

Geh Invest ApS

c/o Gram Equipment A/S
Nordager 6, 6000 Kolding

CVR no. 34 48 09 82

Annual report 2020

Approved at the Company's annual general meeting on 20 May 2021

Chair of the meeting:

.....
Thomas Broe-Andersen

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Geh Invest ApS for the financial year 1 January - 31 December 2020.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2020 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2020.

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

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

Kolding, 20 May 2021
Executive Board:

.....
Tom Niels Wrensted

Board of Directors:

.....
Thomas Broe-Andersen
Chair

.....
Marcus Peer Østergaard
Wintersø

.....
Nicolai Peter Norrbom

Independent auditor's report

To the shareholder of Geh Invest ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Geh Invest ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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 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 the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- ▶ 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 Group's and the Parent Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Group and the Parent 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.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 20 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Steen Skorstengaard
State Authorised Public Accountant
mne19709

Dan Mose Andersen
State Authorised Public Accountant
mne35406

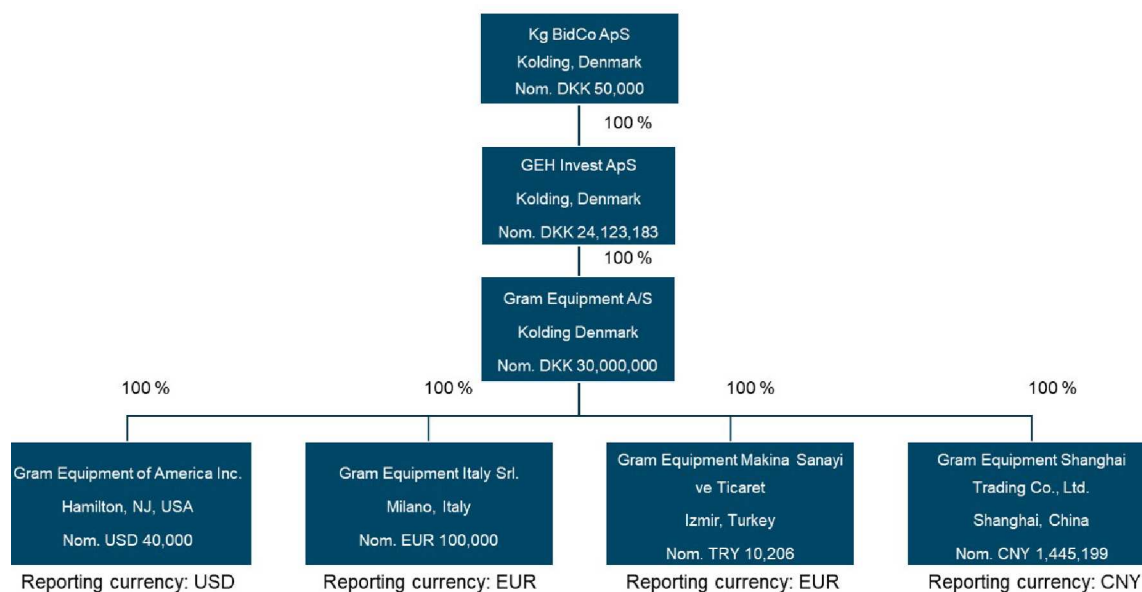
Management's review

Company details

Name	Geh Invest ApS
Address, Postal code, City	c/o Gram Equipment A/S Nordager 6, 6000 Kolding
CVR no.	34 48 09 82
Established	13 April 2012
Registered office	Kolding
Financial year	1 January - 31 December
Website	www.gram-equipment.com
E-mail	info@gram-equipment.com
Telephone	+45 73 20 17 00
Board of Directors	Thomas Broe-Andersen, Chair Marcus Peer Østergaard Wintersø Nicolai Peter Norrbom
Executive Board	Tom Niels Wrensted
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

DKKkm	2020	2019	2018	2017	2016
Key figures					
Revenue	667	591	565	701	636
Gross profit	281	238	39	136	238
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	46	-17	-230	-91	36
Operating profit/loss	33	-29	-270	-261	17
Net financials	-18	-12	-18	-21	-12
Profit/loss for the year	25	-41	-285	-266	2
Total assets	484	501	490	610	679
Equity	95	65	-28	-57	237
Amount relating to investments in property, plant and equipment	-4	-1	-9	-14	0
Total cash flows	-46	8	35	-3	-24
Financial ratios					
Operating margin	5.0%	-5.0%	-47.8%	-37.2 %	2.7 %
Gross margin	42.1%	40.3%	6.9%	19.4%	37.4%
Equity ratio	19.6%	13.0%	-5.7%	-9.3%	34.9%
Average number of employees	434	416	425	360	346

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

Ordinary operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit/loss (EBIT)} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$

Management's review

Business review

Turnaround

During 2018, a turnaround of the business was initiated to alter the course of the company following the prior leadership's attempt to scale the business beyond its means. This turnaround continued during 2019 and 2020 where it progressed in line with the revised business case that was implemented when the new owners and new top management took over the leadership of the Group in 2018.

