Geh Invest ApS

c/o Gram Equipment A/S
Aage Grams Vej 1, 6500 Vojens

CVR no. 34 48 09 82

Annual report 2016

Approved at the annual general meeting of shareholders on 16 May 2017

Chairman:

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Building a better
working world

Contents

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 Geh Invest ApS for the financial year 1 January - 31 December 2016.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2016 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2016.

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

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

Vojens, 16 May 2017
Executive Board:

Lasse Viegand Hansen

Jens N. Andersen

Board of Directors:

Bror Halvar Johannes Jonzon
Chairman

Christian Bruno Cordsen Nielsen

Niels Lykke Graugaard

Neil Edwin White

Tomas Håkan Therén

Independent auditors' report

To the shareholders of Geh Invest ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Geh Invest ApS for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity, consolidated cash flow statement and notes, including a summary of significant accounting policies, for both the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2016, and of the results of the Group and parent Company operations as well as the consolidated cash flows 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 consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group 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 responsibilities for the consolidated financial statements and the parent company financial statements

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company financial statements.

Independent auditors' report

As part of an audit conducted in accordance with ISAs 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 consolidated financial statements and the parent 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group's and the Parent 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 consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditors' report

Statement on Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 consolidated financial statements and the parent company 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, 16 May 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Kronborg Iversen
State Authorised Public Accountant

Michael Vakker Maass
State Authorised Public Accountant

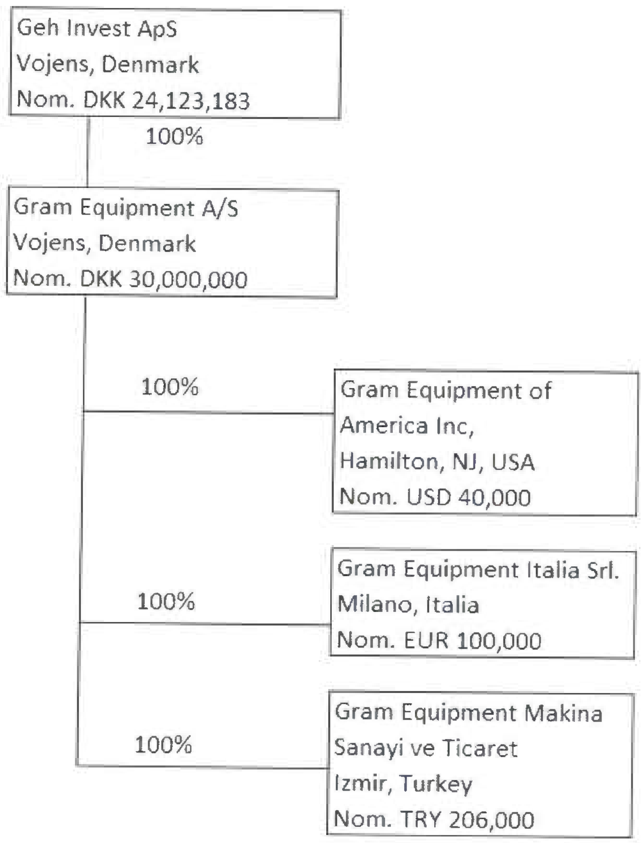
Management's review

Company details

Name	Geh Invest ApS
Address, Postal code, City	c/o Gram Equipment A/S Aage Grams Vej 1, 6500 Vojens
CVR no.	34 48 09 82
Established	13 April 2012
Registered office	Haderslev
Financial year	1 January - 31 December
Website	www.gram-equipment.com
E-mail	info@gram-equipment.com
Telephone	+45 73 20 17 00
Board of Directors	Bror Halvar Johannes Jonzon, Chairman Christian Bruno Cordsen Nielsen Niels Lykke Graugaard Neil Edwin White Tomas Håkan Therén
Executive Board	Lasse Viegand Hansen Jens N. Andersen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Kolding Åpark 1, 3. sal, 6000 Kolding, Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

