Geh Invest ApS

Aage Grams Vej 1, 6500 Vojens

CVR no. 34 48 09 82

Annual report 2015

Approved at the Company's annual general meeting on 8 March 2016

Chairman:

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Michael Thomsen

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 2015.

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

It is our opinion that 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 2015 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 January - 31 December 2015.

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.

Århus, 8 March 2016
Executive Board:

Nis C. Phillipsen

Board of Directors:

Bror Halvar Johannes Jonzon
Chairman

Christian Bruno Cordsen Nielsen

Niels Lykke Graugaard

Mikael Carl Anders Ahlström

Håkon Tomas Therén

Independent auditors' report

To the shareholders of Geh Invest ApS

Independent auditors' report on the consolidated financial statements and the parent company financial statements

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 2015, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the parent company and consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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 that 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.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent auditors' report

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Kolding, 8 March 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Kronborg Iversen
State Authorised
Public Accountant

Michael Vakker Maass
State Authorised
Public Accountant

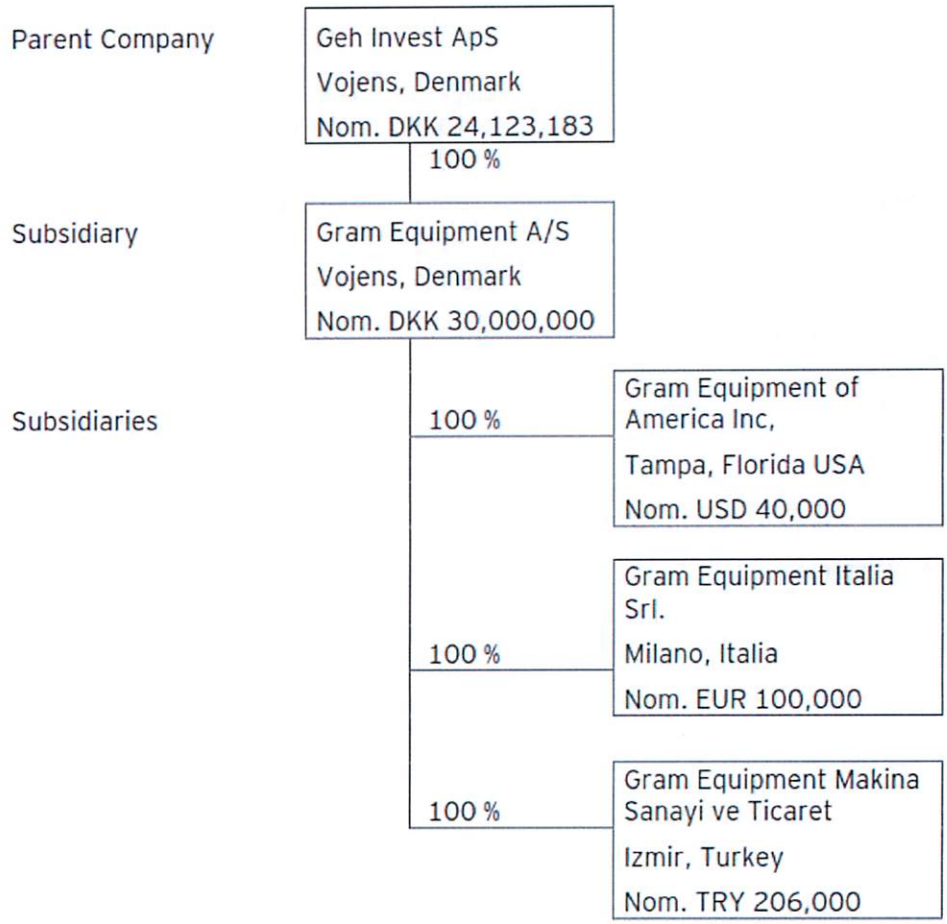
Management's review

Company details

Name	Geh Invest ApS
Address, zip code, city	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	45732017
Board of Directors	Bror Halvar Johannes Jonzon, Chairman Christian Bruno Cordsen Nielsen Niels Lykke Graugaard Mikael Carl Anders Ahlström Håkon Tomas Therén
Executive Board	Nis C. Phillipsen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Kolding Åpark 1, 3. sal, 6000 Kolding

