



Stenhøj A/S

Barrit Langgade 188-190
7150 Barrit
CVR No. 16926191

Annual report 01.07.2018 - 31.12.2019

The Annual General Meeting adopted the
annual report on 03.09.2020

Martin Klitgaard

Chairman of the General Meeting

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Entity details

Entity

Stenhøj A/S

Barrit Langgade 188-190

7150 Barrit

CVR No.: 16926191

Registered office: Hedensted

Financial year: 01.07.2018 - 31.12.2019

Board of Directors

Giulio Corghi, formand

Cinzia Corghi, næstformand

Claudio Spiritelli

Executive Board

Claudio Spiritelli, direktør

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Stenhøj A/S for the financial year 01.07.2018 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.07.2018 - 31.12.2019.

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

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

Barrit, 03.09.2020

Executive Board

Claudio Spiritelli
direktør

Board of Directors

Giulio Corghi
formand

Cinzia Corghi
næstformand

Claudio Spiritelli

Independent auditor's report

To the shareholders of Stenhøj A/S

Opinion

We have audited the financial statements of Stenhøj A/S for the financial year 01.07.2018 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.07.2018 - 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 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 this auditor's report. We are independent of the Entity 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 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity'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 financial statements unless Management either intends to liquidate the Entity 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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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.

Kolding, 03.09.2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Lars Dam Østergaard

State Authorised Public Accountant

Identification No (MNE) mne34501

Management commentary

Financial highlights

	2018/19	2017/18	2016/17	2015/16	2014/15
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	25,396	25,087	20,486	19,860	18,948
Operating profit/loss	(22,312)	3,401	537	(217)	(7,054)
Net financials	(1,623)	(1,056)	(958)	(892)	(1,463)
Profit/loss for the year	(28,763)	1,815	(351)	(487)	(6,563)
Total assets	104,771	73,931	66,314	61,906	69,439
Equity	(20,245)	8,519	6,704	7,973	7,543
Ratios					
Equity ratio (%)	(19.32)	11.52	10.11	12.88	10.86

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The Company's activities are manufacturing and trade of uplifting equipment for the automotive sector. The products are distributed through group companies within the Stenhøj Group as well as a network of distributors.

Development in activities and finances

Due to a strategic decision sales and distribution activities were transferred to the German group company AutopStenhøj GmbH which have been in charge of distribution activities from the middle of the fiscal year. In this way Stenhøj A/S will focus on the manufacturing activities going forward.

Profit/loss for the year in relation to expected developments

Loss for the year amount to DKK 28.8 million which is considered unsatisfactory.

The loss is affected significantly due to changes in accounting estimates, particularly related to valuation of inventories and to a minor extent recognition of guarantee provisions.

Also the fiscal year is affected positively by DKK 6.3 million from the transfer of sales and distribution activities. These items are related to the fiscal year 2018/19 and is of a non-recurring nature.

Outlook

For the fiscal year 2020 it was expected to realize a minor profit. At the time of adopting the annual report expectations are however revised, as set out in the paragraph "events after the balance sheet date".

At year end the equity is negative. It's the expectation that equity will be reestablished through future earnings or debt conversion. Until then the Parent has expressed it's commitment to provide necessary financial support.

Events after the balance sheet date

Following the outbreak of COVID-19 the company experienced a decrease in short-term demand due to uncertainty related to the impacts from the pandemic. Demand have however increased at the time of adopting the annual report, but it is no longer considered realistic to realize a profit for the year. Furthermore matters are subject to the continued impact from the pandemic and the effects are inherently uncertain.

Apart from this no other events have arisen after the balance sheet date which are relevant to the evaluation of the annual report.

Income statement for 2018/19

	Notes	2018/19 DKK	2017/18 DKK
Gross profit/loss		25,395,650	25,086,662
Distribution costs		(23,459,066)	(12,410,189)
Administrative expenses		(24,014,073)	(9,275,761)
Other operating expenses		(234,167)	0
Operating profit/loss		(22,311,656)	3,400,712
Other financial income		7,284	5,366
Other financial expenses	5	(1,630,322)	(1,061,748)
Profit/loss before tax		(23,934,694)	2,344,330
Tax on profit/loss for the year	6	(4,828,553)	(529,613)
Profit/loss for the year	7	(28,763,247)	1,814,717

Balance sheet at 31.12.2019

Assets

	Notes	2018/19 DKK	2017/18 DKK
Raw materials and consumables		16,563,464	19,899,030
Work in progress		11,340,316	15,995,513
Manufactured goods and goods for resale		11,813,378	10,337,487
Prepayments for goods		0	1,011,034
Inventories		39,717,158	47,243,064
Trade receivables		355,371	9,390,823
Receivables from group enterprises		62,234,623	7,881,633
Deferred tax	8	0	4,828,553
Other receivables		1,393,808	2,798,268
Joint taxation contribution receivable		0	1,104,711
Prepayments	9	1,031,195	635,195
Receivables		65,014,997	26,639,183
Cash		39,183	49,183
Current assets		104,771,338	73,931,430
Assets		104,771,338	73,931,430