DKKm	2016 12 months	2015 12 months	2014 12 months	2013 12 months	2012 (13/4 - 31/12)
Key figures					
Revenue	649	545	385	336	276
Gross profit	250	225	145	136	46
Profit/loss before net financials	30	9	0	7	16
Net financials	-12	-8	-2	-3	0
Profit/loss for the year	12	-3	-3	0	10
Total assets	679	669	601	281	349
Equity	247	226	191	134	134
Investment in property, plant and equipment	-4	-10	-4	-1	0
Total cash flows	-15	0	-27	-43	-12
Financial ratios					
Operating margin	4.6%	1.7%	0.0%	2.1 %	5.8 %
Gross margin	38.5%	41.3%	37.7%	40.5%	16.7%
Solvency ratio	36.4%	33.8%	31.8%	47.7%	38.4%
Return on equity	4.9%	-1.2%	-1.8%	0.0%	7.8%
Average number of employees	346	312	331	194	183

Management's review

Management commentary

Business review

The GEH Invest A/S Group is an engineering organisation with design, installation and sale of equipment and production lines to the ice cream industry.

The Company's main activity is the holding of ownership interest in Gram Equipment A/S.

The mission of the Group is sale of machinery and service to the ice cream industry. The products are sold worldwide directly to the industry through its own sales and service organisation and also through a network of agents.

The strategy is based on dynamic and continuous innovation of equipment for large and small ice cream producers, with the emphasis on quality, efficiency and service so that the Group continuously can maintain its market position as one of the world's leading producers with a wide product range

Recognition and measurement uncertainties

The Group sells its products and services on the global market and invoices predominantly in EUR and USD.

The policy of the Group for undertaking credit risks requires individual assessment of the creditworthiness of all major customers and other collaborators. All sales orders, where a certain credit risk is expected, are covered through letters of credit, prepayments and/or other security.

Financial review

Profit before tax amounts to DKK 11,301 thousand for the parent company and DKK 17,833 thousand for the Group. Profit after tax amounts to DKK 11,569 thousand. Profit for the year is in line with managements expectation.

An increasing part of the Company's customer contracts are at an individually larger volume and to a higher degree fulfilling the characteristics of work in progress for third parties (construction contracts). To ensure continuous revenue recognition, percentage of completion has been applied to these large projects.

The Group has an increased focus on sharpening the updating of the product portfolio to meet customer requirements. During 2016, the Group has developed both customer-specific solutions as well as standardised products. These projects are expected to contribute to a positive profit in 2017 and going forward.

During 2016, the Group's devision in the USA has consolidated its operations in a new American headquarter in Hamilton, NJ. Other locations in the United States will be closed down in the 2nd quarter of 2017 at the latest. In Denmark, a similar relocation is planned for 2017, where operations in Aarhus and Vojens will consolidate in the future headquarter in Kolding.

The realised relocations in the United States and the planned relocation in Denmark will contribute to a further positive development of profitability in 2017.

Management's review

Management commentary

Knowledge resources

The strategy of the Group is to utilize own staff in technical sales, design, purchase and assembly, with a solid technical background to cover the needs of the market.

In-house training with specialisation in the various machine groups is essential for quality work and service. Technical competence is the key to maintain a strong market position.

In peak situations, the staff is expanded by persons hired on fixed-term arrangements.

Impact on the external environment

The activity of the Company relates to design, assembly, installation and sale of equipment for the ice cream industry. Therefore, we are working continuously with our customers on reducing the environmental impact.

Research and development activities

New technology is used in developing new equipment. The Group uses the most updated PLC and programming technology, which is continuously developed.

Statutory CSR report

The Group takes social and environmental responsibility seriously. The Company has been certified as a Responsible Business Partner by Green Network in December 2016, demonstrating a systematic approach towards the work with CSR in the 4 areas; Environment, Employment, Economy and Ethics. Furthermore, the Group joined Sedex and was certified according to the URSA standard in January 2017, after being audited in December 2016.