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2015	2014	2013	13/4-31/12 2012
Key figures				
Revenue	545,174	385,356	336,286	275,516
Gross profit*	316,311	208,052	54,446	46,021
Operating profit/loss	9,401	402	7,331	15,735
Net financials	-8,141	-1,785	-3,002	54
Profit/loss for the year	-2,551	-3,385	-455	10,325
Total assets	668,841	600,633	281,036	348,907
Equity	225,919	191,393	133,541	133,990
Investment in property, plant and equipment	10,213	4,023	1,450	424
Total cash flows	243	-25,812	-42,841	-12,121
Financial ratios, in %				
Operating margin	1.7 %	0.1 %	2.2 %	5.7 %
Gross margin	58.0 %	54.0 %	16.2 %	16.7 %
Solvency ratio	33.8 %	31.9 %	47.5 %	38.4 %
Return on equity	-1.2 %	-2.1 %	-0.3 %	10.6 %
Average number of employees	312	331	194	183

*For 2014 and 2015 presentation of P&L changed from expenditure classified by function to classification based on type of expenditure.

Management's review

Operating review

The Group's business review

The Geh Invest Group is an engineering organization with design, installation and sale of equipment and production lines to the ice cream industry.

Geh Invest ApS has been founded in April 2012 with a view to taking over the shares in Gram Equipment Holding ApS from its former owner. The takeover of the shares in Gram Equipment Holding ApS has taken place with effect from 13 April 2012.

The Company's main activity is holding of ownership interests 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 own sales and service organization and also through a network of agents.

The strategy is based on a 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 program.

Recognition and measurement uncertainties

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

It is the foreign currency hedging policy of the Group to hedge currency risks in other currencies than DKK and EUR. The hedge takes place primarily through forward transactions and similar instruments.

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 letter of credits, prepayments and/or other security.

Financial review

Profit before tax amounts to DKK -2,809 thousand for the parent company and DKK 1,260 thousand for the Group. After tax the profit amounts to DKK -2,551 thousand.

With effect from January 2015, the group legal structure has been further optimized through the legal merger of the two Danish companies Gram Equipment A/S (the Parent company) and WCB Ice Cream ApS (Denmark) and furthermore the two Italian companies Gram Equipment Italy Srl and WCB Ice Cream Italy Srl. For details on the resulting group legal structure please refer to the overview at page 6.

As per September 2014 Gram Equipment A/S has, through a tax free contribution from the parent company, acquired 100% of the shares in the WCB Group, consisting of WCB Ice Cream ApS (Denmark), WCB Ice Cream Italy Srl. (Italy) and WCB Ice Cream (USA). In 2014 results from the WCB Group has been included from September to December.

As stated in the 2014 annual report, the Group profit for 2015 was expected to be significantly affected by costs related to the merger with WCB Group. The costs are related to both the merger carried out as the ongoing integration activities. Taking into account the effect of merger activity the Group's results is considered as satisfactory.

Management's review

Operating review

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 specialization 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 extended with persons hired on fixed term appointments.

Impact on the external environment

The activity of the Group is related to design, assembly, installation and sale of equipment for the ice cream industry. Therefore, we are working continuously with our customers with reducing the environment impact.

Research and development activities General risks

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

CSR report

At the date of presentation of the annual report, the GE Group had not prepared any formal written policies for CSR, including human rights and the Group's impact on the climate. Management of the Company aims at ensuring that the Company through its operation in all respects acts responsibly considering the Company's global corporate social responsibility

Account of the gender composition of management

It is company policy that the composition of the Board of Directors reflects the candidate's best qualified taking into consideration the managerial needs of the Company. It is a stated objective of the Company that the Board of Directors is represented by at least one of each gender. The Company did not meet this objective in 2015 which is attributable to the fact that no new members were elected for the Board of Directors in 2015.

It is company policy that management positions are taken up by the best qualified candidates, and that the Company in connection with the filling of positions strives for a gender balance among the candidates. The share of female leaders is unchanged compared to the share at the end of 2014.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Management's review

Operating review

Outlook

The management expects a continuously strong competition in the world market between the ice cream machinery producers. Hereto the management expects the Group's development will be influenced by the uncertainty in the specific market areas due to the regional economic recession and global situation in general.

It is the estimation of the management that the market for 2016 will show a moderate development in the demand. However the management of the Company is seeing good possibilities of further growth in the individual market areas and market segments.

The Company 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 program and also competitive prices on the market. Initiatives for this are continuously anchored, aiming at securing a satisfactory business development also in 2016 and onwards.

