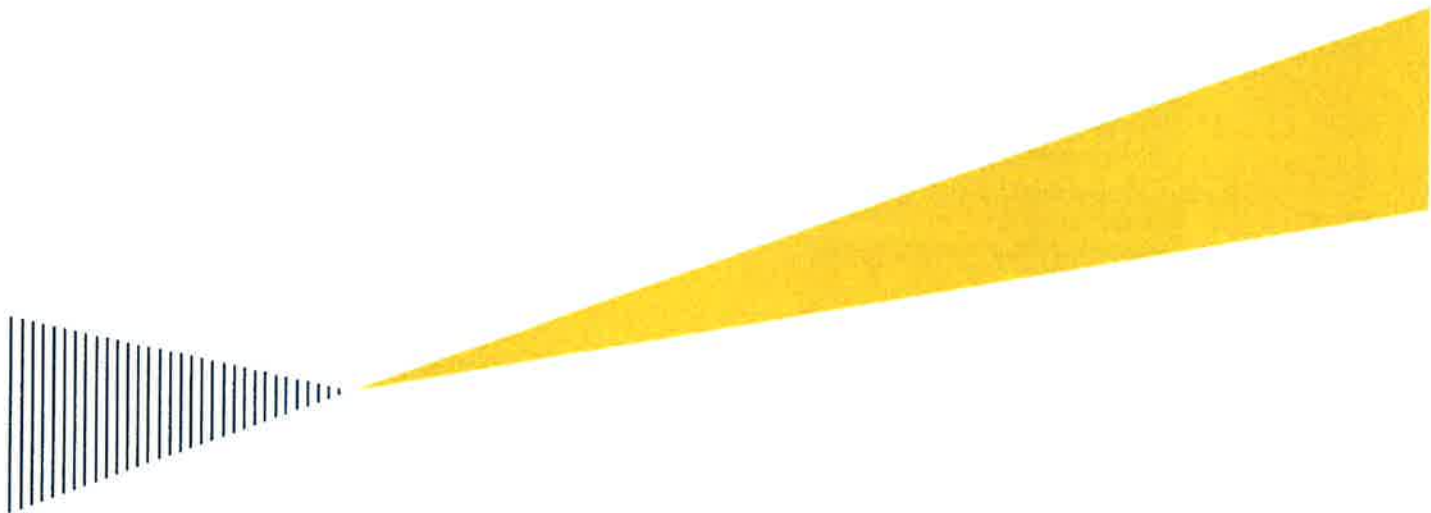


Frontmatec Holding III ApS

Sankt Annæ Plads 10, DK-1250 København K

CVR no. 37 77 37 27



Annual report 2016

Approved at the Company's annual general meeting on 30 May 2017

Chairman: 
.....



Building a better
working world



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Frontmatec Holding III ApS for the financial year 6 June - 31 December 2016.

The financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and supplementary Danish disclosure requirements of 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 2016 and of the results of the Group's and the Company's operations and cash flows for the financial year 6 June - 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.

Copenhagen, 30 May 2017
Executive Board



Christoffer Arthur Müller
CEO

Board of Directors:



Christian Gymos Schmidt-Jacobsen
Chairman

Jesper Frydensberg Rasmussen

Peter Nyegaard



Independent auditor's report

To the shareholders of Frontmatec Holding III ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Frontmatec Holding III ApS for the financial year 6 June - 31 December 2016, which comprise an income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group as well as for the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements of 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's and the Parent Company's operations and cash flows for the financial year 6 June - 31 December 2016 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 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.

Statement on the 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 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 our procedures, 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 Statements Act. We did not identify any material misstatements of the Management's review.

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 International Financial Reporting Standards as adopted by the EU and additional disclosure requirements of 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.

Independent auditor's report

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 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.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement 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 note 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.



Independent auditor's report

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

Aarhus, 30 May 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

A handwritten signature in blue ink, appearing to read 'Steen Skorstengaard', written over a light blue horizontal line.

Steen Skorstengaard
State Authorised
Public Accountant



Management's review

Company details

Name	Frontmatec Holding III ApS
Address, zip code, city	Sankt Annæ Plads 10, 1250 København K
CVR no.	37 77 37 27
Established	6 June 2016
Registered office	Kolding
Financial year	6 June - 31 December 2016
Website	http://www.frontmatec.com/
E-mail	info@frontmatec.com
Telephone	+45 76 34 27 00
Board of Directors	Christian Gymos Schmlidt-Jacobsen, Chairman Jesper Frydensberg Rasmussen Peter Nyegaard
Executive Board	Christoffer Arthur Müller, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, DK-8000 Aarhus C



Management's review

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', see below:

Definition of financial ratios:

Gross margin

$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

Operating margin

$$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$$

Return on assets

$$\frac{\text{Operating profit} \times 100}{\text{Average assets}}$$

Equity ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

Management's review

Financial highlights for the Group

DKK'000	6 June - 31 December 2016
Key figures	
Revenue	443,194
Gross profit	121,025
Operating loss	-48,428
Net financials	-22,203
Loss for the year	-61,592
Total assets	
Portion relating to investment in property, plant and equipment	2,204,009
Equity	143,925
	715,072
Cash flows from operating activities	
Cash flows from investing activities	1,754
Cash flows from financing activities	-838,535
Total cash flows	816,295
	-20,486
Financial ratios	
Gross margin	27.3%
Operating margin	-10.9%
Return on assets	-2.8%
Equity ratio	32.4%
Average number of full-time employees	
	799

The financial ratios have been prepared in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Frontmatec's business review

The creation of a new and strong group - Frontmatec

Frontmatec Holding III ApS is a holding company in the Frontmatec Group, who is a result of the merger in August 2016 between the four companies SFK LEBLANC A/S, Attec Danmark A/S, Carometec A/S and ITEC-Ingenieurbüro für Hygiene und Lebensmitteltechnik GmbH, and as described under events after the balance sheet date, in 2017 Frontmatec A/S and Accles & Shelvoke Ltd. The combined Group expects for 2017 a revenue of DKK 1,400 million and an operating profit before interest and special non-recurring items of DKK 225 million.

The combined Group is a global market leader within processing equipment and systems for the red meat processing industry due to its complementary products, technologies and market footprint. The main activities of the Group are product development, sales, engineering, production, installation and aftersales service.

Furthermore, the Group also has a strong offering of food logistic systems and hygiene solutions to the food industry.

The Group is headquartered in Kolding, Denmark and has production facilities in Canada, China, Holland, Germany and on several locations in Denmark (Kolding, Tandslet and Smørum). Moreover, the Group has a global sales footprint with own sales offices in Denmark, Germany, Poland, Spain, the Netherlands, China, Canada, USA and Russia.

The strategy of the newly established Group is to leverage its strong market position and full-line product offering to pursue further organic growth while realising synergies and cost savings in order to lift profitability significantly.

Financial review

The consolidated net loss for the year ended 31 December 2016 is DKK 70.6 million, which is in line with expectations. The balance sheet at 31 December 2016 for the group shows total assets of DKK 2,204,0 million and shareholders' equity of DKK 715.1 million.

SFK LEBLANC A/S had 461 employees, a revenue of DKK 644.6 million and an operating profit before depreciations, amortisations and special items of DKK 66.9 million. Attec Danmark A/S, Carometec A/S and ITEC-Ingenieurbüro für Hygiene und Lebensmitteltechnik GmbH had 231 employees, a revenue of DKK 475.3 million and an operation profit before depreciations and amortisations of DKK 36.7 million.

Events after the balance sheet date

There have been no events since 31 December 2016, which could significantly affect the evaluation of the Group's financial position and revenue.

As of 28 February 2017, the Group acquired Frontmatec A/S, a Danish based leading provider of specialised automation software solutions for the read meat processing, utilities and manufacturing industries. Frontmatec A/S had 101 employees and a revenue of DKK 118.8 million and an operation profit before depreciations, amortisations and special items of DKK 20.3 million.

As of 28 April 2017, the Group acquired Accles & Shelvoke Limited, a UK based globally leading provider of cartridge powered stun tools for the read meat processing industry. Accles & Shelvoke Limited had 31 employees and a revenue of DKK 36.3 million and an operation profit before depreciations and amortisations of DKK 13.9 million.

Frontmatec's business review

Outlook

As described above the expectations for next year are both higher revenue and earnings compared to 2016. Revenue is expected to be around DKK 1,400 million and earnings of approximately DKK 5 million.

The expected increase in revenue and earnings are supported by a rising world population, increasing urbanisation, growing wealth and increasing demand for food well-being and food safety.

