

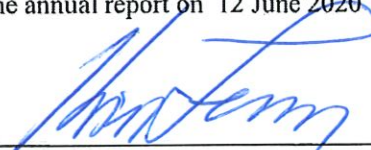
Versalift Denmark A/S

**Søndervang 3
9640 Farsø**

Central Business Registration No. 12 31 56 00

Annual report for 2019

The Annual General Meeting adopted
the annual report on 12 June 2020



Kim Bach Jensen
Chairman of the General Meeting

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Entity details

Versalift Denmark A/S
Søndervang 3
9640 Farsø

CVR-no. 12 31 56 00

Financial year: 1 January - 31 December 2019

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 2019.

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 2019 and of the results of its operations and cash flows for the financial year 1 January - 31 December 2019.

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, 12 June 2020

Executive Board

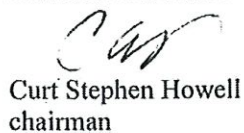


Kim Bach Jensen



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 01.01.2019 - 31.12.2019, 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 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 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.

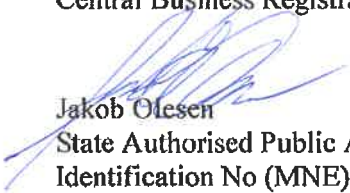
Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Aalborg, 12 June 2020

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



Jakob Olesen
State Authorised Public Accountant
Identification No (MNE) mne34492

Management commentary

	Group				
	2019	2018	2017	2016	2015
	TDKK	TDKK	TDKK	TDKK	TDKK
Financial Highlights					
Key figures					
Gross profit	113.052	84.374	70.688	74.539	60.167
Operating profit/loss	26.678	12.963	2.753	8.055	9.793
Net financials	-299	-453	-1.410	-1.374	-1.200
Profit/loss for the year	20.190	9.112	-2.170	5.381	6.094
Total assets	241.833	182.266	149.573	120.373	100.773
Investment in property, plant and equipment	5.158	4.167	3.452	7.313	6.451
Equity	61.484	41.293	32.180	34.346	28.963
Equity excl minority interests	61.484	41.293	32.180	34.346	28.963
Financial ratios					
Equity ration	25,4%	22,7%	21,5%	28,5%	28,7%

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 in 2019, and profit before tax came in at DKK 26.4 million as against a profit of DKK 12.5 million for 2018.

Management considers the profit for the year very satisfactory and better than last year's expectations. The improvement comes from sales of the Danish produced lifts, which was better than expected.

The investment in France is still expected to improve our market position on the French market going forward. We have invested in manpower for the Spanish and Irish market in 2019 and we furthermore expect this to contribute to our market growth going forward.

Outlook

The business is faced with fierce competition and intensified pressure in all markets, especially due to entries of new manufacturers in France and UK. Despite this, Management still expects to report a profit for 2020 in the level of DKK 20-25 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 1.6 million were expensed in 2019. 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. However, the outbreak and spread of COVID-19 may affect the company's financial situation in the future. Until the presentation of the annual report, there have been no consequences to the company's operations, but there is still a risk, that COVID19 will, to some extent, affect the company's operations, although it is difficult to quantify.

Income statement 1 January 2019 - 31 December 2019

	Note	Group		Parent	
		2019 DKK	2018 DKK	2019 DKK	2018 DKK
Gross profit		113.051.583	84.373.677	98.484.281	75.736.119
Staff costs	1	-82.678.679	-68.334.773	-69.348.801	-58.394.123
Depreciation, amortisation and impairment losses	2	-3.695.106	-3.069.165	-3.185.374	-2.631.398
Other operating expenses		<u>0</u>	<u>-7.081</u>	<u>0</u>	<u>0</u>
Operating profit/loss		26.677.798	12.962.658	25.950.106	14.710.598
Income from investments in group enterprises		0	0	-322.131	-1.950.892
Other financial income	3	1.325.624	681.144	1.329.656	679.759
Other financial expenses	4	<u>-1.625.030</u>	<u>-1.134.471</u>	<u>-755.535</u>	<u>-1.070.644</u>
Profit/loss before tax		26.378.392	12.509.331	26.202.096	12.368.821
Tax on profit/loss for the year	5	<u>-6.187.964</u>	<u>-3.397.140</u>	<u>-6.011.668</u>	<u>-3.256.630</u>
Profit/loss for the year		<u>20.190.428</u>	<u>9.112.191</u>	<u>20.190.428</u>	<u>9.112.191</u>
Distribution of profit	6				