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

Income statement

Note	DKK'000	Group 2015	Group 2014	Parent company 2015	Parent company 2014
2	**Revenue**	545,174	385,356	0	0
	Cost of sales	-228,863	-181,038	0	0
3	Other operating income	0	3,734	0	0
	Gross profit/loss	316,311	208,052	0	0
	Other external expenses	-91,728	-62,069	-943	-1,269
4	Staff costs	-198,206	-134,651	0	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-16,976	-10,930	0	0
	Operating profit/loss	9,401	402	-943	-1,269
	Income from investments in group enterprises	0	0	-1,637	-2,097
5	Financial income	28,129	11,670	0	0
6	Financial expenses	-36,270	-13,455	-229	-406
	Profit/loss before tax	1,260	-1,383	-2,809	-3,772
	Tax for the year	-3,811	-2,002	258	387
	Profit/loss for the year	-2,551	-3,385	-2,551	-3,385
	Proposed profit appropriation/distribution of loss			-2,551	-3,385
				-2,551	-3,385

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

Balance sheet

Note	DKK'000	Group 2015	Group 2014	Parent company 2015	Parent company 2014
	ASSETS				
	Non-current assets				
7	**Intangible assets**				
	Development projects in progress and prepayments for intangible assets	12,747	3,818	0	0
	Goodwill	204,772	208,544	0	0
	Acquired intangible assets	24	62	0	0
		217,543	212,424	0	0
8	**Property, plant and equipment**				
	Plant and machinery	14,402	1,914	0	0
	Fixtures and fittings, other plants and equipment	1,295	3,292	0	0
	Leasehold improvements	144	101	0	0
		15,841	5,307	0	0
9	**Investments**				
	Investments in group enterprises	0	0	231,136	195,696
	Receivables from group enterprises	99,413	75,017	0	0
	Other receivables	1,201	1,070	0	0
		100,614	76,087	231,136	195,696
	Total non-current assets	333,998	293,818	231,136	195,696
	Current assets				
	Inventories				
	Raw materials and consumables	22,623	14,888	0	0
	Work in progress	69,918	48,137	0	0
	Finished goods and goods for resale	92,181	63,738	0	0
	Prepayments for goods	594	337	0	0
		185,316	127,100	0	0
	Receivables				
	Trade receivables	97,252	145,180	0	0
	Deferred tax assets	0	0	258	0
	Corporation tax receivable	11,301	4,467	4,467	4,467
	Other receivables	11,830	8,531	0	0
	Prepayments	2,042	3,218	0	0
		122,425	161,396	4,725	4,467
	Cash	27,102	18,319	0	112
	Total current assets	334,843	306,815	4,725	4,579
	TOTAL ASSETS	668,841	600,633	235,861	200,275

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

Balance sheet

Note	DKK'000	Group 2015	Group 2014	Parent company 2015	Parent company 2014
	EQUITY AND LIABILITIES				
	Equity				
10	Share capital	24,123	24,113	24,123	24,113
	Retained earnings	201,796	167,280	201,796	167,280
	Total equity	225,919	191,393	225,919	191,393
	Provisions				
	Deferred tax	7,623	4,668	0	0
	Other provisions	13,443	24,722	0	0
11	**Total provisions**	21,066	29,390	0	0
	Liabilities other than provisions				
	Non-current liabilities other than provisions				
	Bank debt	74,884	73,964	0	0
	Other credit institutions	89,588	82,861	0	0
	Payables to group enterprises	0	0	9,041	7,701
		164,472	156,825	9,041	7,701
	Current liabilities other than provisions				
	Short-term part of long-term liabilities other than provisions	8,283	4,470	0	0
	Bank debt	39,771	31,231	0	0
	Prepayments received from customers	58,106	57,273	0	0
	Trade payables	105,637	64,306	0	185
	Corporation tax payable	2,523	2,347	0	0
	Other payables	43,064	63,398	901	996
		257,384	223,025	901	1,181
	Total liabilities other than provisions	421,856	379,850	9,942	8,882
	TOTAL EQUITY AND LIABILITIES	668,841	600,633	235,861	200,275

1 Accounting policies
12 Collateral
13 Contractual obligations and contingencies, etc.
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	Retained earnings	Total
Equity at 1 January 2015	24,113	167,280	191,393
Capital increase	10	18,648	18,658
Profit/loss for the year	0	-2,551	-2,551
Adjustment of investments through foreign exchange adjustments	0	18,419	18,419
Equity at31 December 2015	24,123	201,796	225,919