Corporate Governance

Being owned by the Danish private equity firm Axcel, the Group is subject to the guidelines of the Danish Venture and Private Equity Association (DVCA, www.dvca.dk) for responsible ownership and corporate governance. Frontmatec Holding III ApS intends to fully comply with all guidelines where it is relevant.

Management's focus on corporate governance is, among other things, based on the Danish Companies Act, the Danish Financial Statements Act, the company's articles of association and good practice from comparable companies. Also, the management is continuously monitoring the development in the field of corporate governance to ensure that the Group, internally as well as externally, is managed in a way that is in accordance with applicable laws in order to protect the interests of all stakeholders.

Board of directors

The board of directors consists of three members. Christian Schmidt-Jacobsen, Jesper Frydensberg Rasmussen and Peter Nygaard have been appointed by the principal shareholder Axcel.

The board of directors meets on a predetermined schedule of meetings at least four times a year.

The board of directors of the operating company Frontmatec Group ApS ensures that the executive board complies with the objectives, strategies and business processes decided by the board of directors. Moreover, the board of directors ensures on an ongoing basis that the governance structure and control systems are appropriate and working well.

The board of directors of Frontmatec Group ApS has adopted an updated set of rules of procedure for the board of directors. In addition, the board of directors uses committees for special tasks. Thus, a chairman committee, an audit and risk committee and a remuneration committee have been set up.

The following board members are represented on the individual committees:

- Chairman Committee: Arne Vraalsen and Christoffer Arthur Müller
- Audit and risk committee: Christoffer Arthur Müller
- Remuneration committee: Arne Vraalsen

The chairman committee meets with the management of the company on a monthly basis.

Audit and risk committee meetings are held three to four times a year. The work of the audit committee is described in an annual calendar which is approved by the board of directors. According to the annual calendar, the committee is responsible for monitoring the company's financial reporting and the internal control environment as well as for determining the relations and framework of the external audit. Standard procedures have been established, focusing on e.g. the updating of financial reporting standards and reviews of any items containing material accounting estimates and items of a one-off nature.

Other executive positions held by the board of directors and the executive board is specified in note 26.

Shareholders

Frontmatec Holding III is equity financed. The share capital has one share class, which is owned by a number of limited partnerships under Axcel IV and some external pension funds and limited partnerships.

Account of the gender composition of management

Frontmatec Holding III ApS aims to promote diversity, e.g. with a fair representation of women on the board of directors as well as in the executive management group, based on a desire to strengthen the company's versatility, broaden its competences and improve its decision-making processes.

The board of directors aims to ensure that its members complement each other in the best possible way with respect to age, experience, nationality, gender, etc. for the purpose of ensuring a competent and versatile contribution to the work of the board in the Group. These factors are taken into account when new candidates for the board of directors are identified, and the nomination of candidates will always be based on an assessment of their competences, how they match the Group's requirements and how they will contribute to the overall efficiency of the board of directors.

Frontmatec Holding III ApS' objective for the coming 4 years is to increase the share of women to approximately 20 % in the management group.

The share of women in Frontmatec Holding III ApS makes up 0% of the board of directors, 0% of the management group and 18% of the total number of employees.

No activities to enhance the diversity is in place because Frontmatec Holding III ApS is a holding company for Frontmatec Group ApS and has no employees.

CSR

The group currently has no written policies regarding its Corporate Social Responsibility such as human rights, climatic impact and environmental conditions. The Group will commence UN Global Compact in 2017.

The Group strives to run its business in a responsible way and wants to comply with the legislation in the countries and local communities in which the company operates. Therefore, the Group has adopted a set of ethical guidelines that describe the Groups responsibility towards the environment and the people who take part in the development and delivery of the Groups solutions.

This includes that the Group has a high focus on safety in the workplace, both at the own premises of the group and when working at customers sites. Our contracts with suppliers includes direct references to the Global Compact under the UN and focuses on the expectations, which the group has to its suppliers and their sub suppliers in terms of legal and ethical behaviour.

The group has handed out its "Business Conduct for Suppliers" to its main suppliers. If suppliers cannot subscribe to the positions stated, they cannot be suppliers to the Group.

The results of the supplier policy are frequently reviewed with the suppliers. In 2017, the group will continue expanding the number of suppliers that will have to accept the Group's "Business Conduct for Suppliers".

The work environment is frequently evaluated by a health and safety committee, which on a regular basis together with the management, considers how to improve the work environment in order to avoid accidents and nearby accidents. The work environment also includes the active sorting of waste to cause as little environmental impact as possible.

Frontmatec considers corruption and bribery to be barriers to sustainable development and free trade, and we do not accept this practice in any shape or form in our business. We expect the same from our suppliers.

Frontmatec's business review

Risk

At the Frontmatec Holding group, risk management is considered to be an essential and natural part of the realisation of the group's objectives and strategy. The daily activities, the implementation of the established strategy and the continuous use of business opportunities involve inherent risks, and the company's handling of these risks is therefore seen as a natural and integrated part of the daily work and a way to ensure stable and reliable growth.

Unusual risks

The group has no particular commercial or financial risks other than risks of common occurrence within the industry. The Group considers the risks in the industry to be related to the global market conditions.

Financial risks

The Group is exposed to changes in exchange rates and interest rates due to its operational and financial set-up. The Group manages its financial risks through instruments for hedging of currency.

Knowledge resources

The leading position of the Group within the red meat processing industry is dependent on the ability to retain and attract employees with special skills and experience in order to achieve its business goals.

IT risks

The Group uses IT to a significant extent and is vulnerable to interruptions of operations and breaches of the established security. The Group constantly seeks to improve its IT security in order to ensure that a high level of security is maintained at all times.



Consolidated financial statements for the period 6 June - 31 December

Income statement

Note	DKK'000	2016
3	Revenue	443,194
4	Production costs	-322,169
	Gross profit	121,025
5	Distribution costs	-54,025
5	Administrative expenses	-32,050
7	Other operating expenses	-274
	Operating profit before depreciation and special non-recurring items	34,676
8	Special non-recurring items	-40,077
6	Depreciation, amortisation and impairment of non-current assets	-43,027
	Operating loss	-48,428
9	Financial income	3,569
10	Financial expenses	-25,772
	Loss before tax	-70,631
11	Tax for the year	9,039
	Loss for the year	-61,592

Statement of comprehensive income

Loss for the year	-61,592
<i>Items that are or may be reclassified subsequently to profit or loss:</i>	
Unrealised gain on forward exchange contracts for the year	-6,041
Exchange rate gain/loss on foreign operations	7,244
Other comprehensive income for the year after tax	1,203
Comprehensive income for the year	-60,389
Distributed as,	
Shareholders in Frontmatec Holding III ApS	-58,618
Minority interests	-1,771
	-60,389



Consolidated financial statements for the period 6 June - 31 December

Balance sheet

Note	DKK'000	2016
	ASSETS	
	Non-current assets	
12	Intangible assets	
	Goodwill	843,863
	Development completed	380,639
	Acquired intangible assets	189,923
	Development in progress	12,677
		<u>1,427,102</u>
13	Property, plant and equipment	
	Land and buildings	119,741
	Plant and machinery	12,558
	Fixtures and fittings, tools and equipment	11,626
		<u>143,925</u>
	Other non-current assets	
18	Deferred tax asset	43,193
	Total non-current assets	<u>1,614,220</u>
	Current assets	
15	Inventories	151,239
	Receivables	
16	Trade receivables	276,119
17	Construction contracts	87,700
	Income taxes receivable	10,096
	Other receivables	29,990
	Prepayments	5,812
		<u>409,717</u>
	Securities and investments	575
	Cash	28,258
	Total current assets	<u>589,789</u>
	TOTAL ASSETS	<u>2,204,009</u>



Consolidated financial statements for the period 6 June - 31 December

Balance sheet

Note	DKK'000	2016
	EQUITY AND LIABILITIES	
	Equity	
19	Share capital	14,990
	Reserve for value adjustments of hedging transactions	-10,874
	Reserve for foreign exchange adjustments	7,244
	Retained earnings	682,382
	Shareholders in Frontmatec Group ApS' part of equity	693,742
	Minority interests	21,330
	Total equity	715,072
	Liabilities	
	Non-current liabilities	
18	Deferred tax	146,908
20	Other credit institutions	229,001
		375,909
	Current liabilities	
20	Current portion of long-term liabilities	1,473
	Other credit institutions	637,833
21	Other provisions	15,144
17	Payments received from customers	221,815
	Trade payables	107,736
	Income taxes	14,596
	Other payables	114,431
		1,113,028
	Total liabilities	1,488,937
	TOTAL EQUITY AND LIABILITIES	2,204,009

