SFK Leblanc A/S

Albuen 37, DK-6000 Kolding

CVR no. 76 54 76 10

Annual report 2016

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

Chairman:

Allan AN

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Building a better
working world

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of SFK Leblanc A/S for the financial year 1 January - 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.

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

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

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

Kolding, 30 May 2017
Executive Board:

Henrik Andersen
CEO

Board of Directors:

Henrik Alifas Nielsen Chairman	Kurt Godsk Andersen	Henrik Andersen
Kurt Karlsen	Finn Ejsing Andreasen	

Independent auditors' report

To the shareholders of SFK Leblanc A/S

Opinion

We have audited the financial statements of SFK Leblanc A/S for the financial year 1 January - 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 a summary of significant accounting policies. The 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 financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations and cash flows for the financial year 1 January - 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 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 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 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 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 our procedures, 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 Statements Act. We did not identify any material misstatements of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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 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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

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

Steen Skorstengaard
State Authorised
Public Accountant

Management's review

Company details

Name	SFK Leblanc A/S
Address, zip code, city	Albuen 37, DK-6000 Kolding
CVR no.	76547610
Established	16 October 1999
Registered office	Kolding
Financial year	1 January - 31 December
Website	www.Frontmatec.com
E-mail	info@Frontmatec.com
Telephone	+45 76 34 27 00
Board of Directors	Henrik Alifas Nielsen, Chairman Kurt Godsk Andersen Henrik Andersen Kurt Karlsen Finn Ejsing Andreasen
Executive Board	Henrik Andersen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, DK-8000 Aarhus C

Management's review

Operating review

Business review

The main activities of the company are global sales, engineering, production, installation and service of plants and machinery for industrial slaughtering.

Furthermore, the company manufacturers and delivers Food Production Logistics systems, selected weighing/data systems as well as yield control and tracking systems.

Financial review

The net profit for the year ended 31 December 2016 is DKK 6,500 thousand, which is in line with expectations. The balance sheet at 31 December 2016 for the company shows total assets of DKK 479,405 thousand and shareholders' equity of DKK 149,502 thousand.

We expect increased activity and earnings on all our markets in 2017.

At 31 December 2016, the company owns own shares corresponding to 10.14 % of the share capital.

Knowledge resources

The leading position of the company within the slaughtering industry must be maintained through continued development of new technology and products.

This requires that employees acquire new knowledge and are willing to participate in necessary changes. This effort will be supported through staff development, education and a positive working environment.

Special risks

Unusual risks

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

Financial risks

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

Impact on the external environment

The company has ratified environmental protection legislation for manufacturers of iron, steel and metal.

Research and development activities

The company's development activities are expected to increase compared to previous years, and there will be continued focus on exploiting knowledge and experience. In addition to development activities carried out by the company, staff development is pursued in close co-operation with customers, know-how and industry organizations. The company protects its intellectual rights by taking out relevant patents.

Post balance sheet events

No events have occurred after the financial year-end which could significantly affect the company's financial position.

Management's review

Operating review

Outlook

Both revenue and earnings are expected to increase in year 2017 compared to year 2016.

Corporate Social Responsibility (CSR)

SFK Leblanc A/S has no written policies regarding Corporate Social Responsibility, human rights and climatic impact.

However, the company has written guidelines in place which states that the company must act in a responsible and respectful manner in social matters, and that the company must have high focus on workplace safety, both at its own premises and when working at customer sites. Contracts with suppliers include direct references to the UN's Global Compact and focus on the expectations which the company has to its suppliers and their sub-suppliers in terms of legal and ethical behaviour.

The Company has given its main suppliers a copy of its "Business Conduct for Suppliers". Suppliers who cannot subscribe to the positions stated cannot be suppliers to the company.

The results of the supplier policy are frequently reviewed with the suppliers. In 2016, the company continued expanding the number of suppliers that have to accept the company's "Business Conduct for Suppliers".

The work environment is frequently evaluated by a health and safety committee which in cooperation with Management considers how to improve the work environment in order to avoid accidents and nearby accidents. The work environment also includes active sorting of waste to mitigate the environmental impact.

In 2016, the company registered 6 accidents at work and 0 nearby accidents, which is slightly higher than the 2015-level. One accident at work is one too many, no matter how serious it may be, and by means of the health and safety committee the company aims to eliminate accidents at work as well as nearby accidents.