	Parent company		
DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2015	24,113	167,280	191,393
Capital increase	10	18,648	18,658
Profit/loss for the year	0	-2,551	-2,551
Adjustment of investments through foreign exchange adjustments	0	18,419	18,419
Equity at 31 December **2015**	24,123	201,796	225,919

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

Cash flow statement

Note	DKK'000	Group 2015	Group 2014
	Profit/Loss for the year	-2,551	-3,385
16	Adjustments	17,791	14,721
	Cash generated from operations (operating activities)	15,240	11,336
17	Changes in working capital	9,419	-39,354
	Cash generated from operations (operating activities)	24,659	-28,018
	Interest received, etc.	17,095	11,670
	Interest paid, etc.	-23,801	-13,455
	Income tax paid	-7,514	-14,700
	Cash flows from operating activities	10,439	-44,503
	Acquisition of intangible assets	-9,543	-111,422
	Acquisition of property, plant and equipment	-10,213	-4,023
	Disposal of property, plant and equipment	0	175
	Loans	-4,954	-67,455
	Cash flows from investing activities	-24,710	-182,725
	Contracting of other long-term liabilities	0	161,295
	Repayments, long-term liabilities	-4,142	-6,721
	Cash capital increase	18,656	46,842
	Cash flows from financing activities	14,514	201,416
	Net cash flows	243	-25,812
	Cash and cash equivalents at 1 January	-12,912	12,495
	Foreign exchange adjustments	0	405
	Cash and cash equivalents at 31 December	-12,669	-12,912

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

Notes

1 Accounting policies

The annual report of Geh Invest ApS for 2015 has been prepared in accordance with the provisions applying to reporting class C enterprises under the Danish Financial Statements Act.

Changes in accounting policies

The Group has changed the format in the P&L from expenditure classified by function to classification based on type of expenditure. The reason for the change is due to the nature of the Company and the format of the internal reporting.Business combinations

The financial statements have otherwise been presented in accordance with the same accounting policies as were applied last year. Comparative figures have been restated to reflect the policy change. In this process also minor reclassifications between balance sheet items were made.

Consolidated

The consolidated financial statements comprise the parent, and entities controlled by the parent. Control is presumed to exist when the parent owns, directly or indirectly, more than half of the voting power of an entity. Control may also exist by virtue of an agreement or articles of association or when the parent otherwise has a controlling interest in the subsidiary or actually exercises controlling influence over it.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether control exists.

The consolidated entities' financial statements are prepared in accordance with the accounting policies applied by the parent. The consolidated financial statements are prepared on the basis of the financial statements of the consolidated entities by adding together like items. Intra-group income, expenses, gains, losses, investments, dividends and balances are eliminated. Investments in consolidated entities are set off by the parent's proportionate share of the consolidated entity's fair value of assets and liabilities at the time of acquisition.

Recently acquired or sold subsidiaries are recognised in the consolidated income statement for the period in which the parent controls such entities. Comparative figures are not restated for recently acquired or sold entities

The purchase method of accounting is applied to the acquisition of subsidiaries. The cost is made up at the net present value of the consideration agreed plus directly attributable expenses. Conditional payments are recognised at the amount expected to be paid. Identifiable assets and liabilities in the acquired entities are recognised at the fair value at the time of acquisition. Provisions for restructuring expenses relating to the acquired entity are recognised if the restructuring has been decided at the time of acquisition. Allowance is made for the tax effect of revaluations of assets and liabilities. Any residual difference between the cost and the group's share of the fair value of the identifiable assets and liabilities is recognised as goodwill or negative goodwill.

Entities over which the group exercises significant influence are considered associates. Significant influence is presumed to exist when the group 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.

Corporate acquisitions

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

Gains or losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated selling costs.

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

Notes

1 **Accounting policies (continued)**

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprises in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, 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, however not exceeding 20 years. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (negative goodwill), representing an anticipated adverse development in the acquired enterprises, is recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised. Negative goodwill not related to any anticipated adverse development is recognised in the balance sheet at an amount corresponding to the fair value of non-monetary assets. The amount is subsequently recognised in the income statement over the average useful lives of the non-monetary assets.

Goodwill and negative goodwill from acquired enterprises may be adjusted until the end of the year following the year of acquisition

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 at the date of payment are recognised in the income statement as financial income or financial expenses

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at 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.