Consolidated financial statements for the period 6 June - 31 December

Statement of changes in equity

DKK'000	Share capital	Value adjust- ments of hedging trans- actions	Foreign exchange adjust- ments	Retained earnings	Total equity	Minority Interest	Total
Comprehensive income for the year	0	0	0	-59,784	-59,784	-1,808	-61,592
Profit/(loss) for the year	0	-10,874	0	4,833	-6,041	-185	-6,226
Other comprehensive income	0	0	7,244	0	7,244	222	7,466
Unrealised loss on currency and interest swap in group entities	0	-10,874	0	0	-10,874	0	-10,874
Exchange rate on foreign investments	0	0	7,244	0	7,244	0	7,244
Comprehensive income for the year in total	0	-10,874	7,244	-54,951	-58,581	-1,771	-60,352
Capital increase	14,990	0	0	734,594	749,584	23,017	772,601
Share-based payment	0	0	0	2,739	2,739	84	2,823
Equity at 31 December 2016	14,990	-10,874	7,244	682,382	693,742	21,330	715,072



Consolidated financial statements for the period 6 June - 31 December

Cash flow statement

Note	DKK'000	2016
	Operating loss	-48,428
	Depreciation, amortisation and impairment losses	43,027
	Provisions	24,817
	Changes in receivables	-400,196
	Changes in inventories	-151,239
	Changes in trade payables	107,736
	Changes in other working capital	330,020
	Cash generated from operations (operating activities)	-94,263
	Interest received	3,569
	Interest paid	-18,264
	Cash generated from operations (ordinary activities)	-108,958
	Income taxes	117,254
	Cash flows from operating activities	8,296
	Acquisition of property, plant and equipment	-1,613,438
	Capital increase	772,601
	Cash flows from investing activities	-840,837
	External financing:	
	Contracting of long-term liabilities	222,966
	Cash flows from financing activities	222,966
	Net cash flows for the year	-609,575
	Cash and cash equivalents at 6 June	0
	Cash and cash equivalents at 31 December	-609,575

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.



Parent company financial statements for the period 6 June - 31 December

Income statement

Note	DKK'000	2016
3	Revenue	0
4,5	Production costs	0
	Gross profit	0
5	Distribution costs	0
5	Administrative expenses	-50
7	Other operating expenses	0
	Operating loss	-50
9	Financial income	0
10	Financial expenses	-868
	Loss before tax	-918
11	Tax for the year	202
	Loss for the year	-716

Statement of comprehensive income

Note	DKK'000	2016
	Loss for the year	-716
	Comprehensive income for the year	-716



Parent company financial statements for the period 6 June - 31 December

Balance sheet

Note	DKK'000	<u>2016</u>
	ASSETS	
	Non-current assets	
14	Investments in subsidiaries	751,901
18	Deferred tax assets	<u>202</u>
	Total non-current assets	<u>752,103</u>
	TOTAL ASSETS	<u><u>752,103</u></u>



Parent company financial statements for the period 6 June - 31 December

Balance sheet

Note	DKK'000	2016
	EQUITY AND LIABILITIES	
	Equity	
19	Share capital	14,990
	Reserve for retained earnings	733,794
	Total equity	748,784
	Liabilities	
	Current liabilities	
	Other credit institutions	3,269
	Other payables	50
		3,319
	Total liabilities	3,319
	TOTAL EQUITY AND LIABILITIES	752,103



Parent company financial statements for the period 6 June - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Comprehensive income for the year			
Loss for the year	0	-716	-716
Comprehensive income for the year in total	0	-716	-716
Capital increase	14,990	734,510	749,500
Equity at 31 December 2016	14,990	733,794	748,784



Parent company financial statements for the period 6 June - 31 December

Cash flow statement

Note	DKK'000	2016
	Operating loss	-50
	Changes in other working capital	50
	Cash generated from operations (operating activities)	0
	Interest paid	-868
	Cash flows from operating activities	-868
	Addition of investments	-751,901
	Capital increases	749,500
	Cash flows from investing activities	-2,401
	Net cash flows for the year	-3,269
	Cash and cash equivalents at 6 July	0
	Cash and cash equivalents at 31 December	-3,269

The cash flow statement cannot be directly derived from the other components of the financial statements.

Consolidated financial statements and parent company financial statements for the period 6 June – 31 December

Notes to the financial statements

1 Accounting policies

Frontmatec Holding III ApS is a private limited company resident in Denmark. The annual report for the period 6 July - 31 December 2016 consists of both the consolidated financial statements for Frontmatec Holding III ApS and its subsidiaries (the Group) and the financial statement for the Parent Company.

The financial statements of Frontmatec Holding III ApS are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and supplementary Danish disclosure requirements of the Danish Financial Statements Act.

On 30 May 2017, The Board of Directors and the Executive Board discussed and approved the annual report for Frontmatec Holding III ApS for 2016. The annual report will be presented to the shareholders of Frontmatec Holding III ApS for adoption at the annual general meeting on 30 May 2017.

Implementation of new and changed standards and interpretations

The annual report for 2016 is presented in conformity with all new and revised standards and new interpretations approved by the EU that are relevant to Frontmatec Holding III ApS and effective at 31 December 2016.

The implementation of new and amended standards and interpretations has not had any material impact on the financial reporting for 2016.

Basis of recognition and measurement

Assets are recognised in the balance sheet when it is probable that future financial benefits will accrue to the Group and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Group as a result of a previous event has a legal or actual commitment, and it is probable that future financial benefits will flow out of the Group and the value of the liability can be measured reliably.

Measurement at initial and subsequent recognition of assets and liabilities takes place as described for each individual item below.

At recognition and measurement, various risks and losses which appear before the annual report is presented and which confirm or invalidate matters which existed on the balance sheet date are taken into consideration.

Reporting currency

The annual report is presented in Danish kroner (DKK) and rounded to thousands of DKK. DKK is the presentation currency of the activities of the Group and the functional currency of the Parent Company.

Consolidation

The consolidated financial statements comprise the Parent Company Frontmatec Holding III ApS and entities controlled it. 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 substantive are considered when assessing whether control exists including whether the parent has an exposure or has rights to variable returns from its involvement with the entity.

Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Business combinations

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

The acquisition method is applied to the acquisition of subsidiaries. The cost is made up at the fair value of the consideration. Acquisition-related costs are recognised in the profit/loss. Conditional payments are recognised at fair value 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. Provisions for deferred tax are recognised according to fair value 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 including deferred tax is recognised as goodwill or negative goodwill.

If there is uncertainty regarding the identification or measurement of acquired assets, liabilities and contingent liabilities or the determination of the consideration at the date of acquisition, initial recognition is based on provisional values. The provisional values can be adjusted or additional assets or liabilities included until 12 month after the acquisition date. If new information has occurred regarding circumstances that existed at the time of acquisition which would have affected the statement of value at the time of acquisition if the information had been known, assets and liabilities including goodwill are restated accordingly.

Currency translation

The functional currency is determined for each of the reporting entities. The functional currency is the currency primarily used by the individual reporting entity in connection with day-to-day operations. Transactions in another currency than the functional currency are transactions in foreign currency.

Transactions in another currency than the functional currency are translated at a periodic average currency rate or the exchange rate on the transaction date. Receivables, payables and other monetary items denominated in foreign currencies are translated into DKK kroner at the exchange rate on the balance sheet date. Any foreign exchange differences between rates prevailing on the date of transaction and the payment date or the balance sheet date, as the case may be, are recognised in the comprehensive income statement as financial items.

Foreign group entities

As regards integral foreign operations, the items in their financial statements are translated using the following principles:

- ▶ Balance sheet items are translated at the closing rate.
- ▶ Items in the comprehensive income statement are translated at an average periodic exchange rate.

Any exchange differences resulting from the translation of the opening equity at the closing rate and the exchange adjustment of the items in the comprehensive income statement from the rate at the date of the transaction to the closing rate are recognised through other comprehensive income and attributed to a separate translation reserve in equity.



Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Derivative financial instruments

On initial recognition, derivative financial instruments are measured at fair value. On subsequent recognition, derivative financial instruments are measured at fair value at the balance sheet date. Positive and negative fair values are recognised as other receivables and other payables, respectively.