Human Rights and Business Ethics

The Group is committed to respecting human rights, and has developed policies and procedures to guide employees, suppliers, partners and local communities. Furthermore, the Group has developed a Supplier Code of Conduct (CoC), which is based on the eight core conventions of the ILO, and the ten principles of the UN Global Compact. The Company's employees are trained in applying the CoC, and suppliers are expected to demonstrate their commitment to the CoC by signing and implementing this accordingly. As a part of the Company's increased focus on CSR, the CoC was revised in November 2016.

The Group recognises responsibility in respecting human rights, but also acknowledges the role in providing remediation, if the Group's business does lead to human rights violations. As part of the Group's aim of respecting human rights, a dedicated e-mail address has been created, to which business partners are encouraged to report any breaches of human rights including, among others, child labour and unsafe working conditions.

The Group is not aware of any human rights violations or any breach or of the CoC in 2016.

Climate and Environment

The Group is aware of the impact that the business has on the climate and the environment, and has introduced policies and initiatives in 2016, with the aim of making the production more sustainable and minimizing the environmental impact of the Group.

The Group wishes to keep the CO2 emissions to a minimum, and has therefore chosen only to transport machines from facilities to clients by truck or cargo ship in 2016. Suppliers are also encouraged to reduce energy consumption and greenhouse gas emission in their production. As a result, the relative fuel consumption has decreased in 2016 compared to 2015. The aim of the Company is to further monitor fuel consumption, energy usage and CO2 emissions in 2017.

Management's review

Management commentary

Furthermore, in 2016, the Group increased focus on sustainable waste management at the production facilities as well as in the office spaces, both in order to reduce waste, and to increase recycling. As this policy was only implemented in 2016, there are no results available for this area yet.

Apart from an increased focus on waste sorting, the Group also became a member of Reefood, who collect their food waste with the aim of using it as manure at surrounding farms.

Account of the gender composition of Management

It is company policy that the composition of the Board of Directors reflects the candidates best qualified, taking into consideration the managerial needs of the Group. It is a stated objective of the Company that the Board of Directors is represented by at least one of each gender no later than in 2018. The Group did not meet this objective in 2016 despite replacements in the Board of Directors. Currently, the Board of Directors consists of 7 members, all of which are male.

It is company policy that management positions are taken up by the best qualified candidates, and that the Group in connection with the filling of positions strives for a gender balance among the candidates. The Group therefore always considers attempt to consider at least one of each gender to each managerial position. The share of female managers has improved compared to the share at the end of 2015.

Events after the balance sheet date

No significant events have occurred subsequent to the financial year.

Outlook

The Management expects a continuously strong competition in the global market for ice cream machinery.

It is expected that the global market for ice cream machinery will show a moderate growth in 2017. However, Management expects to pursue growth pockets and foresees further growth in the individual market areas and market segments.

The Group continuously evaluates its competitive capacity in the complete range of machinery and will continuously make the necessary initiatives to be able to offer a high technology and qualitative product portfolio and also competitive prices on the market. Initiatives for this are continuously anchored, aiming at securing a satisfactory business development also in 2017 and onwards.

Management expects an increase in revenue and profits in 2017.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	Group 2016	Group 2015	Parent company 2016	Parent company 2015
2	**Revenue**	649,316	545,174	0	0
	Cost of sales	-305,344	-228,863	0	0
	Other external expenses	-93,626	-91,728	-1,192	-943
	Gross profit	250,346	224,583	-1,192	-943
3	Staff costs	-201,007	-198,206	0	0
6, 7	Amortisation/depreciation and impairment	-19,090	-16,976	0	0
	Profit/loss before net financials	30,249	9,401	-1,192	-943
	Income from investments in group enterprises	0	0	12,518	-1,637
4	Financial income	20,218	28,129	21	0
5	Financial expenses	-32,634	-36,270	-46	-229
	Profit/loss before tax	17,833	1,260	11,301	-2,809
	Tax for the year	-6,264	-3,811	268	258
	Profit/loss for the year	11,569	-2,551	11,569	-2,551
	Proposed profit appropriation/distribution of loss				
	Net revaluation reserve according to the equity method			13,334	0
	Retained earnings/accumulated loss			-1,765	-2,551
				11,569	-2,551

