

**AGCO DANMARK A/S**  
**Stationsparken 37, 2**  
**DK - 2600 Glostrup**

**Annual Report 2018**

**CVR-nr. 66 60 76 15**

Annual Report was presented and approved by the company  
General Meeting

Date 11th June 2019

X   
Chairman

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## Statements

### Management statement

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2018.

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

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

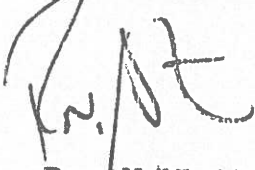
Glostrup, 11<sup>th</sup> June 2019

Management:

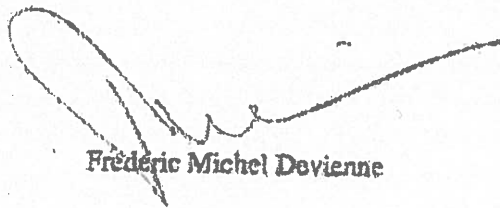


Anders Melgaard Clausen

Board of directors:



Roger Neil Batkin  
Chairman



Frédéric Michel Devienne



Anders Melgaard Clausen

## **Independent auditor's report**

### **To the shareholders of AGCO Danmark A/S**

#### **Opinion**

We have audited the financial statements of AGCO Danmark A/S for the financial year 1 January – 31 December 2018 comprising accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

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

#### **Management's responsibility for the financial statements**

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

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

## **Independent auditor's report (continued)**

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

## **Independent auditor's report (continued)**

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

### **Statement on the Management's review**

Management is responsible for the Management's review.

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

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

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

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

Aalborg, 11<sup>th</sup> June 2019

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



**Steffen S. Hansen**  
State Authorised  
Public Accountant

MNE- nr : 32737

## **Management's Review**

### **Key information on the company**

AGCO Danmark A/S  
Stationsparken 37, 2  
DK-2600 Glostrup

CVR-nr / Registration No.: 66 60 76 15  
Established: 30.06.1981  
Financial year: 1 January – 31 December

### **Board of directors**

Frédéric Michel Devienne  
Roger Neil Batkin  
Anders Melgaard Clausen

### **Management**

Anders Melgaard Clausen

### **Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Østre Allé 18,  
9000 Aalborg



## Management's review (continued)

### Key figures and key ratios

MDKK	2018	2017	2016	2015	2014
<b>Key figures</b>					
Net sales	596.5	635.4	619.4	428.1	650.0
Gross profit	46.3	45.9	52.9	40.8	40.5
Ordinary operating profit	14.7	16.2	25.8	13.0	14.1
Profit/loss from financial income and expenses	0.9	1	-1.6	0.1	-1.7
Restructuring costs	0	0	-1.5	0.0	0.0
Income before tax	15.6	16.2	24.2	13.1	12.4
Net income	12.1	12.6	19.9	10.0	8.6
<b>Fixed assets</b>					
Investment in property, plant and equipment	0	0.0	0.0	0.0	0.0
<b>Current assets</b>					
Total assets	330.6	292.2	220.7	464.1	550.3
Share capital	5.5	5.5	5.5	5.5	5.5
Shareholders' equity	57.6	45.5	32.9	53.0	42.9
Provisions	3.2	2.2	2.2	2.3	1.3
Current liabilities	269.7	244.6	185.6	408.9	506.1
Total shareholders' equity and liabilities	330.5	292.2	220.7	464.1	550.3
<b>Key Ratio</b>					
Gross margin	7.8%	7.2%	8.8%	9.5%	6.2%
Return on invested capital	9.3%	34.05%	122.0%	31%	102.4%
Equity ratio	17.4%	14.9%	14.9%	11.4%	7.8%
Return on equity	21.0%	27.7%	60.5%	18.9%	20.1%
Average number of employees	45	42	47	43	41

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.