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

Fair value adjustments of derivative financial instruments designated and qualifying as a cash flow hedge are taken to equity until the hedged transaction is carried through. Where the future transaction results in recognition of an asset or a liability, the accumulated fair value adjustment is transferred from equity to the cost of the asset or liability. Where the future transaction results in income or expenses, the accumulated fair value adjustment is transferred from equity to the comprehensive income statement together with the hedged item.

Fair value adjustments of derivative financial instruments which do not qualify for being treated as hedging instruments are recognised in the comprehensive income statement as financial income or expenses.

Comprehensive income

Revenue

Revenue from the supply of service and spare parts is recognised as revenue in line with the services agreed being supplied so that the revenue corresponds to the sales value of the work completed in the financial year.

Construction contracts are recognised as revenue as the production is carried through, meaning that the revenue corresponds to the fair value of contracts completed in the financial year (percentage of completion method).

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the entity's core activities.

Production costs

Production costs comprise direct and indirect expenses relating to raw materials, consumables, labour, rent, and leasing.

Production costs regarding construction contracts for third parties are recognised as incurred.

Production costs further include research and development costs not satisfying the capitalisation criteria.

Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Distribution expenses

Distribution expenses include expenses relating to sale and distribution in the year, including expenses relating to sales staff, advertising and exhibitions.

Administrative expenses

Administrative expenses include expenses incurred in the year for purposes of managing and administering the company, including expenses relating to administrative staff, management, office premises/expenses.

Government grants

Government grants for research and development costs are recognised in profit or loss as other operating income on a systematic basis over the period in which the Group recognises the expenses for which the grants are intended to compensate.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Special items

Special items include significant income and costs of a special nature in terms of the Group's revenue generating operating activities which cannot be attributed directly to the Group's ordinary operating activities. Such income and costs include the cost related to significant restructuring of processes and fundamental structural adjustment, as well as gains or losses arising in this connection, and which are significant over time.

Special items also include items, that by nature are non-recurring, specifically impairment of goodwill, gains and losses on the disposal of activities and transaction cost in a business combination.

These items are classified separately in the income statement, in order to provide a more accurate and transparent view of the Group's recurring operating profit.

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

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

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost.

The expected useful lives of the assets are as follows:

	<u>Useful life (year)</u>
Buildings	10-40
Plant and machinery	5-10
Other fixtures and fittings, tools and equipment	3-5
Development costs	3-4
Other intangible assets	3-5
Customer relations	10
Brand value	10

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the comprehensive income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, dividends declared from other securities and investments, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities. Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the comprehensive income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Current tax liabilities and current tax receivable, respectively, are recognised in the balance sheet, computed as calculated tax of the taxable income of the year, adjusted for tax paid on account.

Deferred tax is recognised and measured by the balance orientated liability method of all temporary differences between book value and value for tax of assets and liabilities. Tax value of the assets is computed on the basis of the planned use of the individual asset.

Deferred tax is measured on the basis of the tax rules and the rates of tax in the respective countries, which with the legislation on the balance sheet day, will apply when the deferred tax is expected triggered as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the statement of comprehensive income.

Deferred tax assets, including value for tax of tax losses allowed for carry forward are recognised in the balance sheet with the value at which the asset is expected to be realised, either through set off in deferred tax liabilities or as net tax assets.

Balance sheet

Goodwill

Goodwill is measured in the balance sheet at cost in connection with initial recognition. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to the cash flow generating units as defined by Management. The determination of cash generating units complies with the managerial structure and the internal control and reporting in the Group.

Other intangible assets

Acquired intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development projects are capitalised if they are clearly defined and identifiable and the following recognition criteria can be satisfied:

- ▶ the technical feasibility of completing the project can be demonstrated
- ▶ plans are to produce and market the product or to use the product or the process
- ▶ sufficient technical and financial resources to complete and use or sell the project are available
- ▶ it is probable that the project will generate future economic benefits and that a potential, future market or possibility of internal use in the entity exists
- ▶ the cost can be made up reliably.

Development costs not satisfying the above criteria are expensed in the comprehensive income statement as incurred. The cost of development projects is measured at direct costs incurred as well as a portion of costs indirectly attributable to the individual development projects.

Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tangible assets

Land and buildings, plant and facilities and other fixtures and fittings are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated, as the scrap value expects to exceed carrying amounts.

Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use. The cost of self-constructed non-current assets includes the cost of direct materials and labour, etc. directly used in the production process and a portion of the relating production overheads.

Investments in group entities

Investments in subsidiaries are measured at cost less impairment. Where the cost exceeds the recoverable amount, an impairment loss is recognised to this lower value.

Impairment test

Goodwill is tested for impairment at least once a year and when there is evidence of impairment, the first time being before the end of the year of acquisition. The carrying amounts of other non-current assets are reviewed each year to determine whether there is any evidence of impairment. If any such evidence exists, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the fair value of the assets less expected disposal costs or value in use.

Impairment losses are recognised if the carrying amount of an asset or a cash generating unit exceeds the recoverable amount of the asset or the cash generating unit. Impairment losses are recognised in the comprehensive income statement under the same heading as the related amortisation and depreciation. Impairment of goodwill is not reversed. Recognition of impairment of other assets is reversed to the extent that changes have taken place in the assumptions and estimates that led to the recognition of impairment.

Loss on impairment is only reversed to the extent that the new carrying amount of the asset does not exceed the carrying amount which the asset would have had after depreciation or amortisation if the asset had not been written down for impairment.

Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO method, and net realisable value.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

Work in progress and finished goods are measured at manufacturing cost, which includes the cost of raw materials, consumables and direct payroll costs plus production overheads.

Production overheads comprise direct attributable costs incurred in connection with processing raw materials into finished goods, including labour as well as maintenance and amortisation/depreciation of intangible assets and property, plant and equipment used in the production process.



Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables with similar risks are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Construction contracts

Ongoing service supplies and construction contracts are measured at the fair value of the work performed less advances received. The fair value is calculated on the basis of the percentage of completion at the balance sheet date and the total expected income from the relevant contract. The percentage of completion is made up based on costs incurred relative to the expected, total expenses on each individual construction contract.

Where the outcome of a construction contract cannot be made up reliably, the fair value is measured at the costs incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the construction contract are expected to exceed the total fair value, the expected loss is recognised as a loss making agreement under "Provisions" and is expensed in the comprehensive income statement.

The value of each construction contract less prepayments is classified as assets when the fair value exceeds prepayments and as liabilities when prepayments exceed the fair value.

The individual construction contract is recognised in the balance sheet under receivables or liabilities dependent on whether the net value, calculated as the purchase price less received prepayments, is negative or positive.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Prepayments are measured at amortised cost.

Securities and investments

Securities and investments are measured at fair value. The fair value is made up at the market value at the balance sheet date if the securities are listed and at a value made up using generally recognised valuation principles if the securities are unlisted.

Cash

Cash comprises cash balances and bank balances and are measured at amortised cost.

Employee obligations

Pension obligations and similar non-current liabilities

The Group has entered into pension plans and similar arrangements with most employees.

Contributions to defined contribution plans where the Group makes fixed pension payments to independent pension funds are recognised in the income statement in the period to which they relate, and any outstanding contributions are recognised in the statement of financial position as other payables.

Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Share option programme

The value of services received in exchange for granted options is measured at the fair value of the options granted.

For equity-settled programmes, the share options are measured at the fair value at the grant date and recognised in the income statement under staff costs over the vesting period. The counter entry is recognised directly in equity as an owner transaction.

On initial recognition of the share options, an estimate is made of the number of options expected to vest. That estimate is subsequently revised for changes in the number of options expected to vest so that the total recognition is based on the actual number of vested options.

Accordingly, recognition is based on the number of options ultimately vested. The fair value of granted options is estimated using an option pricing model, taking into account the terms and conditions upon which the options were granted.

Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on construction contracts, restructurings, etc. Provisions are recognised when the entity has a legal or constructive obligation 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.

Income tax

Current tax payables and receivables are recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set off against deferred tax liabilities within the same jurisdiction.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Interest bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the comprehensive income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income is measured at cost.



Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 presented using the indirect method and are made up as the profit or loss for the year, adjusted for non-cash operating items, changes in working capital, paid net financials and paid income taxes.

Cash flows from investing activities comprise payments in connection with purchase and sale of fixed assets, securities which are part of investment activities and payments in connection with purchase and sale of businesses and activities.

Cash flows from financing activities comprise dividends paid to shareholders, capital increases and reductions, borrowings and repayments of interest bearing debt.