COVID-19

In 2020, the COVID-19 pandemic had a significant impact on how Gram Equipment is doing business. In the first months after the lock-down, the primary focus was to ensure employee safety. Secondly, to secure the supply chain and protect the production as these were the main risk areas to meet agreed delivery deadlines and promises to customers. For supply chain, this was done by identifying suppliers that could be an alternative if the main suppliers were not able to deliver due to COVID-19. Procedures for working remotely from home were implemented for most office staff to limit the number of employees physically present at our offices. Various safety measures were implemented in assembly, including social distancing, increased hygiene measures, and COVID-19 testing, to ensure staff could work safely in the factories. Overall, this has worked very well, and all employees have shown great commitment and dedication to make this work.

Due to the COVID-19 restrictions, several of our core business procedures that normally require us to be physically onsite or in meetings were performed remotely using digital tools. This included, i.a., remote online sales efforts, Factory Acceptance Tests, supervision of installation of production lines at customer sites, and Site Acceptance Tests. Performing all these core business procedures remotely online have had a significant positive impact on our cost base and hence our 2020 results given, i.a., extraordinary savings on travel, marketing, fairs, and other costs.

The COVID-19 pandemic also shifted the ice cream consumption pattern in some markets from less impulse consumption to more take-home consumption. We therefore experienced an increased interest from our largest customers to invest in further capacity to meet the growing demand in the take-home market. This had a positive impact in the second half of 2020.

Business review

Geh Invest ApS ("the company") is the holding company of the Gram Equipment Group (together "the Group" or "Gram Equipment"). The Company's only activity is to hold shares in Gram Equipment. The subsidiary Gram Equipment is an engineering company delivering design and installation of equipment and production lines, as well as spare parts and services to the global ice cream industry.

The mission of Gram Equipment is to ensure our customers' success in the ice cream industry by providing know-how, innovative solutions and global service. Gram Equipment's portfolio is sold worldwide directly to the customers through Gram Equipment's own sales and service organization, and through a network of agents.

Financial review

Revenue for 2020 amounts to DKK 667 million against DKK 591 million last year. EBITDA amounts to a gain of DKK 46 million against a loss of DKK -17 million last year. Result for the year after tax amounts to DKK 25 million against a loss of DKK -41 million last year. The result is better than expected for the year, driven by the positive impact that COVID-19 had on our cost base and order intake in the second half of 2020 as well as continuous improvements in operations. During 2020, the first site did go-live with a new ERP-system, that management have previously initiated. At the same time Gram continued its focus on operational remediations to the underlying business. Management has met its objectives for 2020.

In March 2020, we expressed concern regarding the order intake for 2020 given the uncertainties that arose when the COVID-19 pandemic hit. As 2020 progressed, however, we experienced an increased interest from some of our customers to invest in further capacity as ice cream consumption shifted from the impulse market to the take-home market as end-consumers were staying at home due to the COVID-19 restrictions. This had a positive impact in the second half of 2020.

Management's review

Risks

Credit risks

The primary credit risk for the Group is that customers fail to pay the amounts they owe for products and services delivered to them by the Group. The Group's customers are predominantly large, international blue-chip producers of ice cream with excellent credit ratings, high solvency ratios, spread across several geographical markets. This provides for a natural hedge of credit risks.

To limit its credit risks further, the Group's credit policies contain guidelines and regulations for assessing credit risk of new customers, payment terms and procedures and processes for handling outstanding claims. All sales orders, where a certain credit risk is expected, will be covered through letters of credit, prepayments and/or other security.

Currency risks

The Group sells its products and services globally and invoices predominantly in EUR and USD. Further, the Group has significant receivables and payables in those currencies. Consequently, the Group is exposed to currency development between EUR/DKK and USD/DKK. The Group benefits to some extent from natural hedges due to EUR and USD denominated costs and given its establishment in the US. Management assesses hedging of foreign exchange exposure on a case-by-case basis, while the EUR exchange rate risk is regarded as low because of Denmark's fixed exchange rate policy towards EUR.

Project risks

A significant part of the Group's revenues relates to delivery of larger turnkey projects (equipment machinery for production of ice cream). Therefore, it is important that the Group has controls and procedures in place to ensure proper project governance and financial control. Proper project governance and financial control procedures have been implemented in the organization, which has significantly reduced project risks within the Group. To further limit the project risk during the COVID-19 pandemic, online tools were developed to allow for remote online Factory Acceptance Tests and also Site Acceptance Tests, this way customers/Gram Equipment can participate virtually instead of physically to ensure the equipment is still being tested/installed and approved by the customers, before shipping/during commissioning, despite the current travel restrictions.

Liquidity risks

Several of the Group's larger turnkey projects incorporate customer prepayments and milestone payments when certain agreed milestones are met. The Group's ability to manage such customer contracts, including, among others, ensuring timely fulfillment of milestone conditions and collection of payments, is important to manage the Group's liquidity. Also, strict inventory management to reduce inventory turn time and reduce cash tied up in equipment pieces and spare parts is important to manage the Group's liquidity. Management has implemented procedures to manage such risks.

Interest risks

The Group's financial debt is denominated in euro with a EURIBOR floating rate. The floating rate is currently not hedged. Gram Equipment's interest rate risk is moderate. Interest rates in Europe are negative and no hikes are expected in the near future.

Special risks

The continued COVID-19 pandemic creates uncertainty and hence increases risk, especially in operations, where a virus outbreak could cause a factory closure, and in supply chain, where security of supply from the Group's suppliers and subcontractors could be affected. The potential prolonged effects on the Group's profit and financial position will naturally depend on how the pandemic unfolds, which is unknown at the time of the financial reporting.

