

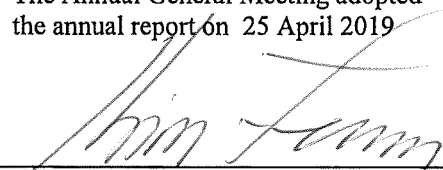
# **Versalift Denmark A/S**

**Søndervang 3  
9640 Farsø**

**Central Business Registration No. 12 31 56 00**

**Annual report for 2018**

The Annual General Meeting adopted  
the annual report on 25 April 2019



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Kim Bach Jensen  
Chairman of the General Meeting

## Table of contents

	<b>Page</b>
Entity details	2
<b>Statements</b>	
Statement by Management on the annual report	3
Independent auditor's report	4
<b>Management commentary</b>	
Financial highlights	8
Management commentary	9
<b>Consolidated and parent financial statements</b>	
Income statement 1 January 2018 - 31 December 2018	10
Balance sheet at 31 December 2018	11
Cash flow statement 1 January 2018 - 31 December 2018	16
Notes to the annual report	17
Accounting policies	26

## **Entity details**

Versalift Denmark A/S  
Søndervang 3  
9640 Farsø

CVR-no. 12 31 56 00

Financial year: 1 January - 31 December 2018

Registered in: Vesthimmerlands

### **Board of Directors**

Curt Stephen Howell, chairman  
Jay Tolar Jeffrey  
David Lyn Post

### **Executive Board**

Kim Bach Jensen  
Lance Morgan Reinhard

### **Auditors**

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Østre Havnepromenade 26, 4. sal  
9000 Aalborg

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Versalift Denmark A/S for the financial year 1 January - 31 December 2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2018 and of the results of its operations and cash flows for the financial year 1 January - 31 December 2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

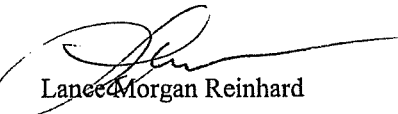
We recommend that the annual report for adoption at the Annual General Meeting.

Farsø, 25 April 2019

### Executive Board

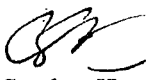


Kim Bach Jensen



Lance Morgan Reinhard


### Board of Directors



Curt Stephen Howell  
chairman



Jay Tolar Jeffrey



David Lyn Post

## **Independent auditor's report**

### *To the shareholders of Versalift Denmark A/S*

#### **Opinion**

We have audited the consolidated financial statements and the parent financial statements of Versalift Denmark A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2018, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

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

#### **Management's responsibilities for the consolidated financial statements and the parent financial statements**

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity 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 consolidated financial statements and the parent financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 these consolidated financial statements and these parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

## **Independent auditor's report**

- Evaluate the overall presentation, structure and content of the consolidated financial statements and parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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 commentary**

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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 commentary.

## Independent auditor's report

Aarhus, 25 April 2019

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33 96 35 56



Kenneth Biirsdahl  
State Authorised Public Accountant  
Identification No (MNE) mne32123



Rasmus Søgaard Barslund  
State Authorised Public Accountant  
Identification No (MNE) mne42775



## Management commentary

	Group				
	2018	2017	2016	2015	2014
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Financial Highlights</b>					
<b>Key figures</b>					
Gross profit	84.374	70.688	74.539	60.167	50.024
Operating profit/loss	12.963	2.753	8.055	9.793	-432
Net financials	-453	-1.410	-1.374	-1.200	-1.262
Profit/loss for the year	9.112	-2.170	5.381	6.094	-1.663
Total assets	182.266	149.573	120.373	100.773	95.308
Investment in property, plant and equipment	4.167	3.452	7.313	6.451	11.870
Equity	41.293	32.180	34.346	28.963	22.869
Equity excl minority interests	41.293	32.180	34.346	28.963	22.869
<b>Financial ratios</b>					
Equity ration	22,7%	21,5%	28,5%	28,7%	24,0%

Financial highlights are defined and calculated in accordance with the current version of recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see the summary of significant accounting policies.

## **Management commentary**

### **Primary activities**

The Group is engaged in the sale and service of lifts both in Denmark and abroad.

### **Development in activities and finances**

The Group realized a significant increase in sales and gross profit for 2018, and profit before tax came in at DKK 12,5 million as against a profit of DKK 1,3 million for 2017.

Management considers the profit for the year very satisfactory and in accordance with last year's expectations.

The investment in France is still expected to improve our market position on the French market going forward.