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	DKK'000	2016	2015	2016	2015
	ASSETS				
	Fixed assets				
6	**Intangible assets**				
	Acquired intangible assets	0	24	0	0
	Goodwill	195,086	204,772	0	0
	Development projects in progress and prepayments for intangible assets	23,520	12,747	0	0
		218,606	217,543	0	0
7	**Property, plant and equipment**				
	Plant and machinery	14,880	14,402	0	0
	Fixtures and fittings, other plant and equipment	1,203	1,295	0	0
	Leasehold improvements	338	144	0	0
		16,421	15,841	0	0
8	**Investments**				
	Investments in group enterprises	0	0	253,571	231,136
	Receivables from group enterprises	115,940	99,413	0	0
	Other receivables	1,251	1,201	0	0
		117,191	100,614	253,571	231,136
	Total fixed assets	352,218	333,998	253,571	231,136
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	24,026	22,623	0	0
	Work in progress	53,382	69,918	0	0
	Finished goods and goods for resale	67,271	92,181	0	0
	Prepayments for goods	3,293	594	0	0
		147,972	185,316	0	0
	to be carried forward	147,972	185,316	0	0

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Balance sheet (continued)

Note	DKK'000	Group 2016	Group 2015	Parent company 2016	Parent company 2015
	brought forward	147,972	185,316	0	0
	Receivables				
	Trade receivables	119,322	97,252	0	0
	Work in progress for third parties	22,352	0	0	0
	Deferred tax assets	0	0	525	258
	Corporation tax receivable	0	11,301	0	4,467
	Other receivables	3,697	11,830	0	0
	Prepayments	2,930	2,042	0	0
		148,301	122,425	525	4,725
	Cash at bank and in hand	30,306	27,102	0	0
	Total non-fixed assets	326,579	334,843	525	4,725
	TOTAL ASSETS	678,797	668,841	254,096	235,861

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2016	Group 2015	Parent company 2016	Parent company 2015
	EQUITY AND LIABILITIES				
	Equity				
9	Share capital	24,123	24,123	24,123	24,123
	Net revaluation reserve according to the equity method	0	0	13,334	0
	Reserve for development costs	10,134	0	0	0
	Retained earnings	213,147	201,796	209,947	201,796
	Total equity	247,404	225,919	247,404	225,919
	Provisions				
	Deferred tax	11,834	7,623	0	0
	Other provisions	8,258	13,443	0	0
10	**Total provisions**	20,092	21,066	0	0
	Liabilities other than provisions				
11	**Non-current liabilities other than provisions**				
	Bank debt	49,827	74,884	0	0
	Other credit institutions	104,822	89,588	0	0
		154,649	164,472	0	0
	Current liabilities other than provisions				
11	Short-term part of long-term liabilities other than provisions	38,659	8,283	0	0
	Bank debt	58,054	39,771	0	0
	Prepayments received from customers	50,315	58,106	0	0
	Work in progress for third parties	20,494	0	0	0
	Trade payables	54,498	105,637	0	0
	Payables to group enterprises	0	0	5,791	9,041
	Corporation tax payable	3,865	2,523	0	0
	Other payables	30,767	43,064	901	901
		256,652	257,384	6,692	9,942
	Total liabilities other than provisions	411,301	421,856	6,692	9,942
	TOTAL EQUITY AND LIABILITIES	678,797	668,841	254,096	235,861

1 Accounting policies
12 Contractual obligations and contingencies, etc.
13 Collateral
14 Related parties
15 Fee to the auditors appointed by the Company in general meeting

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Statement of changes in equity

	Group			
DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2016	24,123	0	201,796	225,919
Profit/loss for the year	0	10,134	1,435	11,569
Adjustment of investments through foreign exchange adjustments	0	0	9,916	9,916
Equity at 31 December 2016	24,123	10,134	213,147	247,404