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 payables, respectively

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement on a regular basis.

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

Notes

1 Accounting policies (continued)

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognized 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.

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

Other operating income

Other operating income comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of fixed 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.

Other external expenses

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

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

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

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 are as follows:

Completed development projects	5-7 years
Goodwill	20 years

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 are as follows:

Leasehold improvements	8 years
Plant and machinery	4-6 years
Other fixtures and fittings, tools and equipment	4-7 years

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

Notes

1 Accounting policies (continued)

Income from investments in group entities

The item includes the entity'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 compulsory 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 excluded from the consolidation.

The parent company is the management company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

On payment of joint taxation contributions, the current Danish corporation tax charge is allocated between the jointly taxed enterprises in proportion to their taxable income. Enterprises with tax losses receive joint taxation contributions from enterprises that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current corporation tax , joint taxation contributions for the year and changes in deferred tax for the year - including changes resulting from changes in the tax rate. 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 is measured at cost less accumulated amortisation and impairment losses.

Development costs and internally accumulated rights are recognised in the income statement as costs in the year of acquisition.

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 group entities

On initial recognition, investments in subsidiaries and associates are measured at cost and subsequently at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies less or plus any residual value of positive or negative goodwill determined in accordance with the acquisition method. Subsidiaries and associates with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such enterprises 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 enterprise's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method in so far as the carrying amount exceeds the acquisition cost.

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

Notes

1 **Accounting policies (continued)**

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.

Acquisitions of new subsidiaries and associates are accounted for using the purchase method, according to which the assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of revaluations made is taken into account.

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 costs necessary 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.

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 costs directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is 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 tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs 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.

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, restructurings, etc. Provisions are recognised when the company has a legal or constructive obigation as a result of a past event at the balance sheet date 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 concerned is expected to be settled far into the future.

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Notes

1 **Accounting policies (continued)**

Corporation 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. 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabillities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the 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 liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the entity's net cash flows, broken down by operating, investing and financing activities, the year's changes in cash and cash equivalents and the entity's 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 corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises 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 costs as well as the 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 marketable securities which are subject to an insignificant risk of changes in value.

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Notes

1 **Accounting policies (continued)**

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 in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$
Results for analytical purposes	Profit from ordinary activities after tax less non-controlling interests' share
Return on equity	$\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$

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	DKK'000	Group 2015	Group 2014	Parent company 2015	Parent company 2014
2	**Revenue**				
	Geographical segmentation of revenue:				
	Denmark	2,165	4,209	0	0
	Exports	543,009	381,147	0	0
		545,174	385,356	0	0
3	**Operating income**				
	Other operating income	0	3,734	0	0
		0	3,734	0	0
4	**Staff costs**				
	Wages/salaries	177,839	118,836	0	0
	Pensions	12,574	12,143	0	0
	Other social security costs	5,566	2,443	0	0
	Other staff costs	2,227	1,229	0	0
		198,206	134,651	0	0
	Average number of full-time employees	312	331	0	0

Group

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the group management is not disclosed.

	DKK'000	Group 2015	Group 2014	Parent company 2015	Parent company 2014
5	**Financial income**				
	Interest receivable, group entities	11,034	3,008	0	0
	Exchange gain	15,461	6,798	0	0
	Other financial income	1,634	1,864	0	0
		28,129	11,670	0	0
6	**Financial expenses**				
	Interest expenses, group entities	0	0	0	185
	Other interest expenses	12,256	3,554	0	0
	Exchange adjustments	12,458	4,296	0	221
	Other financial expenses	11,556	5,605	229	0
		36,270	13,455	229	406

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

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7 Intangible assets

	Group			
DKK'000	Development projects in progress and prepayments for intangible assets	Goodwill	Acquired intangible assets	Total
Cost at 1 January 2015	7,362	244,290	12,100	263,752
Adjustments to cost at 1 January 2015, including exchange rate adjustments	223	9,579	-2,431	7,371
Additions	9,543	0	0	9,543
Disposals	0	0	0	0
Cost at 31 December 2015	17,128	253,869	9,669	280,666
Impairment losses and amortisation at 1 January 2015	3,544	35,746	12,038	51,328
Adjustments to impairment losses and amortisation at 1 January 2015, including foreign exchange adjustments	221	181	-2,428	-2,026
Amortisation for the year	616	13,170	35	13,821
Amortisation and impairment losses of disposals for the year	0	0	0	0
Impairment losses and amortisation at 31 December 2015	4,381	49,097	9,645	63,123
Carrying amount at 31 December 2015	12,747	204,772	24	217,543