### **Outlook**

The business is faced with fierce competition and intensified pressure in all markets, especially due to entries of new manufacturers. Despite this, Management still expects to report a profit for 2019 in the level of DKK 10-13 million before tax.

### **Research and development activities**

In the year under review, the Company developed new products and working methods, which in particular will strengthen future sales on the Company's markets.

Development costs of DKK 1,9 million were expensed in 2018. Moreover, capitalized development costs totalling DKK 0,6 million were amortized. These costs comprise materials and direct payroll.

Product development is deemed to remain a top priority for the Company in the coming years. As a result, the Company must continuously be able to attract and retain employees with relevant expert knowledge.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## Income statement 1 January 2018 - 31 December 2018

	Note	Group		Parent	
		2018 DKK	2017 DKK	2018 DKK	2017 DKK
<b>Gross profit</b>		<b>84.373.677</b>	<b>70.687.611</b>	<b>75.736.119</b>	<b>71.017.151</b>
Staff costs	1	-68.334.773	-61.575.908	-58.394.123	-54.005.003
Depreciation, amortisation and impairment losses		-3.069.165	-6.313.593	-2.631.398	-5.926.820
Other operating expenses		-7.081	-45.404	0	0
<b>Operating profit/loss</b>		<b>12.962.658</b>	<b>2.752.706</b>	<b>14.710.598</b>	<b>11.085.328</b>
Income from investments in group enterprises		0	0	-1.950.892	-10.024.060
Other financial income	2	681.144	144.564	679.759	454.926
Other financial expenses	3	-1.134.471	-1.554.644	-1.070.644	-1.509.240
<b>Profit/loss before tax</b>		<b>12.509.331</b>	<b>1.342.626</b>	<b>12.368.821</b>	<b>6.954</b>
Tax on profit/loss for the year	4	-3.397.140	-3.513.082	-3.256.630	-2.177.410
<b>Profit/loss for the year</b>		<b>9.112.191</b>	<b>-2.170.456</b>	<b>9.112.191</b>	<b>-2.170.456</b>
Distribution of profit	5				

## Balance sheet at 31 December 2018

	Note	Group		Parent	
		2018 DKK	2017 DKK	2018 DKK	2017 DKK
<b>Assets</b>					
Completed development projects		644.332	0	644.332	0
<b>Intangible assets</b>	6	<b>644.332</b>	<b>0</b>	<b>644.332</b>	<b>0</b>
Plant and machinery		2.250.223	2.716.037	1.567.702	2.048.805
Other fixtures and fittings, tools and equipment		5.462.730	7.371.563	4.954.546	6.753.314
Leasehold improvements		3.178.509	931.902	2.606.050	284.322
<b>Property, plant and equipment</b>	7	<b>10.891.462</b>	<b>11.019.502</b>	<b>9.128.298</b>	<b>9.086.441</b>
Investments in subsidiaries	8	0	0	90.560	352.939
Receivables from group enterprises	9	0	0	179.215	1.861.225
<b>Fixed asset investments</b>		<b>0</b>	<b>0</b>	<b>269.775</b>	<b>2.214.164</b>
<b>Fixed assets</b>		<b>11.535.794</b>	<b>11.019.502</b>	<b>10.042.405</b>	<b>11.300.605</b>
Raw materials and consumables		55.623.654	49.260.314	31.843.937	29.253.614
Work in progress		25.554.874	26.673.657	21.608.679	25.455.247
Finished goods and goods for resale		14.097.994	13.905.112	14.097.994	13.905.112
<b>Stocks</b>		<b>95.276.522</b>	<b>89.839.083</b>	<b>67.550.610</b>	<b>68.613.973</b>

## Balance sheet at 31 December 2018

	Note	Group		Parent	
		2018 DKK	2017 DKK	2018 DKK	2017 DKK
<b>Assets</b>					
Trade receivables		43.328.475	40.871.934	26.006.093	34.309.954
Receivables from group enterprises		19.019.740	4.027.129	39.026.982	18.371.783
Other receivables		2.136.201	560.684	1.751.981	312.764
Prepayments	10	2.958.813	2.381.493	1.229.460	1.365.941
<b>Receivables</b>		<b>67.443.229</b>	<b>47.841.240</b>	<b>68.014.516</b>	<b>54.360.442</b>
<b>Cash</b>		<b>8.010.401</b>	<b>873.017</b>	<b>3.334.797</b>	<b>549.935</b>
<b>Current assets</b>		<b>170.730.152</b>	<b>138.553.340</b>	<b>138.899.923</b>	<b>123.524.350</b>
<b>Assets</b>		<b>182.265.946</b>	<b>149.572.842</b>	<b>148.942.328</b>	<b>134.824.955</b>