Balance sheet at 31 December 2019

	Note	Group		Parent	
		2019 DKK	2018 DKK	2019 DKK	2018 DKK
Assets					
Completed development projects		986.707	644.332	986.707	644.332
Intangible assets	7	986.707	644.332	986.707	644.332
Plant and machinery		1.909.304	2.250.223	1.118.118	1.567.702
Other fixtures and fittings, tools and equipment		3.903.678	5.462.730	3.491.967	4.954.546
Leasehold improvements		5.796.054	3.178.509	5.086.844	2.606.050
Property, plant and equipment	8	11.609.036	10.891.462	9.696.929	9.128.298
Investments in subsidiaries	9	0	0	0	90.560
Receivables from group enterprises	10	0	0	179.204	179.215
Fixed asset investments		0	0	179.204	269.775
Fixed assets		12.595.743	11.535.794	10.862.840	10.042.405
Raw materials and consumables		65.805.829	55.623.654	34.676.528	31.843.937
Work in progress		36.147.980	25.554.874	36.229.831	21.608.679
Finished goods and goods for resale		16.854.334	14.097.994	16.854.334	14.097.994
Inventories		118.808.143	95.276.522	87.760.693	67.550.610

Balance sheet at 31 December 2019

	Note	Group		Parent	
		2019 DKK	2018 DKK	2019 DKK	2018 DKK
Assets					
Trade receivables		65.607.510	43.328.475	39.432.374	26.006.093
Receivables from group enterprises		25.251.425	19.019.740	42.972.128	39.026.982
Other receivables		1.490.908	2.136.201	1.490.908	1.751.981
Prepayments	11	2.522.243	2.958.813	1.500.595	1.229.460
Receivables		94.872.086	67.443.229	85.396.005	68.014.516
Cash		15.556.658	8.010.401	12.277.479	3.334.797
Current assets		229.236.887	170.730.152	185.434.177	138.899.923
Assets		241.832.630	182.265.946	196.297.017	148.942.328

Balance sheet at 31 December 2019

	Note	Group		Parent	
		2019 DKK	2018 DKK	2019 DKK	2018 DKK
Equity and liabilities					
Contributed capital		600.000	600.000	600.000	600.000
Reserve for development expenditure		769.632	502.579	769.632	502.579
Retained earnings		<u>60.113.924</u>	<u>40.190.235</u>	<u>60.113.924</u>	<u>40.190.235</u>
Equity		<u>61.483.556</u>	<u>41.292.814</u>	<u>61.483.556</u>	<u>41.292.814</u>
Deferred tax	12	1.089.623	867.000	1.328.000	867.000
Other provisions	13	<u>3.770.541</u>	<u>3.336.527</u>	<u>3.290.000</u>	<u>3.075.000</u>
Provisions		<u>4.860.164</u>	<u>4.203.527</u>	<u>4.618.000</u>	<u>3.942.000</u>
Bank loans		1.170.969	2.492.369	1.170.969	2.391.525
Finance lease liabilities		125.980	416.183	125.980	416.183
Payables to group enterprises		<u>40.289.550</u>	<u>33.602.850</u>	<u>40.289.550</u>	<u>33.602.850</u>
Non-current liabilities other than provisions	14	<u>41.586.499</u>	<u>36.511.402</u>	<u>41.586.499</u>	<u>36.410.558</u>