Non-financial matters

Gram Equipment's strategy is to be ice cream producers' preferred supplier of equipment and process solutions, with emphasis on quality, efficiency, on-time delivery and value-added services. At the same time, Gram Equipment wants to be an attractive employer, as well as a fair and good customer of its suppliers.

Management's review

Knowledge resources

Our highly skilled employees are our most valuable assets. They combine know-how with the newest developments in automation, design, and machinery technology. Through their knowledge, skill, and experience, we customize our machinery, enabling our customers to manufacture unique products.

We employ our own staff with specialized engineering and technical backgrounds in both sales, design, purchase, assembly, project management, service, and installation. In peaks, additional staff is hired in on fixed-term arrangements.

Research and development activities

Gram Equipment continuously works on improvements of existing platforms and technologies and develops new features to improve its position within the global ice cream industry.

To meet and understand customer demand for product innovation through close cooperation with the individual customer. There is an on-going product development to improve safety, reduce waste and resources, optimize productivity and experiment with new ingredients. R&D investments for 2020 are increased for continued end-product resource efficiency.

To further strengthen this, it has been decided to establish a test center in the Kolding location, where new designs can be tested before being introduced to customers.

Outlook

How the pandemic unfolds will continue to have major influence on the financial results of the Group. For 2021 management expects moderate revenue growth and a positive EBITDA around DKK 50 million for 2021.

Statutory CSR report

Essential risks and opportunities in 2020

COVID-19

The COVID-19 pandemic in 2020 was the single most serious acute risk for the global business of Gram Equipment. From the employee perspective numerous measures were implemented to ensure employee safety, especially for the assembly workers who had to come to work every day. Even though we have had incidence of virus infection amongst employees, there has been no greater infection outbreaks and the few individual cases were isolated immediately.

The pandemic and the lock-down led to market risks but also to technology opportunities: Virtual meetings became the forum for communication and alignment to drive the business and to reach out to employees and business partners around the world. Working from home became the new normal and combined with virtual customer meetings and virtual supervision of testing and commissioning, leaders and employees have learned to work and communicate differently.

Sustainability

Environmental

Gram Equipment believes that climate change can have immense effect on our way of living today and that we need to seek opportunities to reduce risk by reducing temperature increase. To prioritize projects together with customers, Gram Equipment plan to initiate a stakeholder analysis on ESG elements.

To understand company GHG emission impact all entities have for the first time completed the GHG emission reporting except the office in China. The year 2020 was a different year due to COVID-19 and will therefore not be representative and a benchmark for some factors for coming year e.g. but it has set new routines to register and to understand the GHG emissions. The first results are therefore with some uncertainties.

GHG emissions 2020		
Scope 1	Scope 2	Scope 3
480t CO2e	138t CO2e	1,138.2t CO2e

Management's review

The goal for 2021 is to seek refinements of the quarterly reporting on scope 1 and 2 and including more relevant scope 3 factors. Moreover, management will conduct a climate risk assessment. The ambition is to reduce GHG emissions by 50 % by 2030 in relation to actual revenue, compared to a 2021 baseline.

Numerous activities support reduction of GHG emission, here to mention a few:

#1: Establishment of a new test center in Kolding. The test center will be working on development of new equipment and upgrades of existing equipment for the ice cream industry. Many of these projects will involve waste reduction methods, lower energy consumption and higher productivity through automation.

#2: Gram Equipment Denmark changed to Green Energy in the last quarter of 2020. All heating is electrical.

#3: Gram Equipment joined an active partnership in the Easy-E project with Danish Tech. University, Danish Technological Institute, and other companies. The goal of the Easy-E project is to reduce energy consumption - and thus GHG emissions - for various production machines. The project has an indication up to a 27% energy saving. Danish Energy Agency is supporting the project.

#4: Gram Equipment in Denmark sorts waste according to BEK nr 2159 af 09/12/2020 and has a certified ISO14001 provider, Marius Pedersen. The 12 different waste types are weighed and registered by Marius Pedersen for recycling. The goal is that an even larger part of waste will be recycled in 2021 by nudging employees to collect and dump waste in the right containers for easy recycling.

GE Denmark % of waste recycled	
2019	71%
2020	78%
2021 - goal	84%

Social responsibility

Human Rights

Gram Equipment has pledged to respect inalienable human rights, equal opportunities and non-discrimination, freedom of association for workers, the prohibition of child labor and forced labor, as well as fair wages and working conditions. The company operates a zero-tolerance policy towards unethical behavior in commercial practice, in particular with respect to bribery, corruption or forced labor, and expects its suppliers to follow suit. Gram Equipment realizes that having global activities generates a risk of unintentionally violating human rights and anti-corruption and bribery legislations.

Employee well-being and motivation Survey

Employee survey was repeated in October, the same time as the year before.

There was a positive development in the eNPS score on all sites compared to 2019, and specially a high score in engagement and loyalty. Questions were also added about remote working. For most employees working from home was acceptable or even an advantage to avoid traffic. The feedback has been processed in all departments for further actions.