## Balance sheet at 31 December 2018

	Note	Group		Parent	
		2018 DKK	2017 DKK	2018 DKK	2017 DKK
<b>Equity and liabilities</b>					
Contributed capital		600.000	600.000	600.000	600.000
Reserve for development expenditure		502.579	0	502.579	0
Retained earnings		<u>40.190.235</u>	<u>31.579.720</u>	<u>40.190.235</u>	<u>31.579.720</u>
<b>Equity</b>		<b><u>41.292.814</u></b>	<b><u>32.179.720</u></b>	<b><u>41.292.814</u></b>	<b><u>32.179.720</u></b>
Deferred tax	11	867.000	634.000	867.000	634.000
Other provisions	12	<u>3.336.527</u>	<u>2.639.339</u>	<u>3.075.000</u>	<u>2.550.000</u>
<b>Provisions</b>		<b><u>4.203.527</u></b>	<b><u>3.273.339</u></b>	<b><u>3.942.000</u></b>	<b><u>3.184.000</u></b>
Bank loans		2.492.369	4.043.790	2.391.525	4.019.185
Finance lease liabilities		416.183	1.054.348	416.183	1.054.348
Payables to group enterprises		<u>33.602.850</u>	<u>33.592.050</u>	<u>33.602.850</u>	<u>33.592.050</u>
<b>Non-current liabilities other than provisions</b>	13	<b><u>36.511.402</u></b>	<b><u>38.690.188</u></b>	<b><u>36.410.558</u></b>	<b><u>38.665.583</u></b>

## Balance sheet at 31 December 2018

	Note	Group		Parent	
		2018 DKK	2017 DKK	2018 DKK	2017 DKK
<b>Equity and liabilities</b>					
Short-term part of long-term debt	13	2.362.715	3.186.056	2.362.715	3.186.056
Banks		12.226.431	8.103.737	12.226.431	8.103.737
Prepayments from customers		571.728	696.781	347.519	502.436
Trade payables		55.704.453	41.906.621	43.031.244	37.947.288
Payables to group enterprises		19.188.168	10.494.814	0	536.910
Corporation tax		1.886.042	1.899.172	2.212.236	2.079.904
Other payables		<u>8.318.666</u>	<u>9.142.414</u>	<u>7.116.811</u>	<u>8.439.321</u>
<b>Current liabilities other than provisions</b>		<b><u>100.258.203</u></b>	<b><u>75.429.595</u></b>	<b><u>67.296.956</u></b>	<b><u>60.795.652</u></b>
<b>Liabilities other than provisions</b>		<b><u>136.769.605</u></b>	<b><u>114.119.783</u></b>	<b><u>103.707.514</u></b>	<b><u>99.461.235</u></b>
<b>Equity and liabilities</b>		<b><u>182.265.946</u></b>	<b><u>149.572.842</u></b>	<b><u>148.942.328</u></b>	<b><u>134.824.955</u></b>
Assets charged and collateral	14				
Related parties with controlling interest	15				

## Statement of changes in equity

### Group

	Contributed capital	Reserve for development expenditure	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January 2018	600.000	0	31.579.720	32.179.720
Exchange rate adjustments	0	0	903	903
Net profit/loss for the year	0	502.579	8.609.612	9.112.191
<b>Equity at 31 December 2018</b>	<b>600.000</b>	<b>502.579</b>	<b>40.190.235</b>	<b>41.292.814</b>

### Parent

Equity at 1 January 2018	600.000	0	31.579.720	32.179.720
Exchange adjustments	0	0	903	903
Net profit/loss for the year	0	502.579	8.609.612	9.112.191
<b>Equity at 31 December 2018</b>	<b>600.000</b>	<b>502.579</b>	<b>40.190.235</b>	<b>41.292.814</b>



