

Atlas Copco Kompressorteknik A/S

Djursvang 5 A
2620 Albertslund

CVR no. 15 16 44 17

Annual report 2019

The annual report was presented and approved at the
Company's annual general meeting on

31 March 2020

Kenneth Lagerborg
chairman



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Atlas Copco Kompressorteknik A/S for the financial year 1 January – 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

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

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

Albertslund, 31 March 2020
Executive Board:

Dalila Assous

Dalila Assous

Board of Directors:

Kenneth Lagerborg
Kenneth Lagerborg
Chairman

Thomas Dahlgren
Thomas Dahlgren

Dalila Assous
Dalila Assous

Lars Siemen
Lars Siemen

Jesper Hering Hansen
Jesper Hering Hansen

Iben Sønderup AS
Iben Sønderup

Independent auditor's report

To the shareholder of Atlas Copco Kompressorteknik A/S

Opinion

We have audited the financial statements of Atlas Copco Kompressorteknik A/S for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 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 financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these 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 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

Independent auditor's report

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 31 March 2020

**Deloitte Statsautoriseret
Revisionspartnerselskab**

CVR no. 33 96 35 56



Christian Sandernage
State Authorised
Public Accountant
mne23347

Atlas Copco Kompressortechnik A/S
Annual report 2019
CVR no. 15 16 44 17

Management's review

Company details

Atlas Copco Kompressortechnik A/S
Djursvang 5 A
2620 Albertslund

Telephone:	43454611
Fax:	43632120
Website:	www.atlascopco.dk
E-mail:	ndapost@atlascopco.com

CVR no.:	15 16 44 17
Financial year:	1 January – 31 December

Board of Directors

Kenneth Lagerborg, Chairman
Thomas Dahlgren
Dalila Assous
Lars Siemen
Jesper Hering Hansen
Iben Sønderup

Executive Board

Dalila Assous

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
0900 Copenhagen C

Management's review

Financial highlights

DKK'000	2019	2018	2017	2016	2015
Key figures					
Gross profit	53,348	52,635	44,822	43,347	42,048
Ordinary operating profit	8,503	7,087	5,647	4,666	4,851
Net financials	-94	69	-16	-98	-75
Profit for the year	6,405	7,062	4,378	3,552	3,613
Assets					
Total assets	75,666	61,530	55,855	67,791	52,253
Equity	27,386	28,981	14,635	13,256	12,704
Investment in property, plant and equipment	2,303	940	29	568	390
Ratios					
Return on equity	22.7%	39.3%	31.4%	27.3%	29.1%
Solvency ratio	36.2%	47.1%	26.2%	19.4%	24.3%

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". The financial ratios have been calculated as follows:

Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$

Management's review

Operating review

Primary activities

As in previous years, the primary activity consisted of selling and servicing compressors. The Company's products are manufactured at two sister subsidiaries in Belgium.

Development in activities and finances

Profit/loss for the year and the balance sheet total are affected by the fact that the Company has changed its interpretation of leases to which the Company is the lessee from IAS 17 to IFRS 16.

In the income statement, EBITDA and EBIT for 2019 are affected, whereas profit/loss for the year remains substantially unchanged. This is due to the depreciation of the right-of-use assets and interest costs from the lease liability be substantially equal to the operating lease costs previously recognised in the income statement.

EBITDA was affected by DKK 15 thousand and EBIT by DKK 11 thousand. In 2019, the Company's liabilities were affected by DKK 10,664 thousand.

Gross profit for the year amounts to DKK 53,348 thousand compared to DKK 52,635 thousand last year. Profit after tax is DKK 6,405 thousand against DKK 7,062 thousand last year, which is considered satisfactory.

Profit before tax for 2020 is expected to reach a level of DKK 5,000 - 6,000 thousand.