Cash and cash equivalents comprise cash and short-term securities in respect of which the risks of changes in value are insignificant.

Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

2 Disclosure of material uncertainties

The preparation of the annual report requires that Management makes estimates and assumptions that affect the recognised assets and liabilities, including the disclosures made regarding contingent assets and liabilities, when applying the Group's accounting policies.

Management considers the following estimates and assessments essential for preparing the consolidated financial statements.

Revenue/Construction contracts

The total expected costs related to construction contracts are partly based on an estimate, as they include provisions for unforeseen cost deviations in future supplies of raw materials, subcontractor products and service plus commissioning and handing over.

Tangible and intangible assets

Management estimates the useful life and residual values. The asset is then depreciated and amortised systematically over the expected future useful life.

Impairment test

An estimate is made of the future free net cash flow based on budgets and the strategy and projections for subsequent years. Significant parameters in this estimate are discount rate, revenue development, EBIT margins and growth expectations for the years after the budget year.

Deferred tax liabilities and assets

Deferred tax assets are recognised if it is likely that there will be taxable income in the future against which timing differences or tax loss carry forwards may be used. For this purpose, Management estimates the coming years' earning based on budgets and expected growth.

Inventories

The net realisable value of inventories is calculated as selling price less costs of completion and costs necessary to make the sale. The net realisable value is determined, taking into account marketability, obsolescence and development in expected selling prices. Following the economic trend in the market, the individual entities in the Group and Management have given special attention to inventory turnover when determining net realisable value.

Receivables

Estimates are used in determining the level of receivables that cannot be collected according to Management. When evaluating the adequacy of the allowance for doubtful receivables, Management analyses trade receivables and examines changes in customer creditworthiness, customer payment patterns and current economic trends.

Warranties

Warranties are measured on the basis of empirical information covering several years as well as estimates by Management of future trends.



Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

	Group
DKK'000	2016
3 Revenue	
Segmentation of revenue:	
Domestic	31,753
Foreign	411,441
	<u>443,194</u>
4 Production costs	
Production costs for the year	318,937
Inventory write-down for the year	3,232
	<u>322,169</u>
Development costs included in production costs	<u>975</u>
5 Staff costs	
DKK'000	Group
	2016
Wages and salaries	126,296
Pensions	8,064
Other social security costs	6,846
	<u>141,206</u>
Staff costs are recognised as follows in the consolidated financial statements and the parent company financial statements:	
Production	80,211
Distribution	32,260
Administration	16,354
Special non-recurring cost	12,381
	<u>141,206</u>
Average number of full-time employees	<u>799</u>

Total remuneration to Board of Directors and Executive Board of DKK 0 thousand are included in staff costs for the Parent Company.



**Consolidated financial statements and parent company financial statements for
the period 6 June - 31 December**

Notes to the financial statements

DKK'000

	<u>Group</u>
	<u>2016</u>
6 Depreciation, amortisation and impairment losses	
Development completed	21,706
Acquired intangible assets	16,943
Buildings	2,291
Plant and equipment	1,055
Other fixtures and fittings, tools and equipment	1,213
	<u>43,208</u>
(Profit)/loss on the sale of property, plant and equipment	-181
	<u>43,027</u>

The Group presents the income statement based on classification of the cost by function in order to show the profit before depreciation, amortisation and impairment (operating profit before depreciation and special non-recurring items). Depreciation, amortisation and impairment of tangible and intangible assets are therefore separated from the individual functions and presented on separate lines.

Depreciation, amortisation and impairment are divided into:

DKK'000

	<u>Group</u>
	<u>2016</u>
Production costs	40,165
Sales and distribution costs	371
Administrative expenses	2,491
	<u>43,027</u>
7 Other operating expenses	
Other operating expenses	274
	<u>274</u>
8 Special items	
Cost related to restructuring of processes and fundamental structural adjustment as a result of new owners and new plans	35,846
Organisational changes	4,231
	<u>40,077</u>

**Consolidated financial statements and parent company financial statements for
the period 6 June - 31 December**

Notes to the financial statements

9 Financial income

DKK'000	<u>Group</u>	<u>Parent Company</u>
	<u>2016</u>	<u>2016</u>
Other interest receivable, exchange rate gains and similar income	3,569	0
	<u>3,569</u>	<u>0</u>

10 Financial expenses

Interest expense, exchange rate losses and similar expenses	25,772	868
	<u>25,772</u>	<u>868</u>

11 Tax for the year

Current tax for the year	7,055	0
Current tax for last year	-272	0
Changes in provision for deferred tax	-15,822	-202
	<u>-9,039</u>	<u>-202</u>

Specified as follows:

Tax for the year	-9,945	-202
Tax for last year	-272	0
Tax on profit/loss	-10,217	-202
Tax on changes in OCI	1,178	0
	<u>-9,039</u>	<u>-202</u>

Reconciliation of tax rate:

Tax according to Danish tax rate	-15,036	-202
Differences in the tax rates in foreign subsidiaries relative to 22%	-3	0
Non-taxable income and non-deductible costs	6,272	0
Adjustments of current tax regarding previous years	-272	0
	<u>-9,039</u>	<u>-202</u>

Effective tax rate	<u>12.8 %</u>	<u>22 %</u>
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Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

12 Intangible assets

DKK'000	Goodwill	Develop- ment com- pleted	Acquired intangible assets	Develop- ment in progress	Total
Exchange rate adjustments	0	139	92	0	231
Acquisitions during the year	0	27,372	11,716	10,860	49,948
Additions in the year	843,863	371,330	195,258	5,366	1,415,817
Disposals in the year	0	0	-134	0	-134
Transferred	0	3,549	0	-3,549	0
Cost at 31 December 2016	843,863	402,390	206,932	12,677	1,465,862
Exchange rate adjustments	0	45	67	0	112
Amortisation in the year	0	21,706	16,943	0	38,649
Accumulated amortisation and write-downs of disposals	0	0	-1	0	-1
Impairment losses and amortisation at 31 December 2016	0	21,751	17,009	0	38,760
Carrying amount at 31 December 2016	843,863	380,639	189,923	12,677	1,427,102

Management performs an impairment test of the carrying amount of goodwill, development projects and other non-current assets at least annually and more frequently if there is evidence of impairment. The annual impairment test is performed on 31 December 2016. The recoverable amount of goodwill related to the individual cash generating units are calculated based on the Capital Asset Pricing Model (CAPM model)

The impairment test as at 31 December 2016 showed no evidence of impairment for 2016. Management believes that currently no changes in the key assumptions are reasonably likely to reduce the headroom to zero in any of the CGUs.

The definition of CGUs in the impairment test is based on the certainty by which the carrying amount of the intangible assets can reasonably be allocated and monitored.

The impairment test is based on the CGU "Processing equipment for red meat slaughter houses".

Key assumptions

The recoverable amount of the individual cash-generating units to which the goodwill amounts to, is calculated based on the calculations of capital value.

The most significant uncertainties are connected to the determination of discount rates, growth rates and expected changes in costs in the budget and terminal periods.

The Group expects an EBIT margin of 13.5% in 2017 and a long-term EBIT margin of 14-15%.

Management determines the expected annual growth in the budget period and the expected margins based on historical experience and assumptions of expected market developments.



Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

12 Intangible assets (continued)

Growth is supported by a rising world population, increasing urbanising, growing wealth and increasing demand for food well-being and food safety. The entities have a potential to grow in both their core markets as well as in other markets where other group entities are located.

The discount rate has been revised for each CGU to reflect the latest market assumptions for the risk free rate based on a 10-year government bond, the equity risk premium and the cost of debt.

The long term growth rate is based on business plans expected growth rates. Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Cash Generating unit	Annually average growth rate in EBIT in budget period	Growth rate in terminal period	Discount rate after tax	Discount rate before tax
Processing equipment for red meat slaughter houses	3-21	2	11.6%	14.6%

A sensibility analysis has been made of the main assumptions in the impairment test to identify the lowest and/or highest discount rate and the lowest growth rate for each cash generating unit. The sensibility analysis shows no evidence of impairment.

Completed development projects and development projects in progress are own developed R&D.

The Group has received a number of government grants, of which DKK 0 has been offset against research expenses and DKK 403 thousand against development projects in progress.

Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

13 Property, plant and equipment

	Group			Total
	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	
DKK'000				
Acquisitions during the year	79,698	9,552	11,761	101,011
Exchange rate adjustments	364	425	234	1,023
Additions in the year	42,101	4,290	1,007	47,398
Disposals in the year	0	-434	-15	-449
Cost at 31 December 2016	122,163	13,833	12,987	148,983
Exchange rate adjustments	131	248	148	527
Depreciation in the year	2,291	1,055	1,213	4,559
Accumulated depreciation and impairment losses of disposals	0	-28	0	-28
Impairment losses and depreciation at 31 December 2016	2,422	1,275	1,361	5,058
Carrying amount at 31 December 2016	119,741	12,558	11,626	143,925

The Group has received a number of government grants, of which DKK 0 has been set off against plant and machinery.



**Consolidated financial statements and parent company financial statements for
the period 6 June - 31 December**

Notes to the financial statements

14 Investments in subsidiaries

DKK'000	Parent Company
	<u>2016</u>
Addition of entities	751,901
Cost at 31 December	<u>751,901</u>
Impairment losses at 31 December	<u>0</u>
Carrying amount at 31 December	<u>751,901</u>

Subsidiaries	Legal form	Domicile	Voting rights and ownership
AX IV SAIC Holding II ApS	ApS	Kolding, Denmark	100%

DKK'000	Group
	<u>2016</u>
15 Inventories	
Raw materials and consumables	69,753
Work in progress	8,055
Manufactured goods and goods for resale	<u>73,431</u>
Inventories	<u>151,239</u>
16 Trade receivables	
Acquired write downs	4,334
Addition	5,410
Reversals/realised	<u>-214</u>
Write-down at 31 December	<u>9,530</u>

Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

DKK'000	Group
	<u>2016</u>
17 Construction contracts	
Selling price of work performed	817,195
Progress billings	-951,310
	<u>-134,115</u>
recognised as follows:	
Construction contracts (assets)	87,700
Prepayments received from customers (liabilities)	-221,815
	<u>-134,115</u>

18 Deferred tax

Deferred tax relates to:

DKK'000	Group	Parent Company
	<u>2016</u>	<u>2016</u>
Intangible assets	-134,459	0
Tangible assets	2,366	0
Current assets	-11,157	0
Liabilities	6,242	0
Tax loss carry-forwards	33,293	202
	<u>-103,715</u>	<u>202</u>
recognised as follows:		
Deferred tax assets	43,193	202
Deferred tax liability	-146,908	0
	<u>-103,715</u>	<u>202</u>

19 Share capital

The Parent Company's share capital, DKK 100 thousand, is composed of shares of DKK 0.01 or multiples hereof.

DKK'000	Share capital
	<u>2016</u>
Capital increase on 6 June 2016	50
Capital increase on 6 July 2016	50
Capital increase on 23 September 2016	14,890
31 December 2016	<u>14,990</u>

Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

20 Long-term liabilities

Breakdown of certain liabilities according to long-term and short-term liabilities:

DKK'000	Consolidated				
	Due between 1 and 5 years	Due after more than 5 years	Total long-term liabilities at 31/12 2016	Due within 1 year	Total
Mortgage debt	7,237	17,444	24,681	1,473	26,154
Other credit institutions	0	204,320	204,320	0	204,320
	<u>7,237</u>	<u>221,764</u>	<u>229,001</u>	<u>1,473</u>	<u>230,474</u>

At 31 December 2016, the contractual cash-flow on mortgage debt is DKK 26,154 thousand, other credit institutions is DKK 790,141 thousand (partly classified as current liabilities as of 31 December 2016).

The fair value is calculated as the present value of agreed cash flows using a current market-based interest rate.

As a result of the Group's loan agreement DKK 570,625 thousand have been classified as current liabilities. After year-end the amount has been reclassified to long-term liabilities specified as follows:

DKK'000	Consolidated 2017				
	Due between 1 and 5 years	Due after more than 5 years	Total long-term liabilities 2017	Due within 1 year	Total
Mortgage debt	7,237	17,444	24,681	1,473	26,154
Other credit institutions	123,876	651,070	774,946	15,195	790,141
	<u>131,113</u>	<u>668,514</u>	<u>799,627</u>	<u>16,668</u>	<u>816,295</u>

Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

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21 Provisions

DKK'000	Consolidated 2016
Acquisition of warranty	10,779
Exchange rate adjustments	151
Utilised during the year	-4,425
Unutilised warranties reversed	0
Provision for the year	8,639
Warranties at 31 December	15,144

22 Operating lease liabilities

The Group leases properties, cars and operating equipment under operating leases. The lease term is primarily one to five years.

DKK'000	Group 2016
Within one year	4,736
Between one and five years	17,108
After five years	0
	21,844

23 Security for loans and contingent liabilities

Group

The shares in Frontmatec Holding I ApS are held as security for debt to other credit institutions at a booked value of DKK 204,320 thousand.

The shares in SFK LEBLANC A/S, Attec Danmark A/S, Carometec A/S and ITEC-Ingenieurbüro für Hygiene und Lebensmitteltechnik GmbH, G.E. Leblanc Inc, G.E. Leblanc US, Inc, SFK Leblanc The Netherlands B.V and SFK Leblanc The Netherlands Holdings BV are held as security for all bank debt.

As security for all bank loan, mortgage is granted on the land and buildings at a book value of DKK 51,414 thousand with an owner's mortgage with security in the property Albuen 37, Kolding, of DKK 26,000 thousand and an owner's mortgage with security in the property Mommarkvej 293-301, Tandslet, of DKK 5,500 thousand and owner's mortgage with security in the property Hassellunden 9, Smørum, of DKK 1,200 thousand.

As security for all bank loan floating mortgage debt over chattels is granted by Attec Danmark A/S, DKK 37,700 thousand, Carometec A/S, DKK 3,000 thousand, and SFK LEBLANC A/S, DKK 15,000 thousand.

Furthermore, the Group has issued a negative pledge to the bank.

SFK LEBLANC A/S, Attec Danmark A/S Carometec A/S, ITEC-Ingenieurbüro für Hygiene und Lebensmitteltechnik GmbH, G.E. Leblanc Inc., G.E. Leblanc US, Inc., SFK LEBLANC The Netherlands B.V. and SFK LEBLANC, The Netherlands Holding B.V. have issued a guarantee of payment for all bank debt.

Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

Prepayment guarantees and performance bonds provided to customers amount to DKK 60,134 thousand.

The group's Danish companies are jointly and severally liable for tax on consolidated taxable income etc. The total amount of corporation tax payable is disclosed in the annual report of Frontmatec Holding III ApS, which is the administration company for joint taxation.

Furthermore, the group's Danish companies are jointly and severally liable for Danish withholding taxes on dividends, royalties and interest. Any subsequent changes to corporation taxes and withholding taxes may render the company liable for a greater amount.

24 Financial risks

The Group's financial risks comprise currency, interest, price, liquidity, financial counterparty and commercial credit risks. Management identifies the level and concentration of risks and initiates policies to address these through continuous business reviews. The Group is also exposed to liquidity and credit risks, but it is the Group's policy not to engage in any active speculation in financial risks.

The Group negotiates both global and local credit and guarantee facilities.

Currency risk

The Group's currency risk derives from the impact of exchange rates on future commercial payments and financial payments. Most of revenue is order-based and consists mainly of sales in the functional currency used by the individual company. The Group enters into forward contracts no later than when sales contract becomes effective.

Production costs typically consist of internal costs and procurement in the Group's functional currency and other currencies.

The Group's main currencies for commercial purposes are DKK, EUR, USD, CAD, CNY and RUB.

An increase of 5% in a given exchange rate against DKK would in 2016 have had the following impact on the consolidated profit for the year and equity.

DKK'000	EUR	USD	CAD	CNY	RUB
Profit/loss	7,134	571	458	50	27
Equity	5,580	2,304	7,624	-29	14

The currency exposures arise from financial instruments; thus the analysis does not include the hedged commercial transactions.

Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

24 Financial risks (continued)

Interest risk

Interest rate risks concern the interest-bearing financial assets and liabilities of the Group. The interest-bearing financial assets consist primarily of cash in financial institutions, and the interest-bearing liabilities mainly consist of bank and mortgage debt. Interest rate risks occur when interest rate levels change. A 1% increase in the interest rate will have a DKK 2,135 thousand effect on the Group's interest costs.

Price risk

The Group has a low price risk on procurement and sales. The possibilities of applying price adjustments to the sales prices depend partly on the market situation. Price changes can therefore affect the profit/loss both upwards and downwards. It is company policy not to enter into long-term price agreements with neither customers nor vendors.

Liquidity risk

The purpose of the Group's cash management is to ensure that the company at all times has sufficient and flexible financial resources at its disposal and is able to honour its obligations when due. The Group's liquidity reserves consist of credit balances and fixed overdraft facilities.