Account of the gender composition of Management

In 2016, the gender distribution of the members of the Board of Directors elected at the company's ordinary shareholders' meeting was 0 women and 5 men.

The distribution of women and men in the company as a whole was 15% women and 85% men as of 31 December 2016.

SFK Leblanc A/S' objective for the coming 4 years is to increase the share of women to approximately 20% on all management levels.

Recommendation for responsible ownership and corporate governance

Axcel Fonden is subject to the guidelines of the Danish Venture and Private Equity Association (DVCA) for responsible ownership and corporate governance for private equities, and therefore the company is subject to the same guidelines.

The company follows DVCA's guidelines with exception of the breakdown of earnings per business area, as this has been omitted for competitive reasons. The company does not have an audit committee since the Board of Directors manages this task.

DVCA's guidelines can be found on the homepage www.dvca.dk.

Financial statements for the period 1 January – 31 December

Income statement

Note	DKK'000	2016	2015
3	**Revenue**	293,455	253,345
4,5	Production costs	-214,966	-175,815
	Gross profit	78,489	77,530
5	Distribution costs	-33,535	-27,685
5	Administrative expenses	-17,265	-16,880
7	Other operating costs	148	-686
	Operating profit before depreciations and special non-recurring items	27,837	32,279
8	Special non-recurring items	-6,671	0
6	Depreciations, amortisation and impairment of noncurrent assets	-8,044	-8,083
	Operating profit	13,122	24,196
9	Financial income	3,633	3,754
10	Financial expenses	-8,422	-3,905
	Profit before tax	8,333	24,045
11	Tax for the year	-1,833	-6,282
	Profit for the year	6,500	17,763
	Proposed profit appropriation		
	Retained earnings	-5,000	17,763
	Proposed dividend	11,500	0
		6,500	17,763

Statement of comprehensive income

Note	DKK'000	2016	2015
	Profit for the year	6,500	17,763
	Items that are or may be reclassified subsequently to profit or loss:		
	Unrealized gain on forward exchange contracts for the year	-6,719	-2,259
	Unrealized gain on forward exchange contracts transferred to financial expenses	2,259	649
	Tax	947	372
	Other comprehensive income for the year after tax	-3,513	-1,238
	Comprehensive income for the year	2,987	16,525

Financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK'000	2016	2015
	ASSETS		
	Non-current assets		
12	**Intangible assets**		
	Development completed	6,480	3,148
	Acquired Intangible assets	4,751	8,255
	Development in progress	3,261	3,348
		14,492	14,751
13	**Property, plant and equipment**		
	Land and buildings	11,025	10,225
	Plant and machinery	989	1,004
	Fixtures and fittings, tools and equipment	2,277	684
		14,291	11,913
	Investments		
14	Investments in subsidiaries	132,805	132,805
	Receivables from group companies	105,880	66,671
18	Deferred tax asset	14,209	15,022
		252,894	214,498
	Total non-current assets	281,677	241,162
	Current assets		
15	**Inventories**	31,976	32,764
	Receivables		
16	Trade receivables	87,107	22,910
17	Construction contracts	42,219	21,602
	Receivables from group companies	22,713	64,324
	Other receivables	3,451	2,774
	Prepayments	1,840	2,170
		157,330	113,780
	Securities and investments	575	575
	Cash at bank and in hand	7,847	23,266
	Total current assets	197,728	170,385
	TOTAL ASSETS	479,405	411,547

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2016	2015
	EQUITY AND LIABILITIES		
	Equity		
19	Share capital	9,922	9,922
	Reserve for value adjustments of hedging transactions	-5,241	-1,728
	Reserve for treasury shares	-8,726	-8,726
	Reserve for retained earnings	142,047	230,066
	Proposed dividend	11,500	0
	Total equity	149,502	229,534
	Liabilities		
	Non-current liabilities		
20	Other credit institutions	12,760	13,378
		12,760	13,378
	Current liabilities		
20	Current portion of non-current liabilities	617	18,973
21	Other provisions	3,249	2,696
17	Construction contracts	84,451	36,176
	Trade payables	36,010	21,624
	Payables to group companies	154,178	60,490
	Income taxes	-105	21
	Other payables	38,743	28,655
		317,143	168,635
	Total liabilities	329,903	182,013
	TOTAL EQUITY AND LIABILITIES	479,405	411,547