## Management's review (continued)

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit} \times 100}{\text{Average invested capital}}$
Invested capital	Operational intangible assets and property, plant and equipment as well as net working capital.
Return on equity	$\frac{\text{Profit from ordinary activities after tax} \times 100}{\text{Average equity}}$
Equity ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$

### Core business area

AGCO Danmark A/S's principal activity is the import and sale of agricultural machinery and spare parts. AGCO Danmark A/S's main products are Massey Ferguson, Valtra and Fendt tractors, combines, balers and self-propelled sprayers. AGCO Danmark's clients are a distributor base of now 18 dealers in Denmark, with 41 outlets for the sale of machinery, spare parts and store products.

### Development in activities and financial conditions

#### Result for the year

Following the trend from the last three years, AGCO Danmark continues to strengthen its position, which are satisfactory.

Overall, our brand focus is now giving us the focus with the dealer network, we have been planning for.

#### Market:

We have seen a decline in the overall market, mainly due the dry summer, which have caused many farmers to be careful with their investments in 2018. Furthermore, due to the homologation process end 2017, several manufacturers including AGCO pushed units into the network so machines were registered in 2017.

## **Management's review (continued)**

Fendt has maintained the market share, with a small growth of 0.1%, Valtra has grown and acceptable 0.7% in our share, and Massey Ferguson have sold also more or less then the same number of units.

The introduction of IDEAL combine in market has caused positive reactions and we see possibilities with this highly innovative and awarded machine. Our haytool range have been positively received in the market with a satisfactory number of machines sold in the market.

Revenue for the year is 596.5 MDKK against 635,3 M DKK in the prior year. Operating profit after tax amounted to 12.1 MDKK against 12.6 MDKK in the prior year. The development is considered satisfactory to positive, with an increasing margin

The management consider the result to be acceptable.

### **Investments**

No significant investments are planned.

### **Capital resources**

AGCO Danmark A/S has an equity ratio of 17.6% (2017: 15.6 %), with a return on equity at 31 December 2018 of 21.0 % (2017: 27.9 %).

The company's capital resources are regarded as sufficient to cover the ongoing business for 2017.

### **Research and development activities**

No such activities are planned for in 2018.

### **Outlook**

Management's expectations are based on the total market is flat to a small increase in 2019 compared to 2018, and that the network development and consolidation continues. The expectation to market share for all three brand are slightly positive.

### **Ownership**

AGCO Danmark A/S is wholly owned by AGCO A/S.

## **Management's review (continued)**

### **Corporate Social Responsibility**

AGCO Danmark A/S has no policies regarding human rights or social and staff matters. Management has not prepared policies, as it is our understanding that based on the performed internal risk assessment and considering our countries of operations that the risks to these areas are not material from our operations and by following robust environmental laws and standards, there is no need to develop such policy at the current stage. Policies are under development and are expected to be finalized at the end of 2019.

AGCO Danmark A/S has no policies regarding environment or climate. It is our understanding that based on the performed internal risk assessment and considering our countries of operations that the risks to environment are not material from our operations and by following robust environmental laws and standards, there is no need to develop such policy at the current stage. Policies are under development and are expected to be finalized at the end of 2019.

AGCO Danmark A/S has no policies regarding anti-corruption. Management consider the risk of anti-corruption as low and has not prepared policies for this area. Policies are under development and are expected to be finalized at the end of 2019.

### **Target and Policies for the Underrepresented Gender**

In the Financial Statements Act, §99b, a provision has been added on target figure and policies regarding the distribution by gender in the Board and management. At AGCO Danmark A/S the target is that the under-represented gender must represent minimum 33% of the executive board at the end of the financial year 2021. This accounts for 1 female member to be appointed by the end of financial year 2021. Currently, the board consists of 3 members, which are all males.

The Board is determined at group level and consists of two persons from Group Administration together with the Executive Director. The board is rarely changed and the composition of the Board depends on composition of Administration in Parent Company.

Even though, this could be an issue for completion of our target, we will strive to meet it within the defined timeframe by keeping focus on increasing diversity in the executive board

At 31 December 2018 the under-represented gender was 0% of the executive board. The total FTE for FY17 is under 50, therefore, under §99b, it is not mandatory to implement any concrete policy and initiatives for other management levels.