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8 Property, plant and equipment

DKK'000	Group			
	Plant and machinery	Fixtures and fittings, other plant and requirement	Leasehold improvements	Total
Cost at 1 January 2015	25,510	13,082	5,705	44,297
Adjustments to cost at 1 January 2015, including foreign exchange adjustments	18,900	-3,031	-5,705	10,164
Additions	9,940	118	155	10,213
Disposals	-1,403	-3,694	0	-5,097
Cost at 31 December 2015	52,947	6,475	155	59,577
Impairment losses and amortisation at 1 January 2015	23,596	9,790	5,604	38,990
Adjustments to impairment losses and amortisation at 1 January 2015, including foreign exchange adjustments	14,574	-1,864	-5,604	7,106
Depreciation for the year	2,372	948	11	3,331
Reversal of prior year impairment losses	-594	0	0	-594
Reversal of accumulated depreciation and impairment of assets disposed	-1,403	-3,694	0	-5,097
Impairment losses and amortisation at 31 December 2015	38,545	5,180	11	43,736
Carrying amount at 31 December 2015	14,402	1,295	144	15,841

9 Investments

DKK'000	Group		
	Receivables from group enterprises	Other receivables	Total
Cost at 1 January 2015	75,017	1,070	76,087
Foreign exchange adjustments	19,442	131	19,573
Additions	4,954	0	4,954
Cost at 31 December 2015	99,413	1,201	100,614
Carrying amount at 31 December 2015	99,413	1,201	100,614

DKK'000	Group
	Parent company
	Investments in group enterprises
Cost at 1 January 2015	221,581
Additions	18,656
Cost at 31 December 2015	240,237
Value adjustments at 1 January 2015	-25,885
Foreign exchange adjustments	18,419
Profit/loss for the year	3,930
Amortization of goodwill	-5,565
Value adjustments at 31 December 2015	-9,101
Carrying amount at 31 December 2015	231,136

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9 Investments (continued)

Subsidiaries	Legal form	Domicile	Interest
Gram Equipment A/S	A/S	Vojens, Denmark	100.00 %

10 Share capital

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

11 Provisions

Group

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

Other provisions comprise provisions for warranty commitments, totaling DKK 13.443 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.

12 Collateral

Group

The Group has as securities for the credit facilities in the bank issued a floating charge of DKK 30,000 thousand (2014: DKK 30,000 thousand) with security in the Group's property, plant and equipment, inventories and receivables with a carrying amount of approx. DKK 303,000 thousand (2014: DKK 277,000 thousand).

The Group has placed receivables from Green Magnum S.A. and Gram Equipment of America 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.

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13 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company has through a guarantee company and bank issued guarantees for DKK 44.259 thousand against DKK 37.421 thousand in 2014 for pending and finished customer orders and received VAT refund from the Italian authorities.

Other financial obligations
Other rent and lease liabilities:

	Group		Parent company	
DKK'000	2015	2014	2015	2014
Rent and lease liabilities	18,205	7,274	0	0

Parent company

As management company, the Company is jointly taxed with other Danish group companies. The Company is jointly and severally with other jointly taxed entities for payment of income taxes for the income year and withholding taxes falling due for payment on or after 1 July 2012 in the group of jointly taxed entities.

14 Related parties

Related party transactions not carried through on normal market terms

There are no related party 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 votes or minimum 5 % of share capital:

Name	Domicile
Green Magnum S.A.	Majority shareholder

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		Group		Parent company	
	DKK'000	2015	2014	2015	2014
15	**Fee to the auditors appointed by the Company in general meeting**				
	Fee regarding statutory audit	374	1,051	20	150
	Tax assistance	590	331	16	50
	Other assistance	240	682	45	225
		1,204	2,064	81	425
16	**Adjustments**				
	Amortisation/depreciation etc.			16,976	10,934
	Financial income			-28,129	-11,670
	Financial expense			36,270	13,455
	Tax for the year			3,811	2,002
	Other adjustments			-11,137	0
				17,791	14,721
17	**Changes in working capital**				
	Change in inventories			-58,216	-70,090
	Change in receivables			45,805	-67,012
	Change in prepayments and trade and other payables			21,830	86,418
	Other adjustments in working capital			0	11,330
				9,419	-39,354