Financial statements for the period 1 January – 31 December

Statement of changes in equityDKK'000	Share capital	Value adjustments of hedging transactions	Treasury shares	Retained earnings	Proposed dividend	Total
Equity at 1 January 2015	9,922	-490	-8,726	212,303	0	213,009
Comprehensive income for the year						
Profit for the year	0	0	0	17,763	0	17,763
Other comprehensive income						
Unrealized gain on forward exchange contract	0	-1,610	0	0	0	-1,610
Tax on other comprehensive income	0	372	0	0	0	372
Comprehensive income for the year in total	0	-1,238	0	17,763	0	16,525
Equity at 31 December 2015	9,922	-1,728	-8,726	230,066	0	229,534

DKK'000	Share capital	Value adjustmen ts of hedging trans- actions	Treasury shares	Retained earnings	Proposed dividend	Total
Equity at 1 January 2016	9,922	-1,728	-8,726	230,066	0	229,534
Comprehensive income for the year						
Profit for the year	0	0	0	-5,000	11,500	6,500
Merger	0	0	0	-83,019	0	-83,019
Other comprehensive income						
Unrealized gain on forward exchange contract	0	-4,460	0	0	0	-4,460
Tax on other comprehensive income	0	947	0	0	0	947
Comprehensive income for the year in total	0	-3,513	0	-88,019	11,500	-80,032
Equity at 31 December 2016	9,922	-5,241	-8,726	142,047	11,500	149,502

Financial statements for the period 1 January – 31 December

Cash flow statement

Note	DKK'000	2016	2015
	Operating profit	13,122	24,196
	Depreciation, amortisation and impairment losses	8,069	8,083
	Provisions	1,258	-1,783
	Changes in receivables	-82,759	-26,521
	Changes in inventories	788	-1,462
	Changes in trade payables	108,074	58,447
	Changes in other working capital	54,121	7,815
	Cash generated from operations (operating activities)	102,673	68,775
	Interest received	3,633	3,754
	Interest paid	-8,422	-3,905
	Cash generated from operations (ordinary activities)	97,884	68,624
	Corporation tax paid	-200	-622
	Cash flows from operating activities	97,684	68,002
	Acquisition of property, plant and equipment	-10,188	-5,341
	Addition of investments	-83,018	-34
	Cash flows from investing activities	-93,206	-5,375
	External financing:		
	Contracting of long-term liabilities	-19,897	-27,395
	Cash flows from financing activities	-19,897	-27,395
	Net cash flows from operating, investing and financing activities	-15,419	35,232
	Cash and cash equivalents at 1 January	23,266	-11,966
	Cash and cash equivalents at 31 December	7,847	23,266

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

SFK Leblanc A/S is a private limited company resident in Denmark. The annual report for the period 1 January to 31 December 2016 consists of standalone financial statement for SFK Leblanc A/S.

The financial statements of SFK Leblanc A/S are presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and supplementary Danish disclosure requirements under the Danish Financial Statements Act.

With reference to the Danish Financial Statements Act, section 86(4), consolidated financial statements have not been prepared. SFK Leblanc A/S and subsidiaries are included in the consolidated financial statements of AX IV SAIC Holding ApS.

On 30 May 2017, the Board of Directors and the Executive Board discussed and approved the annual report for SFK Leblanc A/S for 2016. The annual report will be presented to the shareholders of SFK Leblanc A/S 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 compliance with all new and revised standards and new interpretations approved by the EU that are relevant for SFK Leblanc A/S 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.

Recognition and measurement in general

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

Liabilities are recognised in the balance sheet when SFK Leblanc A/S has a legal or actual commitment as a result of a previous event, and it is probable that future financial benefits will flow out of SFK Leblanc A/S, 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 day are taken into consideration.

Reporting currency

The annual report is presented in Danish kroner (DKK) and rounded to thousand DKK. DKK is the presentation currency of the activities of SFK Leblanc A/S and the functional currency of the parent company.

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.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

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 to be treated as hedging instruments are recognised in the comprehensive income statement as financial income or expenses.

Comprehensive Income

Revenue

Revenue from the supply of services and spare parts is recognised as revenue in line with the services 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, which implies 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 also include research and development costs not satisfying the capitalisation criteria.

