# Versalift Denmark A/S

Søndervang 3, 9640 Farsø

## CVR no. 12 31 56 00

## Annual report for the period

## 1 January to 31 December 2023

The Annual Report was presented and adopted at the Annual General Meeting of the company on 9 July 2024

________________________________

Martin Lybæk Christiansen
Chairman

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# Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Versalift Denmark A/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 December 2023 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Farsø, 9 July 2024

**Executive board**

Martin Lybæk Christiansen

**Supervisory board**

| | | |
|---|---|---|
| Roman Valerievich Rariy<br>chairman | Craig Michael Haines | Jay Tolar Jeffrey |

# Independent auditor's report

***To the shareholder of Versalift Denmark A/S***

**Opinion**

We have audited the consolidated financial statements and the parent company financial statements of Versalift Denmark A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for both the group and the parent company as well as consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared under 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 group and the parent company's financial position at 31 December 2023 and of the results of the group and the parent company's operations and consolidated cash flows for the financial year 1 January - 31 December 2023 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 parent company ” section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. 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 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 the consolidated financial statements and the parent company financial statements that are free from material misstatement, whether due to fraud or error.

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

# Independent auditor's report

**Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 parent company 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 parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and parent company 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information for the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the audit of the group. We alone are responsible for our audit opinion.

# Independent auditor's report

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

**Statement on management's review**

Management is responsible for management's review.

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

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

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

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

Odense, 9 July 2024

**Baker Tilly Denmark**
Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Christoffer Pedersen
statsautoriseret revisor
mne36180

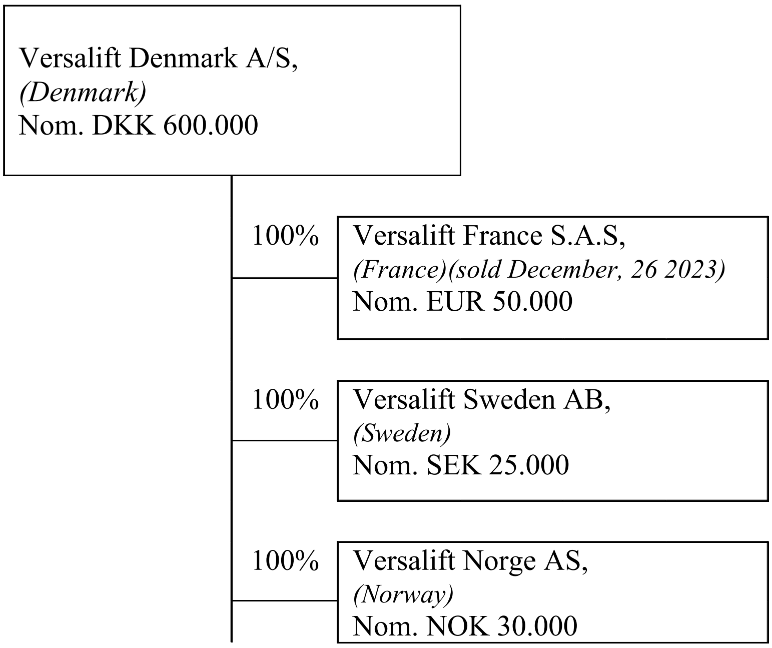
# Company details

| | | |
|---|---|---|
| The company | Versalift Denmark A/S<br>Søndervang 3<br>9640 Farsø | |
| | CVR no.: | 12 31 56 00 |
| | Reporting period: | 1 January - 31 December 2023 |
| | Domicile: | Vesthimmerlands Kommune |
| Supervisory board | Roman Valerievich Rariy, chairman<br>Craig Michael Haines<br>Jay Tolar Jeffrey | |
| Executive board | Martin Lybæk Christiansen | |
| Auditors | Baker Tilly Denmark<br>Godkendt Revisionspartnerselskab<br>Hjallesevej 126<br>5230 Odense M | |