## Cash flow statement 1 January 2018 - 31 December 2018

	Note	Group	
		2018 DKK	2017 DKK
Operating profit/loss		12.962.658	2.752.706
Amortisation, depreciation and impairment losses		3.069.165	6.313.593
Other provisions		697.188	614.339
Change in working capital	16	-3.501.956	12.691.903
<b>Cash flow from ordinary operating activities</b>		<b>13.227.055</b>	<b>22.372.541</b>
Financial income received		680.056	144.564
Financial expenses paid		-1.133.383	-1.554.644
Income taxes refunded/paid		-3.177.270	-2.131.030
<b>Cash flows from operating activities</b>		<b>9.596.458</b>	<b>18.831.431</b>
Acquisition etc of intangible assets		-645.498	0
Acquisition etc of property, plant and equipment		-4.166.701	-3.451.882
Sale of property, plant and equipment		1.232.558	1.260.458
<b>Cash flows from investing activities</b>		<b>-3.579.641</b>	<b>-2.191.424</b>
Repayment of loans		-3.012.927	-1.753.841
Incurrence of debt to group enterprises		10.800	0
Repayment of debt to group enterprises		0	-14.207.404
Reduction of lease commitments		0	-1.344.743
<b>Cash flows from financing activities</b>		<b>-3.002.127</b>	<b>-17.305.988</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>3.014.690</b>	<b>-665.981</b>
Cash and cash equivalents beginning of year		-7.230.720	-6.564.739
<b>Cash and cash equivalents end of year</b>		<b>-4.216.030</b>	<b>-7.230.720</b>
Cash and cash equivalents at year-end are composed of:			
Cash		8.010.401	873.017
Short-term debt to banks		-12.226.431	-8.103.737
<b>Cash and cash equivalents end of year</b>		<b>-4.216.030</b>	<b>-7.230.720</b>

## Notes

	<b>Group</b>		<b>Parent</b>	
	<u>2018</u> DKK	<u>2017</u> DKK	<u>2018</u> DKK	<u>2017</u> DKK
<b>1 Staff costs</b>				
Wages and salaries	62.759.467	55.758.695	53.587.818	49.542.791
Pension costs	3.910.360	4.852.083	3.917.791	3.632.387
Other social security costs	1.664.946	965.130	888.514	829.825
	<u><b>68.334.773</b></u>	<u><b>61.575.908</b></u>	<u><b>58.394.123</b></u>	<u><b>54.005.003</b></u>
Average number of employees	<u>164</u>	<u>135</u>	<u>123</u>	<u>115</u>

### Group

Executive remuneration is not disclosed, cf. ÅRL § 98b, paragraph 3.

### Parent

Executive remuneration is not disclosed, cf. ÅRL § 98b, paragraph 3.

	<b>Group</b>		<b>Parent</b>	
	<u>2018</u> DKK	<u>2017</u> DKK	<u>2018</u> DKK	<u>2017</u> DKK
<b>2 Other financial income</b>				
Financial income arising from group enterprises	48.607	0	48.607	310.362
Other interest income	632.537	144.564	631.152	144.564
	<u><b>681.144</b></u>	<u><b>144.564</b></u>	<u><b>679.759</b></u>	<u><b>454.926</b></u>

## Notes

	<b>Group</b>		<b>Parent</b>	
	<u>2018</u> DKK	<u>2017</u> DKK	<u>2018</u> DKK	<u>2017</u> DKK
<b>3 Other financial expenses</b>				
Financial expenses from group enterprises	0	539.215	0	539.215
Other interest expenses	1.134.471	1.015.429	1.070.644	970.025
	<u><b>1.134.471</b></u>	<u><b>1.554.644</b></u>	<u><b>1.070.644</b></u>	<u><b>1.509.240</b></u>

	<b>Group</b>		<b>Parent</b>	
	<u>2018</u> DKK	<u>2017</u> DKK	<u>2018</u> DKK	<u>2017</u> DKK
<b>4 Tax on profit/loss for the year</b>				
Current tax	2.899.237	3.809.945	2.836.236	2.491.308
Change in deferred tax	310.509	-296.863	233.000	-313.898
Adjustment concerning previous years	187.394	0	187.394	0
	<u><b>3.397.140</b></u>	<u><b>3.513.082</b></u>	<u><b>3.256.630</b></u>	<u><b>2.177.410</b></u>

	<b>Group</b>		<b>Parent</b>	
	<u>2018</u> DKK	<u>2017</u> DKK	<u>2018</u> DKK	<u>2017</u> DKK
<b>5 Proposed distribution of profit/loss</b>				
Retained earnings	9.112.191	-2.170.456	9.112.191	-2.170.456
	<u><b>9.112.191</b></u>	<u><b>-2.170.456</b></u>	<u><b>9.112.191</b></u>	<u><b>-2.170.456</b></u>

## Notes

### 6 Intangible assets

#### Group

	Completed development projects <u>DKK</u>
Additions	<u>645.498</u>
Cost at 31 December 2018	<u>645.498</u>
Amortisation for the year	<u>1.166</u>
Amortisation and impairment losses at 31 December 2018	<u>1.166</u>
<b>Carrying amount at 31 December 2018</b>	<b><u><u>644.332</u></u></b>

Development projects include development and testing of new lift variants.