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 recognized in profit or loss as other operating income on a systematic basis over the period in which SFK Leblanc A/S recognises the expenses for which the grants are intended to compensate.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 company's revenue generating operating activities which cannot be attributed directly to the 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 company'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:

	Useful life (year)
Buildings	10-40
Plant and machinery	5-10
Other fixtures and fittings, tools and equipment	3-5
Development cost	3-4
Other intangible assets	3-5
Customer relations	10
Brand Value	10

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.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

Accounting policies (continued)

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 on 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. The 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 tax rates in the respective countries, which according to the legislation on the balance sheet day will apply when the deferred tax is expected triggered as current tax. Change in deferred tax as a result of changes in tax rates is recognised in the comprehensive income statement.

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

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Balance sheet

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.

Tangible assets

Land and buildings, plant and facilities and other fixtures and fittings are measured at cost less accumulated depreciation and impairment losses. Depreciations are not recognized at Land, as 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 related production overheads.

Impairment test

The carrying amounts of other non-current assets are reviewed each year to determine whether there is any indication of impairment. If any such indication 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.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

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.

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 and cash equivalents

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

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Equity

Treasury shares

Purchases and sales of treasury shares are taken directly to equity under 'Reserve for treasury shares'.

Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on construction contracts, restructurings, etc. Provisions are recognised when the Company 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, on 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.

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.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

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 risk of changes in value is insignificant.

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 SFK Leblanc A/S' accounting policies.

Management considers the following estimates and assessments essential for preparing the 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 services 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, Management have given special attention to inventory turnover when determining net realisable value.

Trade 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.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

	DKK'000	2016	2015
3	**Revenue**		
	Segmentation of revenue:		
	Domestic	48,836	59,023
	Foreign	244,619	194,322
		293,455	253,345
4	**Production costs**		
	Production costs for the year	213,378	176,593
	Inventory write-down for the year	1,588	-778
		214,966	175,815
	Development cost included in production cost	0	0
5	**Staff costs**		
	Wages and salaries	86,598	69,282
	Pensions	6,260	5,473
	Other social security costs	817	711
		93,675	75,466
	Staff costs are recognised as follows in the parent financial statements:		
	Production	53,146	41,432
	Distribution	15,385	16,631
	Administration	20,333	16,952
	Other operating expenses	4,811	451
		93,675	75,466
	Average number of full-time employees	142	124

Total remuneration to Board of Directors and Executive Board of DKK 3,759 thousand (2015: DKK 2,889 thousand) is included in staff costs.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

6 Depreciation, amortisation and impairment losses

DKK'000	2016	2015
Development completed	2,256	2,199
Acquired intangible assets	3,682	3,861
Buildings	1,580	1,502
Plant and equipment	232	239
Other fixtures and fittings, tools and equipment	319	282
	8,069	8,083
Losses on the sale of property, plant and equipment	-25	0
	8,044	8,083

The company presents the income statement based on classification of the costs by function in order to show the profit before depreciation, amortisation and impairment (operating profit before depreciation). 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	2016	2015
Production costs	4,959	4,803
Sales and distribution costs	6	23
Administration costs	3,104	3,257
	8,069	8,083

7 Other operating costs

Other operating costs	-148	235
Restructuring costs	0	451
	-148	686

8 Special items

Cost related to restructuring of processes and fundamental structural adjustment as a result of new owners and new plans	3,345	0
Organisational changes	3,326	0
	6,671	0

9 Financial income

Interest income from subsidiaries	3,544	3,617
Other interest receivable, exchange rate gains and similar income	89	137
	3,633	3,754

10 Financial expenses

Interest expense to subsidiaries	1,552	208
Interest expense, exchange rate losses and similar expenses	6,870	3,697
	8,422	3,905

Financial statements for the period 1 January – 31 December

Notes to the financial statements

11 Tax on the profit/loss for the year

DKK'000	2016	2015
Current tax for the year	73	461
Current tax for last year	0	0
Changes in provision for deferred tax	813	4,425
Adjustment of tax rate on deferred tax	0	1,024
	886	5,910
Specified as follows:		
Tax on the profit/loss for the year	1,833	6,282
Tax on the profit/loss for last year	0	0
Tax on the profit/loss	1,833	6,282
Tax on changes in OCI	-947	-372
	886	5,910
Reconciliation of tax rate:		
Tax according to Danish tax rate	1,832	5,651
Non-taxable income and non-deductible costs	1	6
Differences due to adjustment of tax rate	0	625
	1,833	6,282
Effective tax rate	22.0 %	26.1%