# Group chart

***Parent Company***

***Consolidated subsidiaries***



# Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

| | Group | | | | |
|---|---|---|---|---|---|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| | TDKK | TDKK | TDKK | TDKK | TDKK |
| **Key figures** | | | | | |
| Revenue | 507.428 | 486.806 | 494.258 | 419.251 | 364.173 |
| Gross profit | 140.668 | 136.040 | 130.024 | 104.282 | 95.743 |
| Profit/loss before amortisation/depreciation and impairment losses | 24.984 | 23.285 | 41.864 | 33.315 | 30.809 |
| Profit/loss before net financials | 18.795 | 17.561 | 35.702 | 28.434 | 26.678 |
| Net financials | -4.555 | -3.084 | 1.016 | -1.532 | -300 |
| Profit/loss for the year | 11.214 | 10.732 | 27.239 | 20.827 | 20.190 |
| Balance sheet total | 392.756 | 335.469 | 304.463 | 255.000 | 241.833 |
| Equity | 131.524 | 120.415 | 109.560 | 82.304 | 61.484 |
| Equity excl. non-controlling interests | 131.524 | 120.415 | 109.560 | 82.304 | 61.484 |
| - operating activities | 21.733 | -36.649 | -18.307 | 17.431 | -9.942 |
| - investing activities | -4.465 | -3.696 | -711 | -10.124 | -4.754 |
| - including investment in property, plant and equipment | -3.416 | -2.847 | -3.939 | -8.731 | -4.500 |
| - financing activities | -14.958 | 33.773 | 13.068 | -8.022 | 22.243 |
| The year's changes in cash and cash equivalents | 2.310 | -6.572 | -5.950 | -715 | 7.547 |
| **Financial ratios** | | | | | |
| Gross margin | 27,72% | 27,95% | 26,31% | 24,87% | 26,29% |
| Solvency ratio | 33,49% | 35,89% | 35,98% | 32,28% | 25,42% |
| Return on equity | 8,90% | 9,33% | 28,39% | 28,97% | 39,30% |

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

# Management's review

**Business review**

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

**Financial review**

The group's income statement for the year ended 31 December 2023 shows a profit of TDKK 11.214, and the balance sheet at 31 December 2023 shows equity of TDKK 131.524.

The market conditions in 2023 have been somewhat challenging, as they also were in 2022. The order intake throughout 2023 have been at an acceptable level and very similar to 2022. The home market Scandinavia is performing quite well and especially the full effect of the established branch in Sweden branch has proven that we are in a good position on the Scandinavian market. In April 2023 we opened a branch in Norway to further build up the Scandinavian footprint. The start-up has been challenging and the market activity seems low and is challenged further with a very low exchange rate.

On other European markets the performance has overall been good given the difficult market circumstances and the macroeconomics in general.

The branch in France, Versalift France S.A.S, was sold to our sister company in France, France Elevateur. The sales activities to the French market remains unchanged but the French market remains challenging.

The group realized an increase in sales of 4% and an increase in the Gross Profit of more than 3%. Profit before tax was 14,2 million DKK which was at the same level as 2022.

**Significant events occurring after the end of the financial year**

No events have occurred after the end of the financial year of material importance for the Company's financial position.

# Management's review

**Future expectations**

Overall activities and sales are expected to increase slightly for the group in 2024. However, we do foresee a challenging 2024 because of the continued macro-economic uncertainties in our main markets in Europe and in the rest of the world. Also, the exchange rates in Norway and Sweden have been very weak in 2023 and if this continues into 2024 market conditions are even tougher. Also supply chain challenges remain in 2024 where deliveries of critical components and vehicles are still to some extend uncertain.

Throughout 2024 one of the main focus areas will be to improve the cash flow from operations through lowering inventories and collection on group receivables.

The investments made in Norway will fully materialize in 2024 and the sales are expected to increase significantly in 2024.

The sale of Versalift France S.A.S to our sister company France Elevateur has been effectuated. We still have significant sales activities in France, and it is not expected to have any negative financial impact that Versalift France S.A.S is now a sister company instead of a daughter company.

Based on these circumstances the parent company expects an increase in revenue in 2024 compared to 2023. The result before tax is expected to be slightly increased compared to 2023.

# Management's review

**Corporate social responsibility (CSR) report**

The company is certified after the ISO standards 14001:2015 (Environmental) and 9001:2015 (Quality).

The company has introduced policies containing internal guidelines, objectives, and strategies, which are executed to ensure a safe and healthy working environment.

Environmental and climatic conditions are considered in the company's processes. On a strategic level The Group continues to work with, and in accordance with, the United Nations Sustainable Development Goals.

The Group is fully aware of our responsibility for climate and sustainability development and incorporate this in our strategic initiatives.

The company execute its policies into action through the introduction of management systems and control systems as a follow-up to the work process. The Group regularly conducts an evaluation that systematically reviews the implementation of the policies.

As a result of the work with social responsibility, the company has an expectation to keep the level of sickness absence at a low level and an expectation of continuing to keep the number of accidents at work at a low level as well. It is expected that in the future there will still be an improvement in these conditions, just as it is expected that the production processes will be less environmentally damaging.

It is a dedicated goal to create a work environment where there is room for less resourceful employees, just as training of younger employees is a focus area. In this connection, there is a close collaboration with educational institutions regarding both education and continuing education of the staff.

The company has not yet developed written policies for human rights, anti-corruption, and bribery; but the need for this is continuously evaluated as it is a declared ambition to constantly appear and act as a socially responsible company. The Company has implemented a whistleblower scheme to ensure that employees report any situation that conflicts with the company’s policies.

# Management's review

**Target figures and policy for the underrepresented gender**

Regardless of the industry's history and a low female gender presence, the company is working to increase the number of female managers and has based on this from 2020, as the first year, set specific targets for the proportion of underrepresented gender in management composition of management in general.