Balance sheet at 31 December 2019

	Note	Group		Parent	
		2019 DKK	2018 DKK	2019 DKK	2018 DKK
Equity and liabilities					
Current portion of long-term liabilities other than provisions	14	1.570.206	2.362.715	1.570.206	2.362.715
Banks		30.186.758	12.226.431	30.186.758	12.226.431
Prepayments from customers		303.348	571.728	215.157	347.519
Trade payables		62.466.042	55.704.453	44.349.251	43.031.244
Payables to group enterprises		24.604.634	19.188.168	0	0
Income tax payable		4.092.248	1.886.042	4.393.886	2.212.236
Other payables		10.679.175	8.318.666	7.893.704	7.116.811
Current liabilities other than provisions		133.902.411	100.258.203	88.608.962	67.296.956
Liabilities other than provisions		175.488.910	136.769.605	130.195.461	103.707.514
Equity and liabilities		241.832.630	182.265.946	196.297.017	148.942.328
Rent and lease liabilities	16				
Assets charged and collateral	17				
Related parties with controlling interest	18				

Statement of changes in equity

Group

	Contributed capital	Reserve for development expenditure	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January 2019	600.000	502.579	40.190.235	41.292.814
Exchange rate adjustments	0	0	314	314
Net profit/loss for the year	0	267.053	19.923.375	20.190.428
Equity at 31 December 2019	600.000	769.632	60.113.924	61.483.556

Parent

Equity at 1 January 2019	600.000	502.579	40.190.235	41.292.814
Exchange adjustments	0	0	314	314
Net profit/loss for the year	0	267.053	19.923.375	20.190.428
Equity at 31 December 2019	600.000	769.632	60.113.924	61.483.556

Cash flow statement 1 January 2019 - 31 December 2019

	Note	Group	
		2019 DKK	2018 DKK
Operating profit/loss		26.677.798	12.962.658
Amortisation, depreciation and impairment losses		3.695.106	3.069.165
Other provisions		434.014	697.188
Change in working capital	15	-36.690.548	-3.501.956
Cash flow from ordinary operating activities		-5.883.630	13.227.055
Financial income received		1.325.624	680.056
Financial expenses paid		-1.625.030	-1.133.383
Income taxes refunded/paid		-3.759.135	-3.177.270
Cash flows from operating activities		-9.942.171	9.596.458
Acquisition etc of intangible assets		-585.081	-645.498
Acquisition etc of property, plant and equipment		-5.158.376	-4.166.701
Sale of property, plant and equipment		988.970	1.232.558
Cash flows from investing activities		-4.754.487	-3.579.641
Repayment of loans		-2.404.112	-3.012.927
Incurrence of debt to group enterprises		6.686.700	10.800
Repayments/Incurrence of short term debt to banks		17.960.327	4.122.694
Cash flows from financing activities		22.242.915	1.120.567
Increase/decrease in cash and cash equivalents		7.546.257	7.137.384
Cash and cash equivalents beginning of year		8.010.401	873.017
Cash and cash equivalents end of year		15.556.658	8.010.401

Notes

	Group		Parent	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	DKK	DKK	DKK	DKK
1 Staff costs				
Wages and salaries	76.626.624	62.759.467	63.702.625	53.587.818
Pension costs	4.535.397	3.910.360	4.566.200	3.917.791
Other social security costs	1.516.658	1.664.946	1.079.976	888.514
	<u>82.678.679</u>	<u>68.334.773</u>	<u>69.348.801</u>	<u>58.394.123</u>
Average number of employees	<u>183</u>	<u>164</u>	<u>144</u>	<u>123</u>

Group

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

Parent

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

	Group		Parent	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	DKK	DKK	DKK	DKK
2 Depreciation, amortisation and impairment losses				
Depreciation intangible assets	242.706	1.166	242.706	1.166
Depreciation of property, plant and equipment	3.848.992	3.721.048	3.339.260	3.283.281
Profit/loss from sale of intangible assets and property, plant and equipment	-396.592	-653.049	-396.592	-653.049
	<u>3.695.106</u>	<u>3.069.165</u>	<u>3.185.374</u>	<u>2.631.398</u>