12 Intangible assets

DKK'000	Development completed	Acquired intangible assets	Development in progress	Total
Cost at 1 January 2015	39,711	17,190	1,616	58,517
Additions in the year	0	1,189	3,400	4,589
Transferred	1,668	0	-1,668	0
Cost at 31 December 2015	41,379	18,379	3,348	63,106
Impairment losses and amortisation at 1 January 2015	36,032	6,263	0	42,295
Amortisation in the year	2,199	3,861	0	6,060
Impairment losses and amortisation at 31 December 2015	38,231	10,124	0	48,355
Carrying amount at 31 December 2015	3,148	8,255	3,348	14,751

Financial statements for the period 1 January – 31 December

Notes to the financial statements

12 Intangible assets (continued)

DKK'000	Development completed	Acquired intangible assets	Development in progress	Total
Cost at 1 January 2016	41,379	18,379	3,348	63,106
Additions in the year	0	178	5,501	5,679
Transferred	5,588	0	-5,588	0
Cost at 31 December 2016	46,967	18,557	3,261	68,785
Impairment losses and amortisation at 1 January 2016	38,231	10,124	0	48,355
Amortisation in the year	2,256	3,682	0	5,938
Impairment losses and amortisation at 31 December 2016	40,487	13,806	0	54,293
Carrying amount at 31 December 2016	6,480	4,751	3,261	14,492

The impairment test as at 31 December 2016 showed no indication of impairment for 2016. Management believes that currently no changes in the key assumptions are reasonably likely to reduce the safety margin 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 divisional structures which are the cash generating units that are expected to benefit from the intangible assets going forward.

Key assumptions

The key assumptions in assessing the revocable amount are the annual growth rate in the budget period, the discount rate and long-term growth in the terminal period.

SFK Leblanc A/S expects an EBIT margin of 17.5% in 2017 and a long-term EBIT margin of 17.5-22.5%.

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

Growth is supported by a rising world population, increasing urbanization, growing wealth and increasing demand for food well-being and food safety.

The two companies have a potential to grow in both their core markets as well as in other markets where other group companies 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

Financial statements for the period 1 January – 31 December

Notes to the financial statements

13 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2015	39,765	8,968	6,130	54,863
Additions in the year	461	14	277	752
Disposals in the year	0	0	0	0
Cost at 31 December 2015	40,226	8,982	6,407	55,615
Impairment losses and depreciation at 1 January 2015	28,499	7,739	5,441	41,679
Depreciation in the year	1,502	239	282	2,023
Accumulated depreciation and impairment losses of disposals	0	0	0	0
Impairment losses and depreciation at 31 December 2015	30,001	7,978	5,723	43,702
Carrying amount at 31 December 2015	10,225	1,004	684	11,913

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2016	40,226	8,982	6,407	55,615
Additions in the year	2,380	235	1,927	4,542
Disposals in the year	0	-18	-22	-40
Cost at 31 December 2016	42,606	9,199	8,312	60,117
Impairment losses and depreciation at 1 January 2016	30,001	7,978	5,723	43,702
Depreciation in the year	1,580	232	319	2,131
Accumulated depreciation and impairment losses of disposals	0	0	-7	-7
Impairment losses and depreciation at 31 December 2016	31,581	8,210	6,035	45,826
Carrying amount at 31 December 2016	11,025	989	2,277	14,291

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Notes to the financial statements

14 Investments in subsidiaries

DKK'000	2016	2015
Cost at 1 January	165,968	165,934
Addition of enterprises	0	34
Cost at 31 December	165,968	165,968
Impairments at 1 January	-33,163	-33,163
Impairments at 31 December	-33,163	-33,163
Carrying amount at 31 December	132,805	132,805

Subsidiaries	Legal form	Domicile	Voting rights and ownership
G.E. Leblanc Inc.	Inc.	St. Anselme, Canada	100%
G.E. Leblanc US, Inc.	Inc.	Kansas City, USA	100%
SFK Slaughtering Equipment (Shanghai) Co. Ltd.	Co. Ltd.	Shanghai, China	100%
SFK LEBLANC The Netherlands B.V.	B.V.	Borculo, Netherlands	100%
Nawi Europe Service and Development B.V.	B.V.	Borculo, Netherlands	100%
Nawi Montage en Installatie B.V.	B.V.	Borculo, Netherlands	100%
Nawi Produktie B.V.	B.V.	Borculo, Netherlands	100%
Nawi Roestvrijstaal B.V.	B.V.	Borculo, Netherlands	100%
Nawi Automatisering, ontwikkeling & Research B.V.	B.V.	Borculo, Netherlands	100%
Nawi Opleiding & Training B.V.	B.V.	Borculo, Netherlands	100%
SFK Leblanc Vostok LLC	LLC	Moscow, Russia	100%