Employee Net Promoter Score	
2019	-8%
2020	+13%
2021 target	+20%

86% of all employees responded in 2020 compared to 90% in 2019. The eNPS methodology follows the Net Promoter Score methodology launched by Bain & Co in 2003.

Leadership training for all our people managers has been prepared but execution has been postponed to August 2021 due to the current COVID-19 situation. Management has gone through its own assessment and formulated 4 leadership virtues.

Management's review

Absenteeism - globally

Due to COVID-19 there was a slight increase in the absenteeism hours amongst production employees. Some of these hours were in relation to quarantine.

Absenteeism - short term	Production employees	Salaried employees
2019	3,8%	1,0%
2020	4,1%	0,8%
2021 target	3,9%	1.1%

Gram Equipment will continue to follow short-term absenteeism closely and focus on the direct and indirect consequences of the pandemic. The anticipation is that COVID-19 will also influence 2021 absenteeism for both groups of employees. The target for 2021 is therefore also higher than the actual result for 2020 for salaried employees.

Absenteeism is registered and calculated as hours absent due to sickness compared to all produced work hours globally. Absenteeism of relevance here is less than 4 weeks per absence period.

Gender and diversity

The long-term goal is to ensure a diverse and talented group of employees with potential to develop the business positively activating different competencies and different perspectives. The share of women has not changed from 2019 to 2020. This focus continues in 2021 to include diversity factors, such as gender composition and nationality in the recruitment process. A specific action is to recruit more female student workers for a future career to increase gender diversity and to encourage women both internally as well as externally for taking on managerial roles when being the best fit for the position.

Gender composition	Women recruitment	Women employees	Women Managers L1+L2
2018		15%	
2019	26%*	17%	20%**
2020	18%	17%	20%
2021 target	20%	18%	22%

*) few recruitments in total

**) change in reporting from previous years

Corporate governance

Business Ethics

Gram Equipment is member of Sedex together with more than 60,000 businesses in over 150 countries. Sedex is an ethical trade membership organization that helps businesses to uphold responsible business practices and source responsibly. Sedex embraces the Ten Principles of the UN Global Compact. SMETA is Sedex Members Ethical Trade Audit. An audit will take place in 2021 in Turkey and thereby again review the ethical 4-pillar supplier standards: Labor Standards, Health and Safety, Business Ethics and Environment.

Code of Conduct

As a part of onboarding all new employees are introduced to and asked to sign the company Code of Conduct. The central subjects are anti-discrimination, confidentiality, anti-corruption, anti-labor exploitation, respect for law and fellow human being. Again in 2020 the Code of Conduct was sent out to all employees for signature to repeat the importance of a high ethical standard. The training material for the Code of Conduct will be presented in a new e-learning version in 2021. The Code of Conduct also describes whistleblower procedures if anyone witness a violation of the standards. The whistleblower channel will be updated to meet the requirements according to EU Law implementation before 17th December 2021. There were no new incidents of whistleblowing in 2020.

Management's review

Supplier Code of Conduct

Gram Equipment also sets high ethical standards for its suppliers. 76% of our suppliers, based on total spend, have signed the Supplier Code of Conduct. Due to COVID-19, supplier audits were not executed as planned to verify the standards in 2020. These audits are planned for 2021 when travel restrictions have been lifted. The goal for 2021 is 85% of suppliers, based on total spend, have signed the Supplier Code of Conduct.

IT security

The highest risk to damage IT systems are human mistakes. IT security training is mandatory for all employees and is pushed out 6 times per year to avoid phishing or other attempts to undermine IT security. All new employees sign the IT-security policy.

Account of the gender composition of Management

There is no female representation in the Board of Directors. Two new board members were elected in 2021, both male. It was sought to increase gender diversity of the board during the search process. The choice of the two male candidates was made as they had the best competences and qualifications of all candidates. In 2020, one male member was replaced by another male member amongst the employee elected board members. New election of employee representatives will be in 2022. The goal is to have at least one female board member by 2024.

A long term ESG strategy is under development.

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

Note	DKK'000	Group		Parent company	
		2020	2019	2020	2019
3	Revenue	666,813	591,000	0	0
	Cost of sales	-301,017	-266,295	0	0
	Other operating income	2	0	0	0
	Other external expenses	-84,454	-87,171	-308	-44
	Gross profit	281,344	237,534	-308	-44
4	Staff costs	-235,121	-254,907	0	0
	Amortisation/depreciation and impairment	-12,897	-11,913	0	0
	Other operating expenses	-8	0	0	0
	Profit/loss before net financials	33,318	-29,286	-308	-44
	Income from investments in group enterprises	0	0	25,089	-40,953
5	Financial income	5,168	3,973	0	1
6	Financial expenses	-23,269	-15,927	-2	-3
	Profit/loss before tax	15,217	-41,240	24,779	-40,999
7	Tax for the year	9,564	241	2	0
	Profit/loss for the year	24,781	-40,999	24,781	-40,999