Events after the balance sheet date

Atlas Copco Kompressortechnik A/S follows the development of the Covid-19 corona virus and evaluates the extent to which this may affect the company's operations in the short and long term. At present, it is not possible to make an assessment of the extent to which this could possibly affect the business.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2019	2018
Gross profit		53,348	52,635
Staff costs	2	-42,207	-45,226
Depreciation, amortisation and impairment losses	3	<u>-2,638</u>	<u>-322</u>
Operating profit		8,503	7,087
Financial income	4	117	498
Financial expenses	5	<u>-211</u>	<u>-503</u>
Profit before tax		8,409	7,082
Tax on profit for the year	6	<u>-2,004</u>	<u>-20</u>
Profit for the year	7	<u><u>6,405</u></u>	<u><u>7,062</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2019	31/12 2018
ASSETS			
Fixed assets			
Property, plant and equipment			
Land and buildings	8	4,679	0
Fixtures and fittings, tools and equipment		7,031	340
		<u>11,710</u>	<u>340</u>
Investments			
Deposits	9	1,075	1,075
Total fixed assets		<u>12,785</u>	<u>1,415</u>
Current assets			
Inventories			
Work in progress		1,664	1,464
Finished goods and goods for resale		3,685	5,138
		<u>5,349</u>	<u>6,602</u>
Receivables			
Trade receivables		28,095	30,370
Receivables from group entities		26,781	18,838
Other receivables		23	203
Deferred tax asset	10	440	597
Corporation tax		0	1,082
Prepayments		2,193	2,423
		<u>57,532</u>	<u>53,513</u>
Total current assets		<u>62,881</u>	<u>60,115</u>
TOTAL ASSETS		<u><u>75,666</u></u>	<u><u>61,530</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2019	31/12 2018
EQUITY AND LIABILITIES			
Equity			
Contributed capital	11	4,500	4,500
Retained earnings		16,886	16,481
Proposed dividends for the financial year		<u>6,000</u>	<u>8,000</u>
Total equity		<u>27,386</u>	<u>28,981</u>
Provisions			
Other provisions	12	<u>1,623</u>	<u>1,846</u>
Total provisions		<u>1,623</u>	<u>1,846</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Lease obligations		6,698	0
Other payables		<u>1,443</u>	<u>0</u>
		<u>8,141</u>	<u>0</u>
Current liabilities other than provisions			
Current portion of non-current liabilities		2,516	0
Prepayments received from customers		12,424	10,806
Trade payables		2,139	2,148
Payables to group entities		7,176	3,718
Corporation tax		551	0
Other payables		<u>13,710</u>	<u>14,031</u>
		<u>38,516</u>	<u>30,703</u>
Total liabilities other than provisions		<u>46,657</u>	<u>30,703</u>
TOTAL EQUITY AND LIABILITIES		<u>75,666</u>	<u>61,530</u>
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Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2019	4,500	16,481	8,000	28,981
Ordinary dividends paid	0	0	-8,000	-8,000
Transferred over the profit appropriation	0	405	6,000	6,405
Equity at 31 December 2019	4,500	16,886	6,000	27,386

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Atlas Copco Kompressortechnik A/S for 2019 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

Explanation of the accounting effect of the transition to the amended Danish Financial Statements Act:

Changes in accounting policies

With effect from 1 January 2019, the Company has chosen to use IFRS 16 Leases as the basis of interpretation for recognising and measurement of leases to which the Company is the lessee.

Consequently, with effect from 1 January 2019, the Company recognises all finance and operating leases in the balance sheet as a right-of-use asset and a lease liability except from:

- Short-term leases with a maximum lease term of 12 months
- Leases for low-value assets.

For such leases, lease payments are recognised on a straight-line basis in the income statement over the lease term.