Notes

	Group		Parent	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	DKK	DKK	DKK	DKK
3 Other financial income				
Financial income arising from group enterprises	0	48.607	4.032	48.607
Other interest income	1.325.624	632.537	1.325.624	631.152
	<u>1.325.624</u>	<u>681.144</u>	<u>1.329.656</u>	<u>679.759</u>

	Group		Parent	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	DKK	DKK	DKK	DKK
4 Other financial expenses				
Other interest expenses	1.625.030	1.134.471	755.535	1.070.644
	<u>1.625.030</u>	<u>1.134.471</u>	<u>755.535</u>	<u>1.070.644</u>

	Group		Parent	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	DKK	DKK	DKK	DKK
5 Tax on profit/loss for the year				
Current tax	5.846.559	2.899.237	5.431.886	2.836.236
Change in deferred tax	222.623	310.509	461.000	233.000
Adjustment concerning previous years	118.782	187.394	118.782	187.394
	<u>6.187.964</u>	<u>3.397.140</u>	<u>6.011.668</u>	<u>3.256.630</u>

Notes

	Group		Parent	
	<u>2019</u> DKK	<u>2018</u> DKK	<u>2019</u> DKK	<u>2018</u> DKK
6 Proposed distribution of profit/loss				
Retained earnings	<u>20.190.428</u>	<u>9.112.191</u>	<u>20.190.428</u>	<u>9.112.191</u>
	<u>20.190.428</u>	<u>9.112.191</u>	<u>20.190.428</u>	<u>9.112.191</u>

7 Intangible assets

Group

	<u>Completed development projects</u> DKK
Cost at 1 January 2019	645.498
Additions	<u>585.081</u>
Cost at 31 December 2019	<u>1.230.579</u>
Impairment losses and amortisation at 1 January 2019	1.166
Amortisation for the year	<u>242.706</u>
Amortisation and impairment losses at 31 December 2019	<u>243.872</u>
Carrying amount at 31 December 2019	<u>986.707</u>

Development projects include development and testing of new lift variants.

In 2019, 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

Parent

	<u>Completed development projects</u> DKK
Cost at 1 January 2019	645.498
Additions	<u>585.081</u>
Cost at 31 December 2019	<u>1.230.579</u>
Impairment losses and amortisation at 1 January 2019	1.166
Amortisation for the year	<u>242.706</u>
Amortisation and impairment losses at 31 December 2019	<u>243.872</u>
Carrying amount at 31 December 2019	<u><u>986.707</u></u>

Development projects include development and testing of new lift variants.

In 2019, 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

8 Tangible assets

Group

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK	DKK
Cost at 1 January 2019	9.329.706	19.426.898	14.604.609
Exchange rate adjustment	323	286	235
Additions	553.978	1.302.280	3.302.118
Disposals	-255.543	-2.542.471	0
Cost at 31 December 2019	<u>9.628.464</u>	<u>18.186.993</u>	<u>17.906.962</u>
Impairment losses and depreciation at 1 January 2019	7.079.483	13.964.168	11.426.100
Exchange rate adjustment	103	124	50
Depreciation for the year	895.117	2.269.117	684.758
Reversal regarding disposals	-255.543	-1.950.094	0
Impairment losses and depreciation at 31 December 2019	<u>7.719.160</u>	<u>14.283.315</u>	<u>12.110.908</u>
Carrying amount at 31 December 2019	<u>1.909.304</u>	<u>3.903.678</u>	<u>5.796.054</u>
Recognised assets not owned by entity	<u>0</u>	<u>624.400</u>	<u>0</u>

Notes

8 Tangible assets

Parent

	<u>Plant and machinery</u> DKK	<u>Other fixtures and fittings, tools and equipment</u> DKK	<u>Leasehold improvements</u> DKK
Cost at 1 January 2019	8.325.556	18.533.951	13.875.182
Additions	224.786	1.202.694	3.072.788
Disposals	-255.543	-2.542.471	0
Cost at 31 December 2019	<u>8.294.799</u>	<u>17.194.174</u>	<u>16.947.970</u>
Impairment losses and depreciation at 1 January 2019	6.757.854	13.579.405	11.269.132
Depreciation for the year	674.370	2.072.896	591.994
Reversal regarding disposals	-255.543	-1.950.094	0
Impairment losses and depreciation at 31 December 2019	<u>7.176.681</u>	<u>13.702.207</u>	<u>11.861.126</u>
Carrying amount at 31 December 2019	<u>1.118.118</u>	<u>3.491.967</u>	<u>5.086.844</u>
Recognised assets not owned by entity	<u>0</u>	<u>624.400</u>	<u>0</u>