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2020	2019	2020	2019
	ASSETS				
	Fixed assets				
8	Intangible assets				
	Completed development projects	20,655	22,702	0	0
	Software	9,690	5,250	0	0
	Goodwill	0	0	0	0
	Development projects in progress and prepayments for intangible assets	7,937	6,373	0	0
		38,282	34,325	0	0
9	Property, plant and equipment				
	Plant and machinery	9,198	10,472	0	0
	Fixtures and fittings, other plant and equipment	3,467	3,902	0	0
	Leasehold improvements	6,059	5,026	0	0
	Property, plant and equipment under construction	73	0	0	0
		18,797	19,400	0	0
10	Investments				
	Investments in group enterprises	0	0	103,985	73,497
	Other receivables	3,289	2,290	0	0
		3,289	2,290	103,985	73,497
	Total fixed assets	60,368	56,015	103,985	73,497
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	20,208	16,906	0	0
	Work in progress	3,786	5,691	0	0
	Finished goods and goods for resale	14,644	26,027	0	0
		38,638	48,624	0	0
	Trade receivables	111,662	120,828	0	0
11	Work in progress for third parties	60,963	78,176	0	0
	Receivables from group enterprises	188,132	127,937	2	0
	Corporation tax receivable	607	439	45	46
	Other receivables	5,953	9,895	0	0
12	Prepayments	4,558	5,654	0	0
		371,875	342,929	47	46
	Cash	13,015	53,647	0	0
	Total non-fixed assets	423,528	445,200	47	46
	TOTAL ASSETS	483,896	501,215	104,032	73,543

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2020	2019	2020	2019
	EQUITY AND LIABILITIES				
	Equity				
13	Share capital	24,123	24,123	24,123	24,123
	Translation reserve	5,399	0	0	0
	Retained earnings	65,721	40,940	71,120	40,940
	Total equity	95,243	65,063	95,243	65,063
	Provisions				
16	Other provisions	7,640	12,650	0	0
	Total provisions	7,640	12,650	0	0
	Liabilities other than provisions				
15	Non-current liabilities other than provisions				
	Lease liabilities	796	1,225	0	0
	Other payables	14,366	5,728	0	0
		15,162	6,953	0	0
	Current liabilities other than provisions				
15	Short-term part of long-term liabilities other than provisions	2,615	2,579	0	0
	Bank debt	137,065	156,464	0	0
	Prepayments received from customers	105	20,789	0	0
11	Work in progress for third parties	100,692	105,284	0	0
	Trade payables	64,959	79,192	0	0
	Payables to group enterprises	1,839	2,441	8,482	8,402
	Corporation tax payable	973	867	0	0
	Other payables	57,603	48,933	307	78
		365,851	416,549	8,789	8,480
		381,013	423,502	8,789	8,480
	TOTAL EQUITY AND LIABILITIES	483,896	501,215	104,032	73,543

- 1 Accounting policies
- 2 Group financial structure
- 17 Contractual obligations and contingencies, etc.
- 18 Collateral
- 19 Related parties
- 20 Fee to the auditors appointed by the Company in general meeting
- 21 Appropriation of profit/loss

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Group			Total
		Share capital	Translation reserve	Retained earnings	
	Equity at 1 January 2020	24,123	0	40,940	65,063
	Transfer through appropriation of profit	0	0	24,781	24,781
	Adjustment of investments through foreign exchange adjustments	0	5,399	0	5,399
	Equity at 31 December 2020	24,123	5,399	65,721	95,243

Note	DKK'000	Parent company		
		Share capital	Retained earnings	Total
	Equity at 1 January 2020	24,123	40,940	65,063
21	Transfer, see "Appropriation of profit/loss"	0	24,781	24,781
	Adjustment of investments through foreign exchange adjustments	0	5,399	5,399
	Equity at 31 December 2020	<u>24,123</u>	<u>71,120</u>	<u>95,243</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group	
		2020	2019
	Profit/loss for the year	24,781	-40,999
22	Adjustments	-2,634	-795
	Cash generated from operations (operating activities)	22,147	-41,794
23	Changes in working capital	-37,947	37,019
	Cash generated from operations (operating activities)	-15,800	-4,775
	Income taxes paid	8,038	-922
	Cash flows from operating activities	-7,762	-5,697
	Additions of intangible assets	-10,750	-11,982
	Additions of property, plant and equipment	-4,486	-893
	Disposals of property, plant and equipment	-89	202
	Purchase of financial assets	-999	0
	Cash flows to investing activities	-16,324	-12,673
	Proceeds of loan	0	-56,250
	Repayments of loans	-2,579	-2,016
	Cash capital increase	0	134,374
	Operating net transactions	-19,399	-49,436
	Cash flows from financing activities	-21,978	26,672
	Net cash flow	-46,064	8,302
	Cash and cash equivalents at 1 January	53,647	45,748
	Foreign exchange adjustments	5,432	-403
	Cash and cash equivalents at 31 December	13,015	53,647

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Geh Invest ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

The consolidated financial statements comprise the parent company, the Group, and subsidiaries in which GEH Invest ApS - directly or indirectly - holds more than 50% of the voting rights or otherwise has a controlling interest.

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

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

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties. Some major sales orders are split into partial deliveries as per agreement with the customers. Revenue recognition takes place, when each individual component of the order is completed and delivered to the customer.

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

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

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

Other operating income and operating expenses

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

Cost of sales

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

Other external expenses

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

Staff costs

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

Amortisation/depreciation

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

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

Completed development projects	3-10 years
Goodwill	20 years

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

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

Plant and machinery	4-6 years
Fixtures and fittings, other plant and equipment	3-10 years
Leasehold improvements	8 years

Profit/loss from investments in subsidiaries

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

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 income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Balance sheet

Intangible assets

Intangible fixed assets comprises goodwill and development projects. Intangible fixed assets are valued at cost less depreciation. Impairment write-downs is made when deemed necessary.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 20 years.