When changing its basis of interpretation, the Company has used the lessee accounting model under IFRS 16 from 1 January 2019 without restatement of comparative figures. The effect of the change as of 1 January 2019 has been recognised directly in equity. The Company has applied the following practical expedients for right-of-use assets and lease liabilities previously accounted for as operating leases:

- Applied a single discount rate to a portfolio of leased assets with reasonably similar characteristics.
- Not recognised leases for which the lease term ends within 12 months from the date of transition.
- Excluded initial direct costs from the measurement of the right-of-use-assets at 1 January 2019.
- At 1 January 2019, the right-of-use asset is measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.
- Not applied the new lease definition to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.
- On 1 January 2019, not separated non-lease components from lease components, but considered them a single lease component.

Profit for the year remains substantially unchanged. This is due to the depreciation of the right-of-use assets and interest costs from the lease liabilities being almost equal to the operating lease expense.

Accounting policies for leased assets and lease liabilities

When entering into a contract, the Company assesses whether the contract is a lease or contains a lease component. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When assessing whether a contract contains a lease component, it must be considered whether, during the period of use, the lessee has the right to substantially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

The Company recognises a right-of-use asset and a lease liability at the commencement date.

The Company leases cars including a service component in the payments to the lessor. This service is separated from the lease payment when measuring the lease liability. If the Company is unable to reliably separate lease components and non-lease components, it is considered a single lease component.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Lease liabilities recognised as "Credit institutions and interest-bearing liabilities" are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease payments consist of fixed and variable lease payments that depend on an index or a rate, guaranteed residual values, purchase options and extension options if the Company is reasonably certain to exercise the option and termination penalties if the lease term reflects the Company exercising an option to terminate the lease. The lease liability is subsequently adjusted as follows if:

- The value of the index or rate on which the lease payments are based is changed.
- The exercise of options is changed in order to extend or terminate the lease due to significant events or a significant change in circumstances within the Company's control.
- The lease term is changed if the option is exercised in order to extend or terminate the lease.
- Estimated residual value guarantee is changed.
- The contract is renegotiated or modified.

Any subsequent adjustment of the future lease liability is recognised as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is DKK 0, a negative adjustment to the right-of-use asset is, however, recognised in the income statement.

The right-of-use asset is initially measured at cost comprising amount of initial measurement of the lease liability plus any initial direct costs and any estimated costs of dismantling and removal of the asset at the end of the lease term which the Company is under an obligation to incur and any prepaid lease payments and less any lease incentives received.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the right-of-use asset.

Short-term leases with a maximum lease term of 12 months and leases for low-value assets are not recognised in the balance sheet.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of # A/S.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transaction 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 transaction date and the one 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. Property, plant and equipment, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

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 other external costs.

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

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 is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Changes 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 as viewed in relation to the Entity's primary activities, including rental income.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

Other external costs

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.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Amortisation, depreciation and impairment losses

Depreciation and impairment losses relating to property, plant and equipment comprise depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Financial income

Other financial income comprises dividends etc received on interest income, interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses

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

Income taxes

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

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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:

Fixtures and fittings, tools and equipment	3-7 years
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement as adjustment to depreciation and impairment losses, or under other operating income if the selling price exceeds original cost.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Inventories

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

Cost of finished goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

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 write-downs for bad and doubtful debts.

Deferred tax

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

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 assets.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Other provisions

Other provisions comprise anticipated costs of nonrecourse guarantee commitments and service contracts.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Provisions are measured and recognized based on the experience with non-recourse guarantee work and service contracts.

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.