According to the Danish legislation, the company has a goal that at least one of the board members at the company is a woman by 2025.

When it comes to hiring and recruiting for management positions, the goal is for there to be both male and female candidates, despite operating in an industry dominated by men. The election of a woman being part of the company's board of directors presupposes the right qualifications and must otherwise harmonize with the need for the replacement of current board members.

Other management at Versalift Denmark A/S consists of 12 people including managing directors, whereof 25% are female managers and 75% are male managers. Versalift Denmark A/S has a goal that at least 50% of the other management levels must be women. The target should be met by 2027. The general policy also applies for the remaining management levels.

It can be seen that there is a gap to the target figure of the underrepresented gender in 2023 which to a big extend relates to the general gender composition in the industry. The current state is a candidate pool to the posted jobs that contain more men than women. In the financial year the most qualified candidates were from the overrepresented gender, which is why the target in other management levels have not been met.

To increase the number of women in other management levels and meet the set targets, Versalift Denmark A/S is doing a significant and broad effort. Versalift Denmark A/S has, among other things, required candidates of both genders in the recruitment phase and consider the underrepresented gender in subsequent planning.

| **Highest management level*** | **2023** |
|---|---:|
| Total number of representatives | 4 |
| Under-represented gender pct. | 0% |
| Target figure in pct. | 25% |
| Year for achieving the target | 2025 |

| **Other management level**** | **2023** |
|---|---:|
| Total number of representatives | 12 |
| Under-represented gender pct. | 25% |
| Target figure in pct. | 50% |
| Year for achieving the target | 2027 |

**) The highest management level consists of the company's executive board and board of directors*

***) Other management levels consists of middle managers, comprising those managers reporting directly to a member of group management and their direct reports so that "other management levels" reflects the management teams.*

# Management's review

**Data ethics report**

Description of the entity's work with and policy for data ethical questions

For now, Versalift Denmark A/S has not identified the need for a data ethics policy. Data and technologies are not used, neither in business strategic context nor in day-to-day operations, which currently requires specific data ethical considerations.

Overall decisions regarding data use and/or implementation of new technologies will be executed at management level to ensure that data ethics aspects are addressed and anchored throughout all business units.

Management has focus on the potential need to adopt a policy on data ethics and will implement this, if the company's data use will change and require such at a later point in time.

# Income statement 1 January - 31 December

| | | Group | | Parent company | |
|---|---|---|---|---|---|
| | Note | 2023 | 2022 | 2023 | 2022 |
| | | TDKK | TDKK | TDKK | TDKK |
| **Revenue** | 1 | **507.428** | **486.806** | **387.573** | **391.569** |
| Change in inventories of finished goods, work in progress and goods for resale | | 24.688 | 28.709 | 24.687 | 28.710 |
| Other operating income | | 20.696 | 32.657 | 18.381 | 32.648 |
| Expenses for raw materials and consumables | | -369.449 | -371.144 | -286.495 | -307.232 |
| Other external costs | | -42.695 | -40.988 | -27.188 | -29.789 |
| **Gross profit** | | **140.668** | **136.040** | **116.958** | **115.906** |
| Staff costs | 2 | -115.684 | -112.755 | -96.070 | -91.774 |
| **Profit/loss before amortisation/depreciation and impairment losses** | | **24.984** | **23.285** | **20.888** | **24.132** |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | 3 | -5.612 | -5.724 | -4.822 | -4.966 |
| Other operating costs | | -577 | 0 | 0 | 0 |
| **Profit/loss before net financials** | | **18.795** | **17.561** | **16.066** | **19.166** |
| Income from investments in subsidiares | | 0 | 0 | -1.698 | -878 |
| Financial income | 4 | 207 | 589 | 164 | 748 |
| Financial costs | 5 | -4.762 | -3.673 | -4.307 | -2.525 |
| **Profit/loss before tax** | | **14.240** | **14.477** | **10.225** | **16.511** |
| Tax on profit/loss for the year | 6 | -3.026 | -3.745 | -2.657 | -3.814 |
| **Profit/loss for the year** | | **11.214** | **10.732** | **7.568** | **12.697** |
| Distribution of profit | 7 | | | | |