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

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3-10 years.

Property, plant and equipment

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

Leases

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in group enterprises is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

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

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

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

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

Receivables

Receivables are measured at amortised cost.

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

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

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

Work in progress for third parties

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

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

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

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

Prepayments

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

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

Reserve for development costs

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

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Proposed dividends

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

Provisions

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

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

Income taxes

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

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

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

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Cash flow statement

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

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

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

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

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

Segment information

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

2 Group financial structure

Debt structure

The Company has, together with Gram Equipment A/S and the overlying parent company, Kg BidCo ApS, the following financing structure as per December 31, 2020:

- ▶ A bank loan obtained by Kg BidCo ApS amounting to EUR 5.5 million (c. DKK 41 million) used as part of funding the acquisition.
- ▶ Two fully withdrawn credit lines amounting to EUR 7.5 million each (EUR 15 million in total) in Gram Equipment A/S and Kg BidCo ApS respectively.
- ▶ A credit in the amount of EUR 17.5 million (c. DKK 130.2 million).
- ▶ A shareholder loan of EUR 8 million (c. DKK 60 million).

As of December 31 2020 the Group has unused fee credit lines amounting to EUR 8.5 million (net) (DKK 63.3 million).

The debt structure is subject to general conditions as well as financial covenants. The Companies comply with all financial covenants for 2020 and Q1 2021. Based on the current budgets and cash flow forecasts, management expects to pass the covenants test throughout 2021.

Collaterals relating to the debt structure are reported under note 18.

Further, the Company has a DKK 85 million (2019: 85 million) guarantee facility, to be used for customer prepayments via third-party guarantee lines under customary business terms and termination periods.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	Group		Parent company	
	2020	2019	2020	2019
3 Segment information				
Breakdown of revenue by geographical segment:				
Denmark	1,755	2,268	0	0
Export	665,058	588,732	0	0
	<u>666,813</u>	<u>591,000</u>	<u>0</u>	<u>0</u>
	Group		Parent company	
	2020	2019	2020	2019
4 Staff costs and incentive programmes				
Wages/salaries	206,704	225,840	0	0
Pensions	13,512	13,255	0	0
Other social security costs	10,940	10,394	0	0
Other staff costs	3,965	5,418	0	0
	<u>235,121</u>	<u>254,907</u>	<u>0</u>	<u>0</u>
Average number of full-time employees	<u>434</u>	<u>416</u>	<u>0</u>	<u>0</u>

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

Incentive programmes

Members of the Executive Board are eligible to a bonus scheme under normal marked conditions.

	Group		Parent company	
	2020	2019	2020	2019
5 Financial income				
Interest receivable, group entities	4,883	1,764	0	0
Exchange adjustments	148	2,025	0	0
Other financial income	137	184	0	1
	<u>5,168</u>	<u>3,973</u>	<u>0</u>	<u>1</u>
6 Financial expenses				
Exchange adjustments	9,537	339	0	0
Other financial expenses	13,732	15,588	2	3
	<u>23,269</u>	<u>15,927</u>	<u>2</u>	<u>3</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	Group		Parent company	
	2020	2019	2020	2019
DKK'000				
7 Tax for the year				
Estimated tax charge for the year	1,102	291	0	0
Deferred tax adjustments in the year	0	-21	0	0
Tax adjustments, prior years	-10,666	-511	-2	0
	<u>-9,564</u>	<u>-241</u>	<u>-2</u>	<u>0</u>

8 Intangible assets

	Group				
	Completed development projects	Software	Goodwill	Development projects in progress and prepayments for intangible assets	Total
DKK'000					
Cost at 1 January 2020	41,502	6,024	138,565	6,373	192,464
Foreign exchange adjustments	0	0	-7,912	0	-7,912
Additions	0	4,939	0	5,796	10,735
Transferred	4,232	0	0	-4,232	0
Cost at 31 December 2020	<u>45,734</u>	<u>10,963</u>	<u>130,653</u>	<u>7,937</u>	<u>195,287</u>
Impairment losses and amortisation at 1 January 2020	18,800	774	138,565	0	158,139
Foreign exchange adjustments	0	0	-7,912	0	-7,912
Amortisation for the year	6,279	514	0	0	6,793
Transferred	0	-15	0	0	-15
Impairment losses and amortisation at 31 December 2020	<u>25,079</u>	<u>1,273</u>	<u>130,653</u>	<u>0</u>	<u>157,005</u>
Carrying amount at 31 December 2020	<u>20,655</u>	<u>9,690</u>	<u>0</u>	<u>7,937</u>	<u>38,282</u>

Completed development projects

Completed development projects include development and test of new products that will further strengthen the Company's full line offering, enabling it to offer turn-key solutions and total contract-ownership.