	Parent company			
DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 January 2016	24,123	0	201,796	225,919
Profit/loss for the year	0	13,334	-1,765	11,569
Adjustment of investments through foreign exchange adjustments	0	0	9,916	9,916
Equity at 31 December 2016	24,123	13,334	209,947	247,404

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Cash flow statement

Notes	DKK'000	Group 2016	Group 2015
	Profit/loss for the year	11,569	-2,551
16	Adjustments	25,227	17,791
	Cash generated from operations (operating activities)	36,796	15,240
17	Changes in working capital	-32,432	9,419
	Cash generated from operations (operating activities)	4,364	24,659
	Interest received, etc.	12,770	17,095
	Interest paid, etc.	-23,141	-23,801
	Income taxes received	6,123	-7,514
	Cash flows from operating activities	116	10,439
	Additions of intangible assets	-14,873	-9,543
	Additions of property, plant and equipment	-4,299	-10,213
	Loans paid	-16,577	-4,954
	Cash flows to investing activities	-35,749	-24,710
	Proceeds of long-term liabilities	28,805	0
	Repayments, long-term liabilities	-8,252	-4,142
	Cash capital increase	0	18,656
	Cash flows from financing activities	20,553	14,514
	Net cash flow	-15,080	243
	Cash and cash equivalents at 1 January	-12,669	-12,912
18	**Cash and cash equivalents at 31 December**	-27,749	-12,669

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies**

The annual report of Geh Invest A/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year. However, as to the presentation of the income statement, other external expenses are now included in gross profit.

Consolidation

The consolidated financial statements comprise the parent company, Geh Invest A/S, and subsidiaries in which Geh Invest A/S - directly or indirectly - holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates.

The existence and impact of potential voting rights that are actually exercisable or convertible are taken into account when assessing whether control exists.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains in so far as they do not reflect impairment.

Entities acquired or formed are recognised in the consolidated financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Corporate acquisitions are accounted for using the purchase method, according to which the acquired entity's identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Restructuring costs recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition are part of the acquisition balance sheet and, hence, the calculation of goodwill. Restructuring costs decided by the acquiring entity must be recognised in the income statement. Allowance is made for the tax effect of revaluations made. Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset. Negative differences (negative goodwill) are recognised as income in the income statement at the time of acquisition when the general revenue recognition criteria are met. Goodwill and negative goodwill from acquired entities can be adjusted until 12 months after the year of acquisition.

Entities over which the Group has significant influence are considered associates. The Group is considered to have significant influence when it directly or indirectly holds between 20% and 50% of the voting rights or otherwise has or actually exercises significant influence. Associates are recognised in the consolidated financial statements at their net asset value.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, additions of assets and share conversions, etc. where the combined entities are controlled by the parent company, implying that the combination is considered complete at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in equity.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and 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. Some major sales orders are split into partial deliveries as per agreement with the customers. Revenue recognition takes place, when each individual component of the order is completed and delivered to the customer.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

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

Other operating income and operating expenses

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

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labor costs and indirect production costs such as maintenance and depreciation, etc., as well as operation and administration of technical, assembly, purchase and service departments.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other external expenses

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

Amortisation/depreciation and impairment

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

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

Completed development projects	5-7 years
Goodwill	20 years

The useful life of goodwill is based upon the Company's assesment of product technology and access to clients.

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

Plant and machinery	4-6 years
Fixtures and fittings, other plant and equipment	4-7 years
Leasehold improvements	8 years

Income from investments in group entities

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

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge 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 been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Intangible fixed assets are valued at cost less accumulated amortisation.

Impairment write-downs are made when deemed necessary.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 7 years.