# Balance sheet 31 December

| | Note | Group 2023 TDKK | Group 2022 TDKK | Parent company 2023 TDKK | Parent company 2022 TDKK |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Completed development projects | | 3.189 | 2.839 | 3.189 | 2.838 |
| **Intangible assets** | 8 | **3.189** | **2.839** | **3.189** | **2.838** |
| Plant and machinery | 9 | 1.686 | 2.236 | 1.686 | 1.663 |
| Other fixtures and fittings, tools and equipment | 9 | 2.415 | 2.592 | 1.657 | 1.743 |
| Leasehold improvements | 9 | 2.439 | 3.792 | 2.440 | 2.760 |
| **Tangible assets** | | **6.540** | **8.620** | **5.783** | **6.166** |
| Investments in subsidiaries | 10 | 0 | 0 | 3.333 | 939 |
| Receivables from group enterprises | | 178 | 0 | 178 | 178 |
| **Fixed asset investments** | | **178** | **0** | **3.511** | **1.117** |
| **Total non-current assets** | | **9.907** | **11.459** | **12.483** | **10.121** |
| Raw materials and consumables | | 91.820 | 43.733 | 44.476 | 38.372 |
| Goods in progress | | 31.332 | 43.978 | 31.333 | 41.148 |
| Finished goods and goods for resale | | 42.776 | 79.534 | 42.776 | 40.953 |
| **Stocks** | | **165.928** | **167.245** | **118.585** | **120.473** |
| Trade receivables | | 35.231 | 46.798 | 29.929 | 15.598 |
| Receivables from group enterprises | | 173.309 | 102.375 | 178.273 | 164.718 |
| Other receivables | | 1.066 | 3.855 | 1.066 | 3.222 |
| Prepayments | 11 | 2.687 | 1.420 | 2.333 | 1.241 |
| **Receivables** | | **212.293** | **154.448** | **211.601** | **184.779** |
| **Cash at bank and in hand** | | **4.628** | **2.318** | **4.112** | **495** |
| **Total current assets** | | **382.849** | **324.010** | **334.298** | **305.747** |
| **Total assets** | | **392.756** | **335.469** | **346.781** | **315.868** |

# Balance sheet 31 December

| | | Group | | Parent company | |
|---|---|---|---|---|---|
| | Note | 2023 | 2022 | 2023 | 2022 |
| | | TDKK | TDKK | TDKK | TDKK |
| **Equity and liabilities** | | | | | |
| Share capital | | 600 | 600 | 600 | 600 |
| Reserve for net revaluation under the equity method | | 0 | 0 | 1.953 | 548 |
| Reserve for development expenditure | | 0 | 0 | 2.487 | 2.214 |
| Reserve for current value adjustments of currency gains | | 28 | 133 | 0 | 0 |
| Retained earnings | | 130.896 | 119.682 | 126.482 | 120.673 |
| **Equity** | 12 | **131.524** | **120.415** | **131.522** | **124.035** |
| Provision for deferred tax | 13 | 950 | 0 | 1.604 | 1.306 |
| Other provisions | 14 | 4.557 | 4.804 | 4.557 | 3.687 |
| **Total provisions** | | **5.507** | **4.804** | **6.161** | **4.993** |
| Payables to group enterprises | | 40.388 | 40.902 | 40.395 | 40.902 |
| **Total non-current liabilities** | 15 | **40.388** | **40.902** | **40.395** | **40.902** |
| Banks | | 56.813 | 71.265 | 56.814 | 71.264 |
| Prepayments received from customers | | 2.653 | 3.488 | 2.118 | 3.020 |
| Trade payables | | 68.021 | 57.796 | 65.438 | 47.461 |
| Payables to group enterprises | | 74.192 | 22.443 | 34.199 | 16.046 |
| Corporation tax | | 3.385 | 1.711 | 2.359 | 1.592 |
| Other payables | | 10.273 | 12.645 | 7.775 | 6.555 |
| **Total current liabilities** | | **215.337** | **169.348** | **168.703** | **145.938** |
| **Total liabilities** | | **255.725** | **210.250** | **209.098** | **186.840** |
| **Total equity and liabilities** | | **392.756** | **335.469** | **346.781** | **315.868** |

| | |
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# Statement of changes in equity

**Group**

| | Share capital | Reserve for current value adjustments of currency gains | Retained earnings | Total |
|---|---|---|---|---|
| | TDKK | TDKK | TDKK | TDKK |
| Equity at 1 January | 600 | 133 | 119.682 | 120.415 |
| Exchange adjustments | 0 | -105 | 0 | -105 |
| Net profit/loss for the year | 0 | 0 | 11.214 | 11.214 |
| **Equity at 31 December** | **600** | **28** | **130.896** | **131.524** |

**Parent company**

| | Share capital | Reserve for net revaluation under the equity method | Reserve for development expenditure | Retained earnings | Total |
|---|---|---|---|---|---|
| | TDKK | TDKK | TDKK | TDKK | TDKK |
| Equity at 1 January | 600 | 549 | 2.214 | 120.674 | 124.037 |
| Exchange adjustment, foreign | 0 | -83 | 0 | 0 | -83 |
| Net profit/loss for the year | 0 | 1.487 | 273 | 5.808 | 7.568 |
| **Equity at 31 December** | **600** | **1.953** | **2.487** | **126.482** | **131.522** |