## **Accounting principles**

The 2018 annual report of AGCO Danmark A/S has been prepared in accordance with the provisions applying to class C (large) enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Pursuant to Section 86 (4) of the Danish Financial Statements Act, a cash flow statement has not been prepared.

### **Recognition and measurement**

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortized cost implying the recognition of a constant effective interest rate to maturity. Amortized cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortization of any difference between cost and nominal amount.

In recognizing and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognized in the income statement as earned; including value adjustments of financial assets and liabilities measured at fair value or amortized cost. Equally, costs incurred to generate the year's earnings are recognized, including depreciation, amortization, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognized in the income statement.

### **Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as interest income or expense and similar items.

Tangible assets acquired in foreign currencies are translated at the exchange rate of the transaction date.

## **Accounting principles (continued)**

### **Income statement**

#### **Revenue**

Revenue from the sale of goods for resale and finished goods is recognized in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that income can be reliably measured and is expected to be received. Revenue is measured ex VAT, taxes and discounts in relation to the sale.

#### **Other operating income and costs**

Other operating income and costs comprise items secondary to the principal activities of the enterprises, including gains and losses on disposal of intangible assets and property, plant and equipment.

#### **Interest income and expense and similar items**

Interest income and expense and similar items comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortization of financial assets and liabilities as well as surcharges and refunds under the on account tax scheme etc.

#### **Tax on profit / loss for the year**

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to amounts directly recognized through equity is recognized directly in capital and reserves. The recognized tax expense relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

### **Balance sheet**

#### **Property, plant and equipment**

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

## **Accounting principles (continued)**

**Fixtures and fittings, tools and equipment      3-10 years**

**Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognized in the income statement as other operating income or other operating costs, respectively.**

**The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.**

### **Leasing**

**All leasing contracts are evaluated to be operating lease. The expenses are recognized in the income statement for the duration of the lease contracts. Total leasing commitment is disclosed in the notes.**

## **Accounting principles (continued)**

### **Inventories**

Inventories are measured at cost in accordance with the FIFO method. Where the net realizable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

The net realizable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.

### **Receivables**

Receivables are measured at amortized cost. Write-down is made for bad debt losses

### **Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

### **Corporation tax and deferred tax**

Current tax payable and receivable is recognized in the balance sheet as tax computed in the taxable income for the year, adjusted for tax on the taxable income of prior years.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized at the expected value of their utilization; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

### **Other provisions**

Warranties comprise obligations to make good any defects within the warranty period. Provisions for warranties are measured and recognized based on past experience.

### **Financial liabilities**

Amounts owed to mortgage credit institutions and banks are recognized at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement over the term of the loan.

Other liabilities are measured at net realizable value.



# STATEMENT OF INCOME

(DKK 1,000)

Note

		<u>2018</u>	<u>2017</u>
	<b>NET SALES</b>	<b>596,484</b>	<b>635,371</b>
	Cost of sales	-523,429	-559,751
	Other external expenses	-26,723	-29,677
	<b>GROSS PROFIT</b>	<b>46,332</b>	<b>45,943</b>
1	Staff costs	-31,583	-29,674
	Depreciation	-47	-40
	<b>ORDINARY OPERATING PROFIT</b>	<b>14,702</b>	<b>16,229</b>
2	Financial income	4,390	5
3	Financial expenses	-3,461	-4
	<b>INCOME BEFORE TAX</b>	<b>15,631</b>	<b>16,230</b>
4	Tax on profit for the year	-3,474	-3,621
	<b>NET INCOME</b>	<b>12,157</b>	<b>12,609</b>

# BALANCE SHEET

## ASSETS

(DKK 1,000)