Financial counterpart risk

The use of financial instruments entails the risk that the counterparty may not be able to honour its obligations. The Group minimises the risk by limiting its use of financial institutions to those with an acceptable credit rating.

Commercial credit risk

The credit risk incurred from trade receivables is generally managed by continuous credit evaluation of customers and trading partners. Credit risks on counterparties other than banks are minimised through the use of export letters of credit, prepayments and credit insurance.

The maximum credit risk related to financial assets corresponds to the accounting value plus write-downs.



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Notes to the financial statements

25 Derivatives

Fair value of hedge instruments not qualifying for hedge accounting (economic hedge)

Fair value adjustments recognised in under "Net financials" in the income statement amounted to DKK 0 in 2016. At 31 December 2016, the fair value of the Group's hedge agreements that are not recognised as hedge accounting amounted to DKK 0.

Fair value hedge

To minimise the foreign currency exposure arising from trade receivables and firm commitments, the Group applies forward exchange contracts. The change in fair value is specified below:

DKK'000	Group	Parent Company
	2016	2016
Fair value	4,212	0
Included in the income statement	4,212	0

Cash-flow hedge

To minimise the foreign currency exposure arising from future cash transactions, the Group applies forward exchange contracts. The change in fair value is specified below:

DKK'000	Group	Parent Company
	2016	2016
Fair value	-13,156	0
Included in the income statement	-415	0

At 31 December 2016, the fair value of the Group's value hedge instruments amounted to DKK -8.9 million.

Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

26 Related party disclosures

Frontmatec Holding III ApS has controlling interest in AX IV SAIC Holding II ApS.

Related parties with significant influence consist of the Parent Company's Board of Directors and Executive Board plus close relatives of these persons. Related parties also include entities over which these persons exert considerable influence.

Transactions between the consolidated group entities are eliminated in these consolidated financial statements. In 2016 there were no transactions between related parties not part of the Group apart from the transactions mentioned in note 5 and 30.

Ownership

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

- ▶ Axcel IV K/S (Denmark)
- ▶ Axcel IV K/S 2 (Denmark)
- ▶ ATP Private Equity Partners V K/S (Denmark)
- ▶ General Electric Pension Trust (USA)
- ▶ Partners Group Private Equity (Master Fund), Llc (USA)
- ▶ Partners Group Global Value Sicav (Luxembourg)

27 Board of Directors and Executive Board

Frontmatec Holding III ApS' Board of Directors and Executive Board hold other executive positions as described below.

Christian Gymos Schmidt-Jacobsen, CEO

CEO Axcel Management A/S
CEO Spero Invest ApS
Member of the Board of Directors of AX IV EG Holding III ApS
Member of the Board of Directors of EG A/S
Chairman of the Board of Directors of Frontmatec Holding I ApS
Chairman of the Board of Directors of AX IV SAIC Holding II ApS
Member of the Board of Directors of Axcel Management A/S
Member of the Board of Directors of Frontmatec Group ApS

Christoffer Arthur Müller, Director

CEO AX IV SAIC Holding II ApS
CEO Frontmatec Holding I ApS
Member of the Board of Directors of Brødrene Müller Holding A/S
Member of the Board of Directors of Müller Gas Equipment A/S
Member of the Supervisory board of Zentabox A/S
CEO Müller-Scheibye Invest ApS
Member of the Board of Directors of Frontmatec Group ApS

Consolidated financial statements and parent company financial statements for the period 6 June - 31 December

Notes to the financial statements

27 Board of Directors and Executive Board, continued

Jesper Frydensberg Rasmussen

CEO AX IV MITA INV 1 ApS
CEO AX IV MITA INV 2 ApS
CEO AX IV EG INV 1 ApS
CEO AX IV EG INV 2 ApS
CEO Axcell II A/S
CEO KIFU-AX II A/S
Member of the Board of Directors of TCM Invest ApS
CEO TCM INVEST ApS
CEO Axcell II Management A/S
CEO JNP AX-III INV ApS
CEO AX MITA INVEST ApS
CEO MNGT2 ApS
CEO AX BALL INVEST ApS
CEO AXBL INVCO ApS
CEO AX IV SD INV 2 ApS
CEO AX IV SD INV 1 ApS
CEO AX IV Holding III ApS
Member of the Board of Directors of AX IV Holding III ApS
Member of the Board of Directors of AXCIM INVEST A/S
CEO AXCIM INVEST A/S
CEO AX IV CON ApS
CEO IDINVEST AX 2011 ApS
CEO AX IV EG Holding ApS
CEO AX IV Holding II ApS
Member of the Board of Directors of AX IV Holding II ApS
Member of the Board of Directors of AX IV SAIC Holding II ApS
Member of the Board of Directors of Frontmateg Holding I ApS
CEO JEBA INVEST ApS

Peter Nygaard

Member of the Board of Directors of AX IV MITA INV 1 ApS
Member of the Board of Directors of AX IV MITA INV 2 ApS
Member of the Board of Directors of AX IV EG INV 1 ApS
Member of the Board of Directors of AX IV EG INV 2 ApS
Member of the Board of Directors of AXCEL II A/S
Member of the Board of Directors of KIFU-AX II A/S
Chairman of the Board of Directors of TCM INVEST ApS
Member of the Board of Directors of AXCEL II MANAGEMENT A/S
CEO JNP AX-III INV ApS
Member of the Board of Directors of AX MITA INVEST ApS
Member of the Board of Directors of MNGT2 ApS
Chairman of the Board of Directors of AX BALL INVEST ApS
Chairman of the Board of Directors of AXBL INVCO ApS
Member of the Board of Directors of AX IV SD INV 2 ApS
Member of the Board of Directors of AX IV SD INV 1 ApS
Member of the Board of Directors of AX IV Holding III ApS
Vice chairman of the Board of Directors of DANMARKS SKIBSKREDIT A/S
Member of the Board of Directors of AX IV HoldCo P/S

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the period 6 June - 31 December**

Notes to the financial statements

27 Board of Directors and Executive Board, continued

Peter Nygaard, continued

Chairman of the Board of Directors of AXCIM INVEST A/S
Chairman of the Board of Directors of FIH A/S
Member of the Board of Directors of AX IV CON ApS
Chairman of the Board of Directors of IDINVEST AX 2011 ApS
Member of the Board of Directors of AX IV EG HOLDING ApS
Member of the Board of Directors of AX IV Holding II ApS
Member of the Board of Directors of ØENS MURERFIRMA A/S
Member of the Board of Directors of AX IV SAIC Holding II ApS
Member of the Board of Directors of Frontmatec Holding I ApS
CEO Ygdrasil ApS

28 Fees paid to auditors appointed at the annual general meeting

DKK'000	Group 2016	Parent Company 2016
Total fees to EY:		
Fee for statutory audit	1.003	50
Other assurance engagements	0	0
Fee for tax advice	-42	0
Fee for non-audit services	1,011	0
	<u>1,972</u>	<u>50</u>
Total fees to other auditors:		
Fee for statutory audit	589	0
Other assurance engagements	22	0
Fee for tax advice	64	0
Fee for non-audit services	27	0
	<u>702</u>	<u>0</u>

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Notes to the financial statements

29 Standards and interpretations that have not yet come into force

Standards and interpretations which have been approved for use in the EU, but which have not yet come into force

Amended standards and improvements were not incorporated in the 2016 annual report as they were not yet into force:

The amended standards and improvements are not expected to have material impact on the financial reporting for the coming financial years.

Standards and interpretations which have not been approved for use in the EU and have therefore not yet come into force

At the time of releasing this annual report, the following new or amended standards and interpretations were not incorporated in the annual report as they were not in force and not approved for use in the EU:

- ▶ IFRS 15, Revenue from contracts with customers
- ▶ IFRS 9, Financial instruments: Classification and Measurement and Hedge Accounting
- ▶ IFRS 16, Leases
- ▶ Amendments to IAS 12, Recognition for Deferred Tax Assets for Unrealised Losses
- ▶ Amendments to IAS 7, Reconciliation of interest bearing debt

The implementation of the new IFRS 15 in the year 2018 is expected to have an impact on the revenue recognition and disclosures in the annual report. IFRS 15 will not impact the business model but may lead to changes in the pattern of the revenue and profit recognition. Currently it is not possible to provide a reasonable estimate of the effect before the detailed review and investigations are completed.

The other new standards and amendments are not expected to have a material impact on the financial reporting for the coming financial years.