# Cash flow statement 1 January - 31 December

| | Note | Group 2023 | 2022 |
|---|---|---|---|
| | | TDKK | TDKK |
| Net profit/loss for the year | | 11.214 | 10.732 |
| Adjustments | 24 | 13.599 | 13.158 |
| Change in working capital | 25 | 2.119 | -49.273 |
| **Cash flows from operating activities before financial income and expenses** | | **26.932** | **-25.383** |
| Financial income | | 164 | 589 |
| Financial expenses | | -4.307 | -3.673 |
| **Cash flows from ordinary activities** | | **22.789** | **-28.467** |
| Corporation tax paid | | -1.056 | -8.182 |
| **Cash flows from operating activities** | | **21.733** | **-36.649** |
| Purchase of intangible assets | | -1.916 | -1.404 |
| Purchase of property, plant and equipment | | -3.416 | -2.847 |
| Sale of property, plant and equipment | | 867 | 555 |
| **Cash flows from investing activities** | | **-4.465** | **-3.696** |
| Repayment of loans from credit institutions | | -14.452 | 26.337 |
| Repayment of other long-term debt | | -506 | 7.436 |
| **Cash flows from financing activities** | | **-14.958** | **33.773** |
| **Change in cash and cash equivalents** | | **2.310** | **-6.572** |
| Cash and cash equivalents 1. january | | 2.318 | 8.890 |
| **Cash and cash equivalents 31. december** | | **4.628** | **2.318** |
| Analysis of cash and cash equivalents: | | | |
| Cash at bank and in hand | | 4.628 | 2.318 |
| **Cash and cash equivalents 31. december** | | **4.628** | **2.318** |

# Notes

| | | Group | | Parent company | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| | | TDKK | TDKK | TDKK | TDKK |
| 1 | **Revenue** | | | | |
| | Activities | | | | |
| | 3rd Party products | 80.320 | 52.089 | 25.008 | 40.487 |
| | Installations and lifts | 331.252 | 368.606 | 291.618 | 288.610 |
| | Other | 95.856 | 66.111 | 64.906 | 62.481 |
| | **Total revenue** | **507.428** | **486.806** | **381.532** | **391.578** |
| | Geographical | | | | |
| | United Kingdom | 110.039 | 92.576 | 110.885 | 92.657 |
| | Germany | 63.857 | 65.205 | 56.662 | 65.019 |
| | Scandinavia | 146.429 | 65.719 | 98.697 | 93.111 |
| | Other EU | 174.604 | 231.450 | 112.716 | 114.035 |
| | Other | 12.499 | 31.854 | 12.572 | 26.756 |
| | **Total revenue** | **507.428** | **486.804** | **391.532** | **391.578** |

| | | Group | | Parent company | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| 2 | **Staff costs** | | | | |
| | Wages and salaries | 105.791 | 104.467 | 86.176 | 83.487 |
| | Pensions | 7.447 | 6.093 | 7.447 | 6.092 |
| | Other social security costs | 1.791 | 1.742 | 1.791 | 1.743 |
| | Other staff costs | 655 | 453 | 656 | 452 |
| | | **115.684** | **112.755** | **96.070** | **91.774** |
| | Including remuneration to the executive board: | | | | |
| | Executive Board | 4.267 | 4.399 | 4.267 | 4.399 |
| | | **4.267** | **4.399** | **4.267** | **4.399** |
| | Number of fulltime employees on average | 226 | 226 | 178 | 174 |

# Notes

| | | Group | | Parent company | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| | | TDKK | TDKK | TDKK | TDKK |
| **3** | **Depreciation, amortisation and impairment of intangible assets and property, plant and equipment** | | | | |
| | Depreciation intangible assets | 1.565 | 1.244 | 1.565 | 1.244 |
| | Depreciation tangible assets | 4.047 | 4.480 | 3.257 | 3.722 |
| | | **5.612** | **5.724** | **4.822** | **4.966** |
| **4** | **Financial income** | | | | |
| | Interest income from participating interests | 0 | 0 | 164 | 159 |
| | Other financial income | 207 | 589 | 0 | 589 |
| | | **207** | **589** | **164** | **748** |
| **5** | **Financial costs** | | | | |
| | Other financial costs | 4.762 | 3.673 | 4.307 | 2.525 |
| | | **4.762** | **3.673** | **4.307** | **2.525** |
| **6** | **Tax on profit/loss for the year** | | | | |
| | Current tax for the year | 2.730 | 4.418 | 2.359 | 3.866 |
| | Deferred tax for the year | 296 | -673 | 298 | -52 |
| | | **3.026** | **3.745** | **2.657** | **3.814** |
| **7** | **Distribution of profit** | | | | |
| | Reserve for net revaluation under the equity method | 0 | 0 | 1.487 | -878 |
| | Transferred to reserve for development expenditure | 0 | 0 | 273 | 125 |
| | Retained earnings | 11.214 | 10.732 | 5.808 | 13.450 |
| | | **11.214** | **10.732** | **7.568** | **12.697** |

# Notes

**8 Intangible assets**

**Group**

| | Completed development projects |
|---|---|
| | TDKK |
| Cost at 1 January | 6.452 |
| Additions for the year | 1.916 |
| Cost at 31 December | 8.368 |
| Impairment losses and amortisation at 1 January | 3.614 |
| Depreciation for the year | 1.565 |
| Impairment losses and amortisation at 31 December | 5.179 |
| **Carrying amount at 31 December** | **3.189** |

Development projects include development and testing of new lift variants.