Notes

	Parent	
	<u>2019</u>	<u>2018</u>
	DKK	DKK
9 Investments in subsidiaries		
Cost at 1 January 2019	<u>372.090</u>	<u>372.090</u>
Cost at 31 December 2019	<u>372.090</u>	<u>372.090</u>
Revaluations at 1 January 2019	-281.530	-19.151
Exchange adjustment	314	903
Net profit/loss for the year	256.285	-1.865.152
Adjustments on equity	0	1.687.610
Change in intercompany profit	-578.416	-85.740
Equity investments with negative net asset value amortised over receivables	<u>231.257</u>	<u>0</u>
Revaluations at 31 December 2019	<u>-372.090</u>	<u>-281.530</u>
Carrying amount at 31 December 2019	<u>0</u>	<u>90.560</u>

Parent

Investments in subsidiaries are specified as follows:

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

Notes

10 Receivables from group enterprises

Parent

	<u>2019</u> DKK
Cost at 1 January 2019	173.615
Additions	<u>5.589</u>
Cost at 31 December 2019	<u>179.204</u>
Carrying amount at 31 December 2019	<u><u>179.204</u></u>

11 Prepayments

Group

Prepayments consists of deposits and other prepayments.

Parent

Prepayments consists of deposits and other prepayments.

	<u>Group</u>		<u>Parent</u>	
	<u>2019</u> DKK	<u>2018</u> DKK	<u>2019</u> DKK	<u>2018</u> DKK
12 Deferred tax				
Provision for deferred tax at 1 January 2019	867.000	634.000	867.000	634.000
Recognized in the income statement	<u>222.623</u>	<u>233.000</u>	<u>461.000</u>	<u>233.000</u>
Provision for deferred tax at 31 December 2019	<u><u>1.089.623</u></u>	<u><u>867.000</u></u>	<u><u>1.328.000</u></u>	<u><u>867.000</u></u>

Deferred tax consists of fixed assets, receivables and provisions.

Notes

13 Other provisions

Group

Other provisions consists of warranties.

Parent

Other provisions consists of warranties.

14 Liabilities other than provisions

	Due within 12 months 2019 DKK	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK
Group			
Bank loans	1.280.000	1.724.650	1.170.969
Finance lease liabilities	290.206	638.065	125.980
Payables to group enterprises	0	0	40.289.550
	<u>1.570.206</u>	<u>2.362.715</u>	<u>41.586.499</u>

	Due within 12 months 2019 DKK	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK
Parent			
Bank loans	1.280.000	1.724.650	1.170.969
Finance lease liabilities	290.206	638.065	125.980
Payables to group enterprises	0	0	40.289.550
	<u>1.570.206</u>	<u>2.362.715</u>	<u>41.586.499</u>

Notes

	Group	
	<u>2019</u>	<u>2018</u>
	DKK	DKK
15 Change in working capital		
Increase/decrease in inventories	-23.531.621	-5.437.439
Increase/decrease in receivables	-27.428.857	-19.601.989
Increase/decrease in trade payables, etc.	14.269.930	21.537.472
	<u><u>-36.690.548</u></u>	<u><u>-3.501.956</u></u>

	Group		Parent	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	DKK	DKK	DKK	DKK
16 Rent and lease liabilities				
Liabilities under rental or lease agreements until maturity in total	5.449.597	4.903.283	4.629.353	3.986.467
	<u><u>5.449.597</u></u>	<u><u>4.903.283</u></u>	<u><u>4.629.353</u></u>	<u><u>3.986.467</u></u>

17 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.

Notes

18 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.

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.

Financial highlights

Definitions of financial ratios.

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