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Notes to the financial statements

30 Incentive programmes

In September 2016, the Group Executive Management and some of the key employees in the Group were granted options to purchase 3,984,180 shares in AX IV SAIC Holding II ApS at a set strike price.

The programme, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in AX IV SAIC Holding II ApS at a price agreed in advance. The warrant program is contingent on employment in the Group.

The value of the allotted warrants in 2016 is DKK 3.8 million. The cost is booked under staff cost. The total value of the allotted warrants at 31 December 2016 are DKK 3.8 million.

The fair value of the warrants allocated is estimated by means of the Monte Carlo simulations. The value is calculated under the following assumptions.

Estimated Volatility (based on a view of peer-Companies)	25.00%
Risk free interest	0.00%
Market value at the time of establishment	DKK 12.3 million
Expiry (Number of years)	4.67

Every A1 warrant grants the right to buy 1 share in AX IV SAIC Holding II ApS at a nominal value of 0.01 at a rate of DKK 0.01 at the exit date.

Every A2 warrant grants the right to buy 1 share in AX IV SAIC Holding II ApS at a nominal value of 0.01 at a rate of DKK 10 + 8% p.a.

Every B warrant grants the right to buy 1 share in AX IV SAIC Holding II ApS at a nominal value of 0.01 at a rate of DKK 10 + 16% p.a.

The participants may exercise their warrants in the periods from 1 October 2021 to November 2021 and from 1 October 2023 to 1 November 2023 and in the event of an exit.

Number of warrants

	A1 warrants	A2 warrants	B warrants
Granted in 2016	980,624	2,222,312	627,930
At 31 December 2016	980,624	2,222,312	627,930

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Notes to the financial statements

31 Business combinations

Acquisition of companies in 2016

At 31 August 2016, the Group acquired all of the in SFK LEBLANC A/S, Attec Danmark A/S, Carometec A/S and ITEC-Ingenieurbüro für Hygiene und Lebensmitteltechnik GmbH.

Name	Primary activity	Date of control	Acquired ownership	Acquired voting rights	Total consideration DKK'000
SFK Leblanc A/S	Global sales, engineering, production, installation and service of plants and machinery for industrial slaughtering	31-08-2016	100%	100%	1,186,335
Attec Danmark A/S	Global sales, engineering, production, installation and service of plants and machinery for industrial slaughtering	31-08-2016	100%	100%	119,166
Carometec A/S	Global sales, engineering, production, installation and service of instruments for classification, sorting and process optimization for industrial slaughtering	31-08-2016	100%	100%	69,146
ITEC-Ingenieurbüro für Hygiene und Lebensmitteltechnik GmbH	Global sales, engineering, production, installation and service of plants and machinery for industrial slaughtering and hygiene solutions	31-08-2016	100%	100%	40,900

The acquisition of SFK LEBLANC A/S and Attec Danmark A/S, Carometec A/S and ITEC-Ingenieurbüro für Hygiene und Lebensmitteltechnik GmbH will strengthen Frontmatecs global position as the number one provider for slaughter lines for the international pig and cattle slaughterhouses. The business combination also strengthens the Group's presence in all major red meat markets.

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Notes to the financial statements

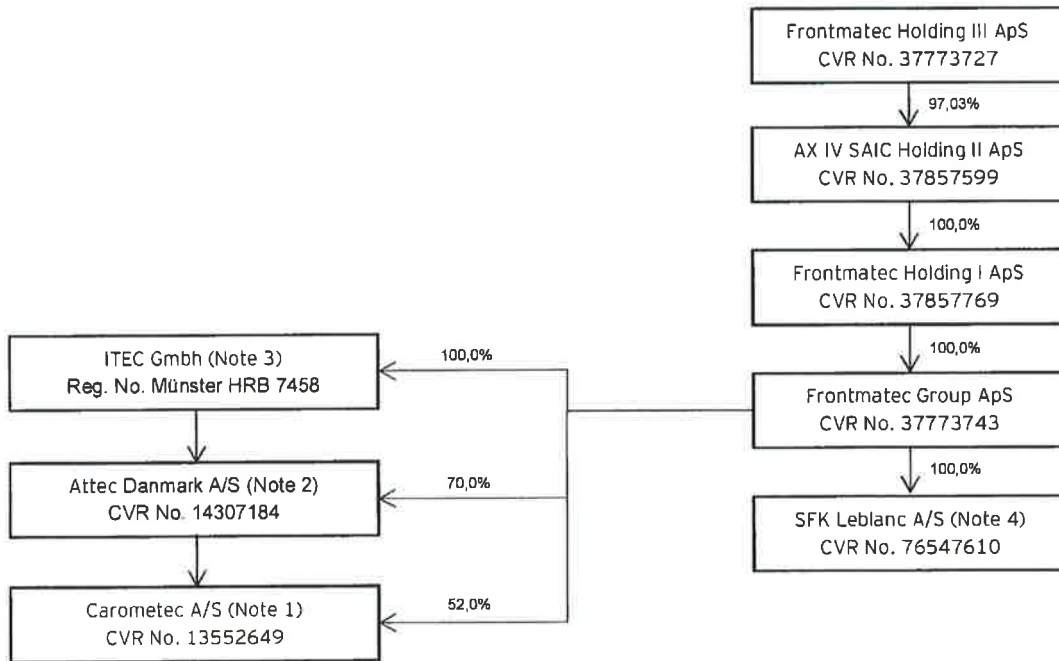
31 Business combinations (continued)

The acquisition of SFK LEBLANC A/S and Attec Danmark A/S also gives the Group a significant position in Food Production logistic systems, while the acquisition of ITEC-Ingenieurbüro für Hygiene ind Lebensmitteltechnik GmbH also gives a presence in the market for hygiene solutions for the food industries.

DKK'000	
Development projects	407,089
Other acquired intangible assets	11,831
Customer relations	153,374
Order backlog	38,921
Brand	1,496
Total intangible assets	612,711
Land and buildings	119,788
Other tangible assets	9,526
Inventory	149,242
Other short-term receivables	316,312
Long term debt	-115,779
Deferred tax	-110,645
Tax payable	-4,945
Other short-term debt	-404,377
Bank debt	-149
Net assets acquired	422,833
Goodwill	843,863
Total consideration	1,266,696

After recognition of identifiable assets and liabilities at fair value, goodwill in relation to the acquisitions was assessed at DKK 844 million. The goodwill represents the value of assets where the fair value cannot be measured reliably, the value of the acquired staff and knowhow, expected synergies from the merger of acquired company and the existing activities in Frontmateg as well as the value of access to new markets.

32 Group Structure



Note 1 - Carometec A/S - subsidiaries (Company name, reg. no., %-share)	Note 2 - Attec Danmark A/S - subsidiaries (Company name, reg. no., %-share)	Note 3 - ITEC GmbH - subsidiaries (Company name, reg. no., %-share)	Note 4 - SFK Leblanc A/S - subsidiaries (Company name, reg. no., %-share)
Carometec Spain, reg. no. B-62423884, 33,33%	Carometec Spain, reg. no. B-62423884, 33,33%	Carometec Spain, reg. no. B-62423884, 33,33%	G.E. Leblanc Inc. (Canada), reg. no. 11468716231, 100%
Carometec GmbH, reg. no. HRB 17657, 100%			G.E. Leblanc US, Inc., reg. no. 01135848, 100%
Carometec Inc., reg. no. 42-1417610, 100%			SFK Leblanc Vostok LLC, reg. no. 7706428312, 100%
Carometec PL, reg. no. 0000254341, 100%			SFK Slaughtering Equipment (Shanghai) Co. Ltd., reg. no. 9131011566607636X1, 100%
			SFK LEBLANC The Netherlands Holding B.V., Reg no. 30889875, 100%
			SFK Leblanc the Netherlands B.V., reg. no. 08049717, 100%
			(Subsidiary to SFK LEBLANC The Netherlands Holding B.V.)
			Subsidiaries:
			•Nawi Europe Service and Development B.V., reg. no. 27176917, 100%
			•Nawi Montage en Installatie B.V., reg. no. 08053378, 100%
			•Nawi Produktie B.V., reg. no. 08053378, 100%
			•Nawi Roestvrij Staal B.V., reg. no. 08053381, 100%
			•Nawi Automatisering Ontwikkeling en Research B.V., reg. no. 08053381, 100%
			•Nawi Opleiding en Training B.V., reg. no. 080103871, 100%
			•Nawi Opleiding en Training B.V., reg. no. 080103871, 100%