Property, plant and equipment

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

Investments in subsidiaries

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

Newly acquired or formed entities are recognised in the financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised up to the date of disposal.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity's identifiable assets and liabilities are measured at fair value at the date of acquisition. In connection with the acquisition, a provision is made for expenses related to adopted plans to restructure the acquired entity. The tax effect of revaluations made is taken into account.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

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

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

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

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

Receivables

Receivables are measured at amortised cost.

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

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

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

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

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

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

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

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

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

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

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

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\dfrac{\text{Operating profit x 100}}{\text{Revenue}}$
Gross profit ratio	$\dfrac{\text{Gross profit x 100}}{\text{Revenue}}$
Solvency ratio	$\dfrac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\dfrac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK'000	Group 2016	Group 2015	Parent company 2016	Parent company 2015
2	**Segment information**				
	Breakdown of revenue by geographical segment:				
	Denmark	1,824	2,165	0	0
	Export	647,493	543,009	0	0
		649,317	545,174	0	0

	DKK'000	Group 2016	Group 2015	Parent company 2016	Parent company 2015
3	**Staff costs**				
	Wages/salaries	181,840	177,839	0	0
	Pensions	12,623	12,574	0	0
	Other social security costs	4,601	5,566	0	0
	Other staff costs	1,943	2,227	0	0
		201,007	198,206	0	0
	Average number of full-time employees	346	312	0	0

Group

Total remuneration to the Executive Board: DKK 9,166 thousand.

Total remuneration to the Board of Directors: DKK 820 thousand.

Parent company

Total remuneration to Board of Directors: DKK 820 thousand.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK'000	Group 2016	Group 2015	Parent company 2016	Parent company 2015
4	**Financial income**				
	Interest receivable, group entities	12,584	11,034	0	0
	Exchange adjustments	7,427	15,461	0	0
	Other financial income	207	1,634	21	0
		20,218	28,129	21	0
5	**Financial expenses**				
	Interest expenses, group entities	0	0	46	228
	Exchange adjustments	9,447	4,296	0	0
	Other financial expenses	23,187	31,974	0	1
		32,634	36,270	46	229

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

6 Intangible assets

DKK'000	Group			
	Acquired intangible assets	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2016	9,669	253,869	17,128	280,666
Forreign exchange adjustments	0	2,767	0	2,767
Additions	0	0	14,873	14,873
Cost at 31 December 2016	9,669	256,636	32,001	298,306
Impairment losses and amortisation at 1 January 2016	9,645	49,097	4,381	63,123
Forreign exchange adjustments	0	207	0	207
Impairment losses	0	0	1,881	1,881
Amortisation for the year	24	12,246	2,219	14,489
Impairment losses and amortisation at 31 December 2016	9,669	61,550	8,481	79,700
Carrying amount at 31 December 2016	0	195,086	23,520	218,606

7 Property, plant and equipment

DKK'000	Group			
	Plant and machinery	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2016	52,947	6,475	155	59,577
Ajustments	293	582	0	875
Foreign exchange adjustments	-786	0	0	-786
Additions	3,492	593	214	4,299
Cost at 31 December 2016	55,946	7,650	369	63,965
Impairment losses and depreciation at 1 January 2016	38,545	5,180	11	43,736
Ajustments	281	595	0	876
Foreign exchange adjustments	-121	0	0	-121
Depreciation	2,361	672	20	3,053
Impairment losses and depreciation at 31 December 2016	41,066	6,447	31	47,544
Carrying amount at 31 December 2016	14,880	1,203	338	16,421

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

8 Investments

DKK'000	Group		
	Receivables from group enterprises	Other receivables	Total
Cost at 1 January 2016	99,413	1,201	100,614
Additions	16,527	50	16,577
Cost at 31 December 2016	115,940	1,251	117,191
Carrying amount at 31 December 2016	115,940	1,251	117,191

DKK'000	Parent company
	Investments in group enterprises
Cost at 1 January 2016	240,237
Cost at 31 December 2016	240,237
Value adjustments at 1 January 2016	-9,101
Foreign exchange adjustments	9,916
Profit/loss for the year	18,084
Amortisation of goodwill	-5,565
Value adjustments at 31 December 2016	13,334
Carrying amount at 31 December 2016	253,571