DKK'000	2016	2015
15 Inventories		
Raw materials and consumables	27,448	27,871
Work in progress	868	1,429
Manufactured goods and goods for resale	3,660	3,464
Inventories	31,976	32,764

16 Trade Receivables

	2016	2015
Write down at 1 January	638	1,409
Addition	577	0
Reversals/realised	-15	-771
Write down at 31 December	1,200	638

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Notes to the financial statements

DKK'000	2016	2015
17 Construction contracts		
Selling price of work performed	261,236	145,204
Progress billings	-303,468	-159,778
	-42,232	-14,574
Recognised as follows:		
Construction contracts (assets)	42,219	21,602
Construction contracts (liabilities)	-84,451	-36,176
	-42,232	-14,574

18 Deferred tax

Deferred tax relates to:	2016	2015
Intangible assets	-1,654	-1,201
Tangible assets	11,384	11,233
Current assets	1,695	1,499
Liabilities	-847	267
Tax loss carry forward	3,631	3,224
	14,209	15,022
Recognised as follows:		
Deferred tax assets	14,209	15,022
Deferred tax liability	0	0
	14,209	15,022

19 Share capital

The parent company's share capital, DKK 9,222 thousand, is composed of shares of DKK 100 or multiples hereof.

	Share capital	
DKK'000	2016	2015
1 January 2015	9,922	9,922
31 December	9,922	9,922

Treasury shares

	Number of share.		Nominal value		% of share capital	
DKK'000	2016	2015	2016	2015	2016	2015
1 January	1,002	1,002	100,200	100,200	10.1%	10.1%
31 December	1,002	1,002	100,200	100,200	10.1%	10.1%

At 31 December 2016, the company owns treasury shares corresponding to 10,14% of the share capital.

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Notes to the financial statements

20 Long-term liabilities

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

DKK'000	Due between 1 and 5 years	Due after more than 5 years	Total long-term liabilities at 31/12 2015	Due within 1 year	Total
Mortgage debt	2,573	10,805	13,378	601	13,979
Other credit institutions	0	0	0	18,372	18,372
	2,573	10,805	13,378	18,973	32,351

DKK'000	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	2,643	10,117	12,760	617	13,377
Other credit institutions	0	0	0	0	0
	2,643	10,117	12,760	617	13,377

At 31 December 2016, other credit institutions is DKK 13,377 thousand.

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

21 Provisions

DKK'000	2016	2015
Warranties at 1 January	2,696	1,860
Utilised during the year	-1,581	-881
Unutilised warranties reversed	-1,115	-979
Provision for the year	3,249	2,696
Warranties at 31 December	3,249	2,696

22 Operating lease obligations

SFK Leblanc A/S leases properties, cars and operating equipment under operating leases. The lease period is primarily 1 - 5 years.

DKK'000	2016	2015
Minimum rent and operating lease commitments, time to maturity		
Within 1 year	2,069	2,120
Between 1 - 5 years	2,421	3,140
After 5 years	0	0
	4,490	5,260

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Notes to the financial statements

23 Security for loans and contingent liabilities

As security for bank loan, totalling DKK 13,377 thousand, a mortgage is granted on the land and buildings at a book value of DKK 11,025 thousand with an owner's mortgage with security of DKK 26,000 thousand in the property Albuen 37, Kolding.

All bank debt is secured by collateral debt by SFK Leblanc A/S, totalling DKK 15,000 thousand.

Both securities are also granted for Nordea Bank's collateral at the group companies: Ax IV Saic Holding ApS, Attec Danmark A/S, Carometec A/S, ITEC GmbH and Nawi BV.

Suretyship is granted for Nordea Bank's collaterals at Group Company Ax IV Saic Holding I ApS.

Prepayment guarantees and performance bonds provided to customers amount to DKK 13,376 thousand.

24 Financial risks

SFK Leblanc A/S' financial risks comprise currency, interest, and price risks. Management identifies the level and concentration of risks and initiates policies to address these through continuous business reviews. SFK Leblanc A/S is also exposed to liquidity and credit risks, but it is the policy not to engage in any active speculation in financial risks.

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

Currency risk

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

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

SFK Leblanc A/S' main currencies for commercial purposes are DKK, EUR, USD, CAD, CNY and GBP.