In 2018, management assessed the valuation of development projects. It is estimated that the recoverable amount in the form of value in use exceeds the carrying amount.

#### Parent

	Completed development projects <u>DKK</u>
Additions	<u>645.498</u>
Cost at 31 December 2018	<u>645.498</u>
Amortisation for the year	<u>1.166</u>
Amortisation and impairment losses at 31 December 2018	<u>1.166</u>
<b>Carrying amount at 31 December 2018</b>	<b><u><u>644.332</u></u></b>

Development projects include development and testing of new lift variants.

In 2018, management assessed the valuation of development projects. It is estimated that the recoverable amount in the form of value in use exceeds the carrying amount.

## Notes

### 7 Tangible assets

#### Group

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK	DKK
Cost at 1 January 2018	8.776.734	20.864.518	12.205.244
Exchange rate adjustment	2.437	2.468	2.188
Additions	550.535	1.218.989	2.397.177
Disposals	0	-2.659.077	0
Cost at 31 December 2018	<u>9.329.706</u>	<u>19.426.898</u>	<u>14.604.609</u>
Impairment losses and depreciation at 1 January 2018	6.060.697	13.492.955	11.273.342
Exchange rate adjustment	428	608	240
Depreciation for the year	1.018.358	2.550.173	152.518
Reversal regarding disposals	0	-2.079.568	0
Impairment losses and depreciation at 31 December 2018	<u>7.079.483</u>	<u>13.964.168</u>	<u>11.426.100</u>
<b>Carrying amount at 31 December 2018</b>	<b><u>2.250.223</u></b>	<b><u>5.462.730</u></b>	<b><u>3.178.509</u></b>
Recognised assets not owned by entity	<u>0</u>	<u>1.182.586</u>	<u>0</u>

## Notes

### 7 Tangible assets (Continued)

#### Parent

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January 2018	7.966.947	20.044.168	11.478.005
Additions	358.609	1.148.860	2.397.177
Disposals	0	-2.659.077	0
Cost at 31 December 2018	<u>8.325.556</u>	<u>18.533.951</u>	<u>13.875.182</u>
Impairment losses and depreciation at 1 January 2018	5.918.140	13.290.855	11.193.682
Depreciation for the year	839.714	2.368.118	75.450
Reversal regarding disposals	0	-2.079.568	0
Impairment losses and depreciation at 31 December 2018	<u>6.757.854</u>	<u>13.579.405</u>	<u>11.269.132</u>
<b>Carrying amount at 31 December 2018</b>	<b><u>1.567.702</u></b>	<b><u>4.954.546</u></b>	<b><u>2.606.050</u></b>
Recognised assets not owned by entity		<u>1.182.586</u>	

## Notes

	<b>Parent</b>	
	<u>2018</u>	<u>2017</u>
	DKK	DKK
<b>8 Investments in subsidiaries</b>		
Cost at 1 January 2018	372.090	372.090
Exchange adjustment	<u>0</u>	<u>0</u>
Cost at 31 December 2018	<u>372.090</u>	<u>372.090</u>
Revaluations at 1 January 2018	-19.151	-372.090
Exchange adjustment	903	-4.170
Net profit/loss for the year	-1.865.152	-8.721.919
Other adjustments	0	-1.300.000
Adjustments on equity	1.687.610	12.805.228
Change in intercompany profit	-85.740	6.199
Equity investments with negative net asset value amortised over receivables	<u>0</u>	<u>-2.432.399</u>
Revaluations at 31 December 2018	<u>-281.530</u>	<u>-19.151</u>
<b>Carrying amount at 31 December 2018</b>	<u><b>90.560</b></u>	<u><b>352.939</b></u>

### Parent

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Corporation form</u>	<u>Ownership interest</u>
Time Versalift France S.A.S	Morlaás, France	S.A.S	100%

## Notes

### 9 Receivables from group enterprises

#### Parent

	<u>2018</u> DKK
Cost at 1 January 2018	1.861.225
Disposals	<u>-1.687.610</u>
Cost at 31 December 2018	<u>173.615</u>
<b>Carrying amount at 31 December 2018</b>	<b><u><u>173.615</u></u></b>

### 10 Prepayments

#### Group

Prepayments consists of deposits and other prepayments.

