16	-15.663
Carrying amount as at 31.12.16	6.837

5. Eventualforpligtelser

Lease obligations within 12 month. Total future lease payments t.DKK 171.

Lease obligations, yearly rent t.DKK 108, period of non-terminability 6 months.

6. Pledges and guarantees

The company has not provided any other security over assets.

7. Related parties

Controlling influence:	Basis of influence
LEMKEN Landtechnik GmbH, Tyskland	ownership 100 %

The company is included in the consolidated financial statements of the parent LEMKEN Beteiligungs GmbH, Tyskland.

The Group Annual Report of LEMKEN Beteiligungs GmbH may be obtained at the following adress:

LEMKEN GmbH & Co KG
 Weseler Str. 5
 46519 Alpen
 Germany

8. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

8. Accounting policies - continued -**LEASES**

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

INCOME STATEMENT**Gross profit**

Gross profit comprises revenue and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised as delivery takes place. Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises, bad debts to the extent that these do not exceed normal write-downs, and operating lease expenses.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

8. Accounting policies - continued -**Depreciation, amortisation and impairment losses**

The amortisation and depreciation of property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated/amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful life, year	Residual value, per cent
Other plant, fixtures and fittings, tools and equipment	3	0

The basis of depreciation/amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation/amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET**Property, plant and equipment**

Property, plant and equipment comprise other fixtures and fittings, tools and equipment

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until

8. Accounting policies - continued -

the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

Current and deferred tax

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

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for

8. Accounting policies - continued -

tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.