Other financial liabilities

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

Leases

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

2 Staff costs

DKK'000	2019	2018
Wages and salaries	39,046	40,725
Pensions	3,280	3,483
Other social security costs	399	377
Other staff costs	-518	641
	<u>42,207</u>	<u>45,226</u>
Average number of full-time employees	<u>60</u>	<u>63</u>

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

3 Depreciation, amortisation and impairment losses

Property, plant and equipment	2,106	226
Leasehold improvements	532	96
	<u>2,638</u>	<u>322</u>

Financial statements 1 January – 31 December

Notes

4 Financial income

DKK'000	2019	2018
Interest income from group entities	2	3
Other financial income	0	180
Exchange adjustments	115	315
	<u>117</u>	<u>498</u>

5 Financial expenses

Other financial costs	30	48
Foreign exchange losses	181	451
Interest costs	0	4
	<u>211</u>	<u>503</u>

6 Tax on profit/loss for the year

Current tax for the year	1,847	616
Change in deferred tax	157	-596
	<u>2,004</u>	<u>20</u>

7 Proposed profit appropriation

Proposed dividends for the year	6,000	8,000
Retained earnings	405	-938
	<u>6,405</u>	<u>7,062</u>

8 Property, plant and equipment

DKK'000	Land and buildings	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2019	0	1,571	1,571
Additions for the year	5,211	8,797	14,008
Cost at 31 December 2019	<u>5,211</u>	<u>10,368</u>	<u>15,579</u>
Depreciation and impairment losses at 1 January 2019	0	-1,231	-1,231
Depreciation for the year	-532	-2,106	-2,638
Depreciation and impairment losses at 31 December 2019	<u>-532</u>	<u>-3,337</u>	<u>-3,869</u>
Carrying amount at 31 December 2019	<u>4,679</u>	<u>7,031</u>	<u>11,710</u>

Financial statements 1 January – 31 December

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9 Investments

DKK'000	<u>Deposits</u>
Cost at 1 January 2019	<u>1,075</u>
Cost at 31 December 2019	<u>1,075</u>
Carrying amount at 31 December 2019	<u><u>1,075</u></u>

10 Deferred tax asset

DKK'000	<u>31/12 2019</u>	<u>31/12 2018</u>
Deferred tax asset	<u>440</u>	<u>597</u>
	<u>440</u>	<u>597</u>
	<u><u>440</u></u>	<u><u>597</u></u>

recognised as follows:

Property, plant and equipment	-530	99
Receivables	60	92
Other provisions	<u>910</u>	<u>406</u>
	<u>440</u>	<u>597</u>
	<u><u>440</u></u>	<u><u>597</u></u>

11 Equity

The contributed capital consists of 4,500 shares of a nominal value of DKK 1,000 each.

All shares rank equally.

12 Provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments not utilised. Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

13 Other payables

VAT and duties	4,045	2,460
Wages and salaries, personal income taxes, social security costs, etc.	2,260	2,585
Holiday pay obligations	7,606	7,283
Other accrued expenses	<u>1,242</u>	<u>1,703</u>
	<u>15,153</u>	<u>14,031</u>
	<u><u>15,153</u></u>	<u><u>14,031</u></u>

Financial statements 1 January – 31 December

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14 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is the administration company being party to a Danish joint taxation scheme. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefor liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from July 1 2012 also obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these companies

Together with Atlas Copco Finance S.á.r.l., the Company is jointly and severally liable for the Group's cash pool scheme in SEB. The consolidated balance at 31 December 2019 amounts to DKK 19,127 thousand.

DKK'000	2019	2018
Commitments under rental agreements or leases until expiry	13,753	13,808
	<u>13,753</u>	<u>13,808</u>

15 Mortgages and collateral

At 31 December 2019, bank guarantees issued totals DKK 839 thousand.

16 Related party disclosures

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the contributed capital:

Atlas Copco AB, Sweden

Consolidated financial statements

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Atlas Copco AB, Sweden

Name and registered office of the Parent preparing consolidated financial statements of the smallest group:

Atlas Copco AB, Sweden

The consolidated financial statements are available at Atlas Copco AB's website, www.atlascopco.com.

17 Disclosure of events after the balance sheet date

Atlas Copco Kompressortechnik A/S follows the development of the Covid-19 corona virus and evaluates the extent to which this may affect the company's operations in the short and long term. At present, it is not possible to make an assessment of the extent to which this could possibly affect the business.