The carrying amount of intangibles have been subject to annual impairment tests at year-end if any triggers are identified.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

9 Property, plant and equipment

DKK'000	Group				Total
	Plant and machinery	Fixtures and fittings, other plant and equipment	Leasehold improvements	Property, plant and equipment under construction	
Cost at 1 January 2020	38,476	7,597	6,598	0	52,671
Foreign exchange adjustments	-475	0	0	0	-475
Additions	2,958	1,442	13	73	4,486
Disposals	-4,988	-1,444	-5	0	-6,437
Transferred	-4,731	1,700	2,762	85	-184
Cost at 31 December 2020	31,240	9,295	9,368	158	50,061
Impairment losses and depreciation at 1 January 2020	28,004	3,695	1,572	0	33,271
Foreign exchange adjustments	-444	0	0	0	-444
Depreciation	1,098	2,242	1,806	0	5,146
Depreciation and impairment of disposals	0	-1,371	0	0	-1,371
Reversal of accumulated depreciation and impairment of assets disposed	-4,587	-52	-615	85	-5,169
Transferred	-2,029	1,314	546	0	-169
Impairment losses and depreciation at 31 December 2020	22,042	5,828	3,309	85	31,264
Carrying amount at 31 December 2020	9,198	3,467	6,059	73	18,797
Property, plant and equipment include finance leases with a carrying amount totalling	1,225	0	0	0	1,225

10 Investments

DKK'000	Group
	Other receivables
Cost at 1 January 2020	2,290
Additions	999
Cost at 31 December 2020	3,289
Carrying amount at 31 December 2020	3,289

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

10 Investments (continued)

	Parent company
	Investments in group enterprises
DKK'000	
Cost at 1 January 2020	686,077
Cost at 31 December 2020	686,077
Value adjustments at 1 January 2020	-612,580
Profit/loss for the year	25,089
Value adjustments for the year	5,399
Value adjustments at 31 December 2020	-582,092
Carrying amount at 31 December 2020	103,985

Investments in group entities of DKK 103,985 thousand, include goodwill with a carrying amount of DKK 0 thousand at 31 December 2020 (2019: DKK 0 thousand).

Investments in group enterprises are illustrated in the group chart on page 6.

	Group		Parent company	
DKK'000	2020	2019	2020	2019
11 Work in progress for third parties				
Selling price of work performed	624,106	470,267	0	0
Progress billings	-663,835	-497,375	0	0
	<u>-39,729</u>	<u>-27,108</u>	<u>0</u>	<u>0</u>
recognised as follows:				
Work in progress for third parties (assets)	60,963	78,176	0	0
Work in progress for third parties (liabilities)	-100,692	-105,284	0	0
	<u>-39,729</u>	<u>-27,108</u>	<u>0</u>	<u>0</u>

12 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies and IT-subscriptions.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

				Parent company	
DKK'000				2020	2019
13 Share capital					
Analysis of the share capital:					
24,123,182 shares of DKK 1.00 nominal value each				24,123	24,123
				24,123	24,123
Analysis of changes in the share capital over the past 5 years:					
DKK'000	2020	2019	2018	2017	2016
Opening balance	24,123	24,123	24,123	24,123	24,113
	24,123	24,123	24,123	24,123	24,113

14 Deferred tax

At 31 December 2020, the Group has a potential tax asset of approx. DKK 42,000 thousand. The tax asset consists of tax-loss carry-forwards and non-utilised tax deductions in the form of timing differences. Based on available budgets, it is uncertain if all of these tax losses can be utilised within the coming 3-5 years. Based thereon, the carrying amount has not been recognised in the financial statements.

15 Non-current liabilities other than provisions

DKK'000	Group			Outstanding debt after 5 years
	Total debt at 31/12 2020	Repayment, next year	Long-term portion	
Lease liabilities	1,225	429	796	0
Other payables	16,552	2,186	14,366	0
	<u>17,777</u>	<u>2,615</u>	<u>15,162</u>	<u>0</u>

Short term bank debt relates to revolving credit facilities that expires in 2021 and 2024.

16 Other provisions

Other provisions comprise provisions for warranty commitments and expected losses on work in progress for third parties. Warranty provisions cover expected warranty costs for guarantee commitments, claims, complaints, etc. relating to the sale of goods, which is common in this nature of business. Other provisions are expected to be settled within 5 years.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

17 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

A guarantee company and the Group's bank have issued guarantees amounting to DKK 78,419 thousand (2019: DKK 37,211 thousand) primarily regarding pending and finished customer orders.

A guarantee company has provided a guarantee to the Group's bank amounting to EUR 0.1 million, regarding the Group's bank debt.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
	2020	2019	2020	2019
DKK'000				
Rent and lease liabilities	59,100	72,856	0	0

Group

The Group has from its normal course of business common commitments for goods and services towards vendors. As of 31 December 2020 these commitments amounts to approx. DKK 7,854 thousands.

Rent and lease liabilities due within 1 year amount to DKK 13,794 thousand for the group and DKK 8,596 thousand for the parent company.

Rent and lease liabilities falling due after 5 years amount to DKK 11,280 thousand (2019: DKK 17,442 thousand) for the group and DKK 11,280 thousand (2019: DKK 17,442 thousand) for the parent company.

Related to the ongoing dispute between the current and the former owner of GEH Invest ApS, the subsidiary Gram Equipment A/S has been made a party to the court proceedings through a third party writ (in Danish: "Adcitationsstævning") from the former owner claiming indemnification due to employer liabilities, for any eventual amounts to be paid by the former owner to the current owner in connection with the legal dispute between the parties. The company has performed a legal assessment of the claim and concluded the claim highly unlikely to succeed and therefore not made any provision for this claim.