Management considers, that the capitalized value of development costs is recognized as the recoverable amount, in form of value in use.

**Parent company**

| | Completed development projects |
|---|---|
| | TDKK |
| Cost at 1 January | 6.452 |
| Additions for the year | 1.916 |
| Cost at 31 December | 8.368 |
| Impairment losses and amortisation at 1 January | 3.614 |
| Depreciation for the year | 1.565 |
| Impairment losses and amortisation at 31 December | 5.179 |
| **Carrying amount at 31 December** | **3.189** |

Development projects include development and testing of new lift variants.

Management considers, that the capitalized value of development costs is recognized as the recoverable amount, in form of value in use.

# Notes

**9 Tangible assets**

**Group**

| | Plant and machinery | Other fixtures and fittings, tools and equipment | Leasehold improvements | Total |
|---|---|---|---|---|
| | TDKK | TDKK | TDKK | TDKK |
| Cost at 1 January | 11.874 | 13.057 | 21.108 | 46.039 |
| Additions for the year | 614 | 1.703 | 1.099 | 3.416 |
| Disposals for the year | -2.089 | -2.549 | -1.675 | -6.313 |
| Cost at 31 December | 10.399 | 12.211 | 20.532 | 43.142 |
| Impairment losses and depreciation at 1 January | 9.637 | 10.465 | 17.317 | 37.419 |
| Depreciation for the year | 864 | 1.615 | 1.571 | 4.050 |
| Reversal of impairment and depreciation of sold assets | -1.788 | -2.284 | -795 | -4.867 |
| Impairment losses and depreciation at 31 December | 8.713 | 9.796 | 18.093 | 36.602 |
| **Carrying amount at 31 December** | **1.686** | **2.415** | **2.439** | **6.540** |

**Parent company**

| | Plant and machinery | Other fixtures and fittings, tools and equipment | Leasehold improvements | Total |
|---|---|---|---|---|
| | TDKK | TDKK | TDKK | TDKK |
| Cost at 1 January | 9.954 | 11.177 | 19.433 | 40.564 |
| Additions for the year | 614 | 1.161 | 1.099 | 2.874 |
| Disposals for the year | -169 | -1.087 | 0 | -1.256 |
| Cost at 31 December | 10.399 | 11.251 | 20.532 | 42.182 |
| Impairment losses and depreciation at 1 January | 8.291 | 9.434 | 16.673 | 34.398 |
| Depreciation for the year | 591 | 1.247 | 1.419 | 3.257 |
| Reversal of impairment and depreciation of sold assets | -169 | -1.087 | 0 | -1.256 |
| Impairment losses and depreciation at 31 December | 8.713 | 9.594 | 18.092 | 36.399 |
| **Carrying amount at 31 December** | **1.686** | **1.657** | **2.440** | **5.783** |

# Notes

| | | Parent company | |
|---|---|---|---|
| | | 2023 | 2022 |
| | | TDKK | TDKK |
| **10** | **Investments in subsidiaries** | | |
| | Cost at 1 January | 390 | 391 |
| | Additions for the year | 1.363 | 0 |
| | Disposals for the year | -372 | 0 |
| | Cost at 31 December | 1.381 | 391 |
| | Revaluations at 1 January | 548 | 1.426 |
| | Disposals for the year | -3.222 | 0 |
| | Exchange adjustment | -83 | 0 |
| | Net profit/loss for the year | -1.363 | 1.263 |
| | Elimination of intercompany profits on investments | 2.663 | -2.141 |
| | Equity investments with negative net asset value amortised over receivables | 3.409 | 0 |
| | Revaluations at 31 December | 1.952 | 548 |
| | **Carrying amount at 31 December** | **3.333** | **939** |

**Group**

Investments in subsidiaries are specified as follows:

| Name | Registered office | Ownership interest |
|---|---|---|
| Versalift Sweden AB | Falkenberg, Sweden | 100% |
| Versalift Norge AS | Indre Østfold, Norway | 100% |

**11 Prepayments**

Prepayments consists of prepaid expenses and other payments.

**12 Equity**

There have been no changes in the share capital during the last 5 years.