	Legal form	Domicile	Interest
Subsidiaries			
Gram Equipment	A/S	Vojens, Denmark	100 %
Gram Equipment of America	Inc.	Hamilton, NJ	100 %
Gram Equipment of Italia	S.R.L.	Milano, Lombardia	100 %
Gram Equipment Makina Sanayi Ticaret	Ltd.	Izmir, Turkey	100 %

DKK'000	Parent company	
	2016	2015
9 Share capital		
Analysis of the share capital:		
24,123,182 shares of DKK 1.00 nominal value each	24,123	24,123
	24,123	24,123

Analysis of changes in the share capital over the past 5 years:

DKK'000	2016	2015	2014	2013	2012
Opening balance	24,123	24,113	22,213	22,213	22,213
Capital increase	0	10	1,900	0	0
	24,123	24,123	24,113	22,213	22,213

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

10 Provisions

Group

The provision for deferred tax primarily relates to timing differences in respect of intangible assets, property, plant and equipment and other provisions.

Other provisions comprise provisions for warranty commitments, totaling DKK 8,258 thousand. Warranty provisions relate to expected warranty expenses in accordance with usual guarantee commitments applicable to the sale of goods. The obligation is expected to be settled over the warranty period, which is one year.

11 Long-term liabilities

	Group			
DKK'000	Total debt at 31/12 2016	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	88,486	38,659	49,827	0
Other credit institutions	104,822	0	104,822	0
	193,308	38,659	154,649	0

12 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

The Group has through a guarantee company and bank issued guarantees for DKK 25,094 thousand against DKK 44,259 thousand in 2015 primarily regarding pending and finished customer orders.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK'000	2016	2015	2016	2015
Rent and lease liabilities	80,488	18,205	0	0

Parent company

As management company, the Company is jointly taxed with other Danish group entities. The Company has joint and several liability with other jointly taxed group entities for all corporate taxes etc. in the joint taxation.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

13 Collateral

Group

The Group has as securities for the credit facilities in the bank issued a floating charge of DKK 30,000 thousand (2015: DKK 30,000 thousand) with security in the Group's property, plant and equipment, inventories and receivables with a carrying amount of approx. DKK 346,000 thousand (2015: DKK 312,000 thousand).

The Group has placed receivables from Green Magnum S.S. and Gram Equipment of Ameria Inc. as collateral for credit facilities in the bank.

The Group has placed the shares in Gram Equipment of America Inc. as collateral for credit facilities in the bank.

14 Related parties

Parent company

Geh Invest ApS' related parties comprise the following:

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Green Magnum S.A.	Luxembourg	The consolidated financial statements of Green Magnum S.A. are available at the company's address 17 Boulevard Prince Henri, L-1724 Luxembourg

Group enterprise transactions not carried through on normal market terms

There are no group enterprise transactions that have not been carried through on normal market terms.

Ownership

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

Name	Domicile
Green Magnum S.A.	Luxembourg

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK'000	Group 2016	Group 2015	Parent company 2016	Parent company 2015
15	**Fee to the auditors appointed by the Company in general meeting**				
	Statutory audit	280	374	20	20
	Tax assistance	294	590	16	16
	Other assistance	289	240	25	45
		863	1,204	61	81

	DKK'000	Group 2016	Group 2015
16	**Adjustments**		
	Amortisation/depreciation and impairment losses	19,090	16,531
	Financial income	-20,197	-28,129
	Financial expenses	32,588	36,270
	Tax for the year	6,264	3,811
	Other adjustments	-12,518	-10,692
		25,227	17,791
17	**Changes in working capital**		
	Change in inventories	37,344	-58,216
	Change in receivables and prepayments from customers	-37,635	45,805
	Change in trade and other payables	-32,141	21,830
		-32,432	9,419
18	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	30,306	27,102
	Short-term debt to banks	-58,054	-39,771
		-27,748	-12,669