Parent company

The Company is jointly taxed with other Danish group entities. As a wholly-owned subsidiary, the Company is liable together with other companies in the joint taxation for all corporate taxes, etc. in the joint taxation.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

18 Collateral

Group

As mentioned in note 2 Group financial structure, The Company and Group, has a joint credit facility with the parent company Kg BidCo ApS as well as the subsidiary Gram Equipment Makina Sanayi ve Ticaret Izmir, amounting to EUR 5,5 million respectively.

Further the Company and Group has a joint credit facility with the parent company Kg BidCo ApS amounting to EUR 32,5 million.

The credit facilities are subject to the following collaterals, pledges etc.:

The Group has pledged property, plant and equipment, inventories and receivables with a carrying amount of approx. DKK 416 million (2019: DKK 433 million) as a floating charge amounting to DKK 38 million regarding bank debt. Further the Group has pledged the receivables with a carrying amount of DKK 328 million (2019: DKK 312 million) as a floating charge amounting to DKK 37 million regarding bank debt.

The Group's lenders has a USD 16 million collateral in the Group's receivables from group enterprises, amounting to nominal DKK 196 million.

The Group has pledged investments in two subsidiaries (Gram Equipment of America Inc. and Gram Equipment Makina Sanayi ve Ticaret Izmir), with a carrying amount of DKK -178 million and DKK 22 million respectively.

The Group's ultimate parent company is guarantor for bank loans amounting to EUR 7.5 million.

There is a cross guarantee regarding the EUR 5.5 million credit facility, including the Company, the parent company Kg BidCo ApS as well as the subsidiaries Gram Equipment of America Inc. and Gram Equipment Makina Sanayi ve Ticaret Izmir.

Gram Equipment A/S, GEH Invest ApS and the parent company Kg BidCo ApS as well as the subsidiaries Gram Equipment of America Inc. and Gram Equipment Makina Sanayi ve Ticaret Izmir are all obligors under an intercreditor agreement towards the lenders.

19 Related parties

Group

Geh Invest ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Kg BidCo ApS	Copenhagen K, Denmark	Sole shareholder

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
FSN HoldCo ApS	Copenhagen K, Denmark	www.cvr.dk

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

19 Related parties (continued)

Related party transactions

DKK'000	2020	2019
Group		
Receivables from overlying parent company	188,132	127,938
Interest income from overlying parent company	4,883	1,764
Payables to group enterprises	1,839	2,441
Parent Company		
Payables to group enterprises	8,482	8,402
Receivables from overlying parent company	2	0

Remuneration/fees to members of the Executive Board and the Board of Directors of the Parent Company are reflected in note 5.

	Group		Parent company	
DKK'000	2020	2019	2020	2019
20 Fee to the auditors appointed by the Company in general meeting				
Statutory audit	953	699	60	57
Tax assistance	326	684	10	5
Other assistance	52	411	8	15
	<u>1,331</u>	<u>1,794</u>	<u>78</u>	<u>77</u>

	Parent company	
DKK'000	2020	2019
21 Appropriation of profit/loss		
Recommended appropriation of profit/loss	24,781	-40,999
Retained earnings/accumulated loss	<u>24,781</u>	<u>-40,999</u>

	Group	
DKK'000	2020	2019
22 Adjustments		
Amortisation/depreciation and impairment losses	11,939	12,053
Tax for the year and previous years	-9,563	-241
Change in other provisions	-5,010	-12,607
	<u>-2,634</u>	<u>-795</u>

23 Changes in working capital		
Change in inventories and work in progress	1,923	77,202
Change in receivables	-43,929	-45,940
Change in trade payables and other payables	4,059	5,757
	<u>-37,947</u>	<u>37,019</u>

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"By my signature I confirm all dates and content in this document."

Tom Niels Wrensted

Executive Board

On behalf of: Geh Invest ApS

Serial number: PID:9208-2002-2-665493038601

IP: 93.164.xxx.xxx

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NEM ID 

Nicolai Peter Norrbom

Board of Directors

On behalf of: Geh Invest ApS

Serial number: PID:9208-2002-2-772756111228

IP: 2.108.xxx.xxx

2021-05-30 14:56:26Z

NEM ID 

Marcus Peer Østergaard Wintersø

Board of Directors

On behalf of: Geh Invest ApS

Serial number: PID:9208-2002-2-854496375105

IP: 188.178.xxx.xxx

2021-05-31 04:40:22Z

NEM ID 

Thomas Broe-Andersen

Board of Directors

On behalf of: Geh Invest ApS

Serial number: PID:9208-2002-2-901595814278

IP: 128.76.xxx.xxx

2021-05-31 06:34:36Z

NEM ID 

Dan Mose Andersen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:48037469

IP: 93.160.xxx.xxx

2021-05-31 08:53:51Z

NEM ID 

Steen Skorstengaard

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:25486262

IP: 145.62.xxx.xxx

2021-05-31 10:56:19Z

NEM ID 

Thomas Broe-Andersen

Chairman

On behalf of: Geh Invest ApS

Serial number: PID:9208-2002-2-901595814278

IP: 128.76.xxx.xxx

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