# Notes

| | | Group | | Parent company | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| | | TDKK | TDKK | TDKK | TDKK |
| 13 | **Provision for deferred tax** | | | | |
| | Provision for deferred tax at 1 January | 0 | 673 | 1.306 | 1.352 |
| | Deferred tax recognised in income statement | 950 | -673 | 298 | -52 |
| | **Provision for deferred tax at 31 December** | **950** | **0** | **1.604** | **1.300** |
| | | | | | |
| | **Provisions for deferred tax on:** | | | | |
| | Intangible assets | 702 | 0 | 702 | 624 |
| | Property, plant and equipment | 54 | 0 | 54 | 152 |
| | Inventories | 130 | 0 | 783 | 465 |
| | Other taxable temporary differences | 64 | 0 | 65 | 65 |
| | | **950** | **0** | **1.604** | **1.306** |

**14 Other provisions**

The Company provides warranties on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of TDKK 4.557 (2022: TDKK 3.687) have been recognised for expected warranty claims.

| | Group 2023 | Group 2022 | Parent company 2023 | Parent company 2022 |
|---|---|---|---|---|
| Balance at beginning of year at 1 January | 3.687 | 4.534 | 3.687 | 3.417 |
| Provision in year | 870 | 270 | 870 | 270 |
| **Balance at 31 December** | **4.557** | **4.804** | **4.557** | **3.687** |

# Notes

**15 Long term debt**

| **Group** | Debt at 1 January | Debt at 31 December | Instalment next year | Debt outstanding after 5 years |
|---|---|---|---|---|
| | TDKK | TDKK | TDKK | TDKK |
| Payables to group enterprises | 40.901 | 40.395 | 0 | 0 |
| | **40.901** | **40.395** | **0** | **0** |

| **Parent Company** | Debt at 1 January | Debt at 31 December | Instalment next year | Debt outstanding after 5 years |
|---|---|---|---|---|
| | TDKK | TDKK | TDKK | TDKK |
| Payables to group enterprises | 40.901 | 40.395 | 0 | 0 |
| | **40.901** | **40.395** | **0** | **0** |

**16 Capital Resources**

The company has experienced stable demand for its products in 2023 and 2024. However, sister companies within the global group faced sales challenges towards the end of 2023, resulting in increased inventory levels at the group level. Consequently, the global group has initiated a plan to reduce inventory, which is well underway in several locations. The liquidity freed up by this effort is expected to reduce intercompany balances, which is in the best interest of all entities within the group.

In connection with the annual renegotiation of the credit facility, the bank has required an ongoing reduction of the credit, which is anticipated to be offset by the reduction in intercompany balances. This does not constitute a full repayment of the credit but aims to bring it to a lower level than in recent years. Management's budget for 2024 shows a positive result on par with 2023, as well as a correspondingly positive liquidity.

During the renegotiations with the bank, management prepared a rolling liquidity forecast, which indicates that liquidity for the remainder of 2024 can be maintained within the offered credit limits.

Based on these future expectations, management has prepared the annual report on a going concern basis and assesses that the offered credit facilities are sufficient, while also highlighting the inherent uncertainties related to the budget assumptions.

# Notes

**17 Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balancesheet date.

| | Group | | Parent company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | TDKK | TDKK | TDKK | TDKK |
| **18 Rent and lease liabilities** | | | | |
| Operating lease liabilities.<br>Total future lease payments: | | | | |
| Within 1 year | 9.554 | 9.326 | 6.373 | 6.202 |
| Between 1 and 5 years | 4.952 | 3.523 | 1.477 | 841 |
| After 5 years | 0 | 0 | 0 | 0 |
| | **14.506** | **12.849** | **7.850** | **7.043** |

**19 Contingent liabilities**

The company has no contingent liabilities.

**20 Mortgages and collateral**

Group:

The group has provided a collateral of TDKK 1.618.

A company charge of TDKK 30.000 secured on pledged assets have been registered as collateral for the group's bank debt. The book value of assets covered by the company charge amounts to t.kr. 381.008 by the 31 December 2023.

Parent company:

The Parent Company has provided a collateral of TDKK 1.618.

A company charge of TDKK 30.000 secured on pledged assets have been registered as collateral for the parent company's bank debt. The book value of assets covered by the company charge amounts to t.kr. 332.570 by the 31 December 2023.

**21 Related parties and ownership structure**

**Controlling interest**

H.I.G. Time Manufacturing Holdings, LP, New York, USA, ultimate owner.

# Notes

**21 Related parties and ownership structure (continued)**

**Transactions**

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

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

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

**Transactions not conducted on arm's length terms**

Intercompany accounts are not subject to interest.

**Ownership structure**

According to the company’s register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Time Manufacturing Company P.O. Box 20368 Waco, Texas, USA

**22 Consolidated Financial Statements**

The group is a sub group and is included in the consolidated financialstatements of H.I.G. Time Manufacturing Holdings, LP, New York, USA. The consolidated financial statements in question can be requested by contacting the parent company.