Note

		<u>2018</u>	<u>2017</u>
<b>FIXED ASSETS</b>			
	<b>Tangible fixed assets</b>		
<b>6</b>	Machinery and equipment	93	59
	<b>Total fixed assets</b>	<u>93</u>	<u>59</u>
<b>CURRENT ASSETS</b>			
	<b>Inventories</b>	<u>1,960</u>	<u>3,634</u>
	<b>Receivables</b>		
	Trade receivables	30,214	57,687
	Intercompany receivables	222,204	138,905
<b>7</b>	Deferred tax asset	9,993	11,763
	Other receivables	15,507	12,925
<b>8</b>	Prepayments	8,650	8,463
		<u>286,568</u>	<u>229,743</u>
	<b>Cash</b>	<u>42,049</u>	<u>71,706</u>
	<b>Total current assets</b>	<u>330,577</u>	<u>305,083</u>
	<b>TOTAL ASSETS</b>	<u>330,670</u>	<u>305,142</u>

# BALANCE SHEET

## SHAREHOLDERS' EQUITY AND LIABILITIES

(DKK 1,000)

<u>Note</u>	<u>2018</u>	<u>2017</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	5,500	5,500
Retained earnings	52,145	39,988
<b>Total shareholders' equity</b>	<b>57,645</b>	<b>45,488</b>
<b>PROVISIONS</b>		
Warranty provision	3,240	2,166
<b>9</b> Other provisions	-	-
	<b>3,240</b>	<b>2,166</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	8,038	20,329
Intercompany debt	189,315	162,095
Joint taxation payable	0	3,242
Other debt	72,432	71,822
<b>Total current liabilities</b>	<b>269,785</b>	<b>257,488</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
	<b>330,670</b>	<b>305,142</b>

## STATEMENT OF CHANGES IN EQUITY

(DKK 1,000)	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Proposed dividends</u>	<u>Total equity</u>
<b>Shareholders' equity 1 January 2018</b>	5,500	39,988	0	<b>45,488</b>
Transferred over the profit appropriation	0	12,157	0	<b>12,157</b>
Distributed extraordinary dividends	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Shareholders' equity 31 December 2018</b>	<u>5,500</u>	<u>52,145</u>	<u>0</u>	<u><b>57,645</b></u>

The share capital consists of 5,500 shares of TDKK 1, amounting to TDKK 5,500.  
No changes have been made to the share capital in the last 5 years.

## NOTES

(DKK 1,000)

### 1 STAFF COSTS

	<u>2018</u>	<u>2017</u>
Salaries and wages	28,702	27,167
Pension	2,522	2,254
Other social security costs	359	253
	<u>31,583</u>	<u>29,674</u>

During the year the company had an average of 41 employees (2017: 42)

The company took advantage of section 98b(3) of the Danish Financial Statements Act and has not disclosed the remuneration of the Executive Board and Management.

### 2 FINANCIAL INCOME

	<u>2018</u>	<u>2017</u>
Intercompany Interest	4,390	5
	<u>4,390</u>	<u>5</u>

### 3 FINANCIAL EXPENSES

	<u>2018</u>	<u>2017</u>
Other interest charges	-3,461	-4
	<u>-3,461</u>	<u>-4</u>

### 4 TAX ON PROFIT FOR THE YEAR

Income taxes are based on the tax laws currently in effect.

	<u>2018</u>	<u>2017</u>
Current tax for the year	1,459	3,816
Deferred tax for year	244	-23
Adjustment relating to prior year	1,771	-172
	<u>3,474</u>	<u>3,621</u>

### 5 PROPOSED PROFIT APPROPRIATION

	<u>2018</u>	<u>2017</u>
Distributed extraordinary dividends	-	-
Profit for the year	12,157	12,609
	<u>12,157</u>	<u>12,609</u>

## NOTES (Continued)

(DKK 1,000)

### 6 FIXED ASSETS

	<u>Machinery And Equipment</u>
<b>COST</b>	
Balance as of January 1, 2018	1,171
Additions	80
Disposals	-
Balance as of December 31, 2018	<u>1,252</u>
<b>ACCUMULATED DEPRECIATION</b>	
Balance as of January 1, 2018	1,112
Depreciation	47
Depreciation on disposed assets	-
Balance as at December 31, 2018	<u>1,159</u>
Net book value as at December 31, 2018	93
Net book value as at December 31, 2017	59