#### Parent

Prepayments consists of deposits and other prepayments.

	<u>Group</u>		<u>Parent</u>	
	<u>2018</u> DKK	<u>2017</u> DKK	<u>2018</u> DKK	<u>2017</u> DKK
<b>11 Deferred tax</b>				
Provision for deferred tax at 1 January 2018	634.000	-404.902	634.000	947.898
Recognised in the income statement	<u>233.000</u>	<u>1.038.902</u>	<u>233.000</u>	<u>-313.898</u>
<b>Provision for deferred tax at 31 December 2018</b>	<b><u><u>867.000</u></u></b>	<b><u><u>634.000</u></u></b>	<b><u><u>867.000</u></u></b>	<b><u><u>634.000</u></u></b>

Deferred tax consists of fixed assets, receivables and provisions.



## Notes

### 12 Other provisions

#### Group

Other provisions consists of warranties.

#### Parent

Other provisions consists of warranties.

### 13 Liabilities other than provisions

	Due within 12 months 2018 DKK	Due within 12 months 2017 DKK	Due after more than 12 months 2018 DKK
<b>Group</b>			
Bank loans	1.724.650	1.780.000	2.492.369
Finance lease liabilities	638.065	1.406.056	416.183
Payables to group enterprises	0	0	33.602.850
	<u><b>2.362.715</b></u>	<u><b>3.186.056</b></u>	<u><b>36.511.402</b></u>

	Due within 12 months 2018 DKK	Due within 12 months 2017 DKK	Due after more than 12 months 2018 DKK
<b>Parent</b>			
Bank loans	1.724.650	1.780.000	2.391.525
Finance lease liabilities	638.065	1.406.056	416.183
Payables to group enterprises	0	0	33.602.850
	<u><b>2.362.715</b></u>	<u><b>3.186.056</b></u>	<u><b>36.410.558</b></u>

## Notes

### 14 Assets charged and collateral

The Group has provided a collateral of DKK 767k.

A company charge of DKK 5.000k secured on pledged assets have been registered as collateral for bank debt.

The Parent Company has provided a collateral of DKK 767k.

A company charge of DKK 5.000k secured on pledged assets have been registered as collateral for bank debt.

### 15 Related parties with controlling interest

Time Manufacturing Company, Texas, USA, is listed in the Company's register of shareholders as holding enough of the share capital to have controlling interest.

Sterling Group Partners IV, L.P., Houston, USA, is listed in the Company's register of shareholders as holding enough of the share capital to have controlling interest.

#### Transactions with related parties

The Group's trading and agreements with related parties serve a commercial purpose only and were carried out at arm's length.

The Parent Company's trading and agreements with related parties serve a commercial purpose only and were carried out at arm's length.

### 16 Change in working capital

Increase/decrease in inventories

Increase/decrease in receivables

Increase/decrease in trade payables, etc.

	Group	
	2018	2017
	DKK	DKK
	-5.437.439	-27.656.843
	-19.601.989	-6.564.368
	21.537.472	46.913.114
	<u>-3.501.956</u>	<u>12.691.903</u>

## **Accounting policies**

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

### **Consolidated financial statements**

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

### **Basis of consolidation**

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

## **Accounting policies**

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate of the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant nonmonetary items.

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

#### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

## **Accounting policies**

### **Change in inventories of finished goods and work in progress**

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

### **Other operating income**

Other operating income comprises income of a secondary nature relative to the entity's primary activities.

### **Other operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

### **Cost of sales**

Costs of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### **Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as plant and equipment.

### **Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

## **Accounting policies**

### **Other financial income and expenses**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## **Balance sheet**

### **Intangible assets**

#### ***Intellectual property rights etc***

Intellectual property rights etc comprise development projects in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

## Accounting policies

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Plant and machinery	5 years
Other fixtures, fittings, tools and equipment	3-8 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

## **Accounting policies**

### **Investments in group enterprises**

In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unrealised intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.



## **Accounting policies**

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax

### **Other provisions**

Other provisions comprise anticipated costs of warranties.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

### **Finance lease liabilities**

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

### **Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

## Accounting policies

### Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

### Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less shortterm bank loans.

### Financial highlights

Definitions of financial ratios.

Equity ration	$\frac{\text{Equity} \times 100}{\text{Total assets}}$
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