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

DKK'000	EUR	USD	CAD	GBP	RUB
Profit/Loss	3,657	233	-1	23	35
Equity	3,657	233	-1	23	35

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

Interest risk

Interest rate risks concern the interest-bearing financial assets and liabilities of SFK Leblanc A/S. 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 54 thousand effect on SFK Leblanc A/S' interest costs (2015: DKK 91 thousand).

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Notes to the financial statements

24 **Financial risks (continued)**

Price risk

SFK Leblanc A/S has a low price risk on procurement and sales. The possibilities to apply 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 Group policy not to enter into long-term price agreements with either customers or vendors.

Liquidity risk

The purpose of SFK Leblanc A/S' cash management is to ensure that SFK Leblanc g A/S at all times has sufficient and flexible financial resources at its disposal and is able to honour its obligations when due. SFK Leblanc g A/S' liquidity reserves consist of credit balances and fixed overdraft facilities.

Credit risk

Financial counterpart risk

The use of financial instruments entails the risk that the counterparty may not be able to honour its obligations. SFK Leblanc A/S 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 the 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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25 Derivatives

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

Fair value adjustments recognised in financial items in the income statement amount to DKK 0m in 2016 and DKK 0m in 2015. At 31 December 2016, the fair value of **SFK Leblanc** A/S' hedge agreements that are not recognised as hedge accounting amounted to DKK 0m (2015: DKK 0m).

Fair value hedge

To minimise the foreign currency exposure arising from trade receivables and firm commitments, SFK Leblanc A/S uses forward exchange contracts. The change in fair value is specified below

DKK'000	2016	2015
Fair value	4,212	-1,510
Included in the income statement	4,212	-1,510

Cash-flow hedge

To minimise the foreign currency exposure arising from future cash transactions, SFK Leblanc A/S uses forward exchange contracts. The change in fair value is specified below

DKK'000	2016	2015
Fair value	-7,363	-2,960
Included in the income statement	-645	-702

At 31 December 2016, the fair value of SFK Leblanc A/S' value hedge instruments amounted to DKK -3,2m (2015: -4.5).

26 Related party disclosures

AX IV SAIC Holding ApS has controlling interest in SFK Leblanc A/S.

Related parties with significant influence consist of SFK Leblanc A/S' Board of Directors and Executive Board plus their close relatives. Related parties also include companies over which these persons exert considerable influence.

Ownership

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

- AX IV SAIC Holding ApS, Albuen 37, 6000 Kolding.

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Notes to the financial statements

27 **Board of Directors and Executive Board**

SFK Leblanc A/S' Board of Directors and Executive Board hold other executive positions as described below.

Henrik Alifas Nielsen
- CEO AX IV SAIC Holding ApS
- Member of the Board of Directors, Frontmatec HOLDING A/S
- Member of the Board of Directors, ATTEC DANMARK A/S
- Chairman of the Board of Directors, CAROMETEC A/S

Kurt Godsk Andersen
- Member of the Board of Directors, Brüel Systems A/S
- Member of the Board of Directors, BS Holding 2015 A/S
- Member of the Board of Directors, CAROMETEC A/S
- CEO FRONTMATEC A/S
- Member of the Board of Directors, FRONTMATEC HOLDING A/S
- CEO, FRONTMATEC HOLDING A/S
- CEO, ANDERSEN ADVICE ApS

Henrik Andersen
- CEO AX IV SAIC Holding ApS
- CEO AVNHOLT INVEST ApS
- CEO CAROMETEC A/S
- Chairman of the Board of Directors, Frontmatec HOLDING A/S
- Chairman of the Board of Directors, ATTEC DANMARK A/S
- Member of the Board of Directors, CAROMETEC A/S

Finn Ejsing Andreasen, Quality Coordinator

Kurt Karlsen, Project Technician

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Notes to the financial statements

28 Fees paid to auditors appointed at the annual general meeting

DKK'000	2016	2015
Total fees to EY:		
Fee for statutory audit	334	265
Other assurance engagements	22	150
Fee for tax advice	21	237
Fee for non-audit services	53	8
	430	660
Total fees to other auditors:		
Fee for statutory audit	0	0
Other assurance engagements	0	0
Fee for tax advice	51	53
Fee for non-audit services	0	0
	51	53

29 Standards and interpretations that have not yet come into force

Standards and interpretations which have been approved for use in the EU but 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 presenting 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 Unrealized Losses

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.