# Notes

| | | Group | | Parent company | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| | | TDKK | TDKK | TDKK | TDKK |
| 23 | **Fee to auditors appointed at the general meeting** | | | | |
| | Baker Tilly Denmark / BDO: | | | | |
| | Audit fee | 456 | 430 | 265 | 225 |
| | Other assurance engagements | 32 | 35 | 40 | 35 |
| | Other services | 40 | 35 | 32 | 35 |
| | | **528** | **500** | **337** | **295** |

| | | Group | |
|---|---|---|---|
| | | 2023 | 2022 |
| | | TDKK | TDKK |
| 24 | **Cash flow statement - adjustments** | | |
| | Financial income | -207 | -589 |
| | Financial costs | 4.762 | 3.673 |
| | Depreciation, amortisation and impairment losses, including losses and gains on sales | 5.612 | 5.724 |
| | Tax on profit/loss for the year | 3.679 | 3.745 |
| | Change in other provisions | -247 | 605 |
| | | **13.599** | **13.158** |

| | | Group | |
|---|---|---|---|
| | | 2023 | 2022 |
| | | TDKK | TDKK |
| 25 | **Cash flow statement - change in working capital** | | |
| | Change in inventories | 1.317 | -33.887 |
| | Change in receivables | -6.885 | -5.380 |
| | Change in trade payables, etc. | 7.687 | -10.006 |
| | | **2.119** | **-49.273** |

# Accounting policies

The annual report of Versalift Denmark A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C , as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in TDKK.

**Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group's and the parent company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the group's and the parent company's and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

**Consolidated financial statements**

The consolidated financial statements comprise the parent company Versalift Denmark ApS and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered participating interests or associates, cf. the group chart.

The consolidated financial statements are prepared as a consolidation of the parent company's and subsidiaries' financial statements by aggregating uniform accounting items. On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

# Accounting policies

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date at which control is obtained. Entities sold during the year are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Investments in associates are measured in the balance sheet at the proportionate share of the net asset value of the associates based on the parent company’s accounting policies and proportionate elimination of unrealised intra-group gains and losses. The proportionate share of associates’ profit/loss, after elimination of the proportionate share of intra-group gains and losses, is recognised in the income statement.

## Income statement

**Segment information**

Information is provided on business segments and geographical markets. The segment information is provided in consideration of the group's accounting policies, risks and management control.

# Accounting policies

**Revenue**

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

**Expenses for raw materials and consumables**

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

**Other operating income**

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts as well as payroll refunds. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

**Other operating expenses**

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and items of property, plant and equipment.

**Other external costs**

Other external costs include expenses related 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 pensions, as well as other social security contributions, etc. made to the entity's employees.

**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

**Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

# Accounting policies

**Income from investments in subsidiaries, associates and participating interests**

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the parent company's income statement after full elimination of intra-group profits/losses.

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

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## Balance sheet

**Intangible assets**

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company’s position in the market and earnings profile, and the industry-specific conditions.

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Development projects comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company’s development activities and which fulfil the criteria for recognition in the Balance Sheet.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisationand recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

**Tangible assets**

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

# 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.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

| | Useful life | Residual value |
|---|---|---|
| Production plant and machinery | 5 years | 0 % |
| Other plant, fixtures and equipment | 3-8 years | 0 % |
| Leasehold improvements | 5 years | 0 % |

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

**Leases**

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, 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 depreciated as the company's other non-current assets.

The capitalised residual lease commitment 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.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

**Investments in subsidiaries**

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries are measured in the parent company financial statements using the equity method.

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

# Accounting policies

**Impairment of fixed assets**

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

**Stocks**

Stocks are measured at cost using the FIFO method.  Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

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

Production overheads include the indirect cost of materials, wages and salaries 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 cost.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

**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 is impaired, an impairment loss for that individual asset is recognised.

**Prepayments**

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash and deposits at banks.

# Accounting policies

#### Equity

#### Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries, participating interests and associates relative to the cost.

#### Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the group has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Warranty commitments include expenses for remedial action within the warranty period of 1-5 years. Provisions for warranty commitments are measured and recognised based on experience gained from guarantee work. Provisions with an expected maturity of more than one year from the balance sheet date are discounted using a rate that reflects the risk and maturity of the liability.

When it is probable that the total expenses will exceed the total revenue from contract work in progress, the total expected loss on the work in progress is recognised as a provision. The provision is recognised under other external costs.

#### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

#### Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

# Accounting policies

**Deferred income**

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

**Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under ‘Equity’.

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

## Cash flow statement

The cash flow statement shows the group's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the group's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

**Cash flows from operating activities**

Cash flows from operating activities are stated as the group's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes. Dividend income from investments is recognised under ‘Interest income and dividend received’.

**Cash flows from investing activities**

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

**Cash flows from financing activities**

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

# Accounting policies

**Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

**Financial Highlights**

Definitions of financial ratios.

| | |
|---|---|
| Gross margin ratio | $\frac{\text{Gross Profit x 100}}{\text{Revenue}}$ |
| Solvency ratio | $\frac{\text{Equity at year end x 100}}{\text{Total assets}}$ |
| Return on equity | $\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$ |