### 7 DEFERRED TAX

	<u>2018</u>	<u>2017</u>
Deferred tax at 1 January	11,763	11,740
Adjustment of deferred tax	(1,770)	23
	<u>9,993</u>	<u>11,763</u>
Deferred tax relates to:		
Property, plant and equipment	103	93
Provisions	9,890	11,670
	<u>9,993</u>	<u>11,763</u>

### 8 PREPAYMENTS

	<u>2018</u>
Prepayments relates to the following:	
Accrued Income	7,962
Warehouse lease deposit	655
Prepaid insurance costs	-
Other	33
	<u>8,650</u>

## NOTES (Continued)

(DKK 1,000)

### 9 OTHER PROVISIONS

	<u>2018</u>	<u>2017</u>
Other provisions at 1 January	2,166	902
Utilized during the year	-	-
Reversal	-363	-623
Provision for the year	1,437	1,887
<b>Other provisions at 31 December</b>	<u><b>3,240</b></u>	<u><b>2,166</b></u>

The provisions are expected to be payable in:

0-1 year	2,012	575
1-5 years	1,228	1,591
>5 years	-	-
	<u>3,240</u>	<u>2,166</u>

### 10 CURRENCY AND INTEREST RATE RISKS AND THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS

AGCO Danmark A/S does not make use of hedging instruments, such as forward exchange contracts or interest and currency swaps, for its recognised and unrecognised transactions.

#### Recognised transactions

Recognised transactions in the form of receivables and payables denominated in foreign currencies are minimal as the majority of transactions are made in DKK. The risk associated with foreign exchange is therefore deemed to be small.

#### Currency risks

Currency	Receivables	Payables	Hedged by forward exchange contracts and currency swaps	Net position
	DKK	DKK	DKK	DKK
DKK	101,350	(118,210)	-	(16,860)
EUR	156,583	(75,033)	-	81,550
NOK	27,681	(20)	-	27,661
SEK	(21,720)	(8)	-	(21,728)
Other	-	(50)	-	(50)
	<u>263,894</u>	<u>(193,321)</u>	<u>-</u>	<u>70,573</u>



## NOTES (Continued)

(DKK 1,000)

### 11 LEASING COMMITMENTS

The Company has entered into leasing contracts regarding cars and buildings.

The contracts expire on various dates up to 2025 and beyond and the total obligation amounts to TDKK 30,115.

The Company has entered into a leasehold agreement, which is now on a rolling basis and has a notice period of 6 months for the building in Glostrup and 3 months for the office facilities in Frederica. The Lease cars have a period of four years for diesel and 3 years for petrol and a maximum of 200,000 miles usage limit, if cars are driven for the 200,000 limit before the period ends, they will need to be changed .

The total lease obligation amounts to TDKK 3,215.

### 12 RELATED PARTY DISCLOSURE

AGCO Danmark A/S's related parties comprise the following:

#### Controlling party

AGCO A/S, Dronningborg Alle 2, 8930 Randers.

AGCO A/S holds 100% of the share capital in the Company.

AGCO Danmark A/S is part of the consolidated financial statements of AGCO Corporation, Registered Office: 4205 River Green Parkway, Duluth Georgia U.S, which is the smallest and largest group in which the Company is included as a subsidiary.

The consolidated financial statements of AGCO Corporation can be obtained by contacting the Company or at the following website: [www.AGCOcorp.com](http://www.AGCOcorp.com)

#### Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

### 13 AUDITOR'S REMUNERATION

The total fee to the auditors appointed by the shareholder at the annual general meeting for performing the statutory audit has, for the financial year, amounted to 160 TDKK.

### 14 CONTINGENT LIABILITIES

#### Joint taxation

The Company is jointly taxed with the other Danish group companies. As a wholly-owned subsidiary, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties. Any subsequent correction of the taxable joint taxation income or withholding taxes might increase the Company's liability. There are no other contingent liabilities for the company to report.

### 15 EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred after the balance sheet date.