Equity and liabilities

	Notes	2018/19 DKK	2017/18 DKK
Contributed capital	10	6,000,000	6,000,000
Retained earnings		(26,244,620)	2,518,627
Equity		(20,244,620)	8,518,627
Other provisions	11	2,414,250	0
Provisions		2,414,250	0
Other payables		1,592,901	0
Non-current liabilities other than provisions	12	1,592,901	0
Prepayments received from customers		0	247,727
Trade payables		14,164,586	20,656,089
Payables to group enterprises		101,574,229	32,129,584
Other payables		5,269,992	12,379,403
Current liabilities other than provisions		121,008,807	65,412,803
Liabilities other than provisions		122,601,708	65,412,803
Equity and liabilities		104,771,338	73,931,430
Going concern	1		
Events after the balance sheet date	2		
Staff costs	3		
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Related parties with controlling interest	16		
Non-arm's length related party transactions	17		
Group relations	18		

Statement of changes in equity for 2018/19

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	6,000,000	2,518,627	8,518,627
Profit/loss for the year	0	(28,763,247)	(28,763,247)
Equity end of year	6,000,000	(26,244,620)	(20,244,620)

Notes

1 Going concern

At year end the equity is negative. It's the expectation that equity will be reestablished through future earnings or debt conversion. Until then the Parent has expressed it's commitment to provide necessary financial support.

2 Events after the balance sheet date

Following the outbreak of COVID-19 the company experienced a decrease in short-term demand due to uncertainty related to the impacts from the pandemic. Demand have however increased at the time of adopting the annual report, but it is no longer considered realistic to realize a profit for the year. Furthermore matters are subject to the continued impact from the pandemic and the effects are inherently uncertain.

Apart from this no other events have arisen after the balance sheet date which are relevant to the evaluation of the annual report.

3 Staff costs

	2018/19	2017/18
	DKK	DKK
Wages and salaries	64,931,903	43,273,455
Pension costs	5,530,243	3,555,040
Other social security costs	1,649,317	929,575
Other staff costs	8,317,799	7,379,264
	80,429,262	55,137,334

Average number of full-time employees	114	112
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	Remuneration of management 2018/19 DKK	Remuneration of management 2017/18 DKK
Board of Director	132,000	96,000
	132,000	96,000

4 Other operating income

Other operation income consist of a non-recurring profit of DKK 6.3 million arising from the sale of sales and distribution activities to the group company AutopStenhøj GmbH.

5 Other financial expenses

	2018/19	2017/18
	DKK	DKK
Financial expenses from group enterprises	1,319,181	781,190
Other interest expenses	8,829	4,753
Other financial expenses	302,312	275,805
	1,630,322	1,061,748

6 Tax on profit/loss for the year

	2018/19	2017/18
	DKK	DKK
Change in deferred tax	4,828,553	529,613
	4,828,553	529,613

7 Proposed distribution of profit and loss

	2018/19	2017/18
	DKK	DKK
Retained earnings	(28,763,247)	1,814,717
	(28,763,247)	1,814,717

8 Deferred tax

	2018/19	2017/18
	DKK	DKK
Property, plant and equipment	0	216,869
Inventories	0	(1,378,758)
Receivables	0	(139,743)
Tax losses carried forward	0	6,130,185
Deferred tax	0	4,828,553

Changes during the year	2018/19
	DKK
Beginning of year	4,828,553
Recognised in the income statement	(4,828,553)
End of year	0

9 Prepayments

Prepayments consists off costs related to the following year such as rent and lease.

10 Share capital

	Number	Par value	Nominal
		DKK	value
			DKK
Share	6,000	1000	6,000,000
	6,000		6,000,000

11 Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments.

12 Non-current liabilities other than provisions

	Due after more than 12 months 2018/19 DKK
Other payables	1,592,901
	1,592,901

13 Unrecognised rental and lease commitments

	2018/19 DKK	2017/18 DKK
Liabilities under rental or lease agreements until maturity in total	712,620	1,269,166
Liabilities under rental agreements or leases with group enterprises until expiry	10,899,600	10,336,936

14 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where LSDM ApS serves as the administration company until 07.03.2019 and subsequently Stenhøj Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

15 Assets charged and collateral

The Entity has guaranteed Stenhøj Holding A/S's debt with Nykredit Bank by floating charge for a maximum of 50,000K DKK.

The floating charge covers receivable from sales, inventory, intangible, and tangible assets. The carrying amount is 40.073K DKK.

16 Related parties with controlling interest

Stenhøj Holding A/S, Barrit owns all stock in the Entity and thereby controlling interest.

17 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

18 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Nexion S.p.A., Correggio, Italy

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

Stenhøj Holding A/S, Barit

Copies of the consolidated financial statements of Nexion S.p.A. may be ordered at the following address:
Barrit Langgade 188 - 190, 7150 Barit

Accounting policies

Reporting class

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

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

Non-comparability

The financial years are not comparable due to a change in length of the financial year. The current financial year covers 18 months, where last financial year covered 12 months.

Changes in accounting estimates

During the year Management have adopted different assumptions for the assessments related to valuation of inventories, recognition of guarantee provisions and valuation of trade receivables. This has caused a negative impact on the loss for the year 2018/19.

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.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

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.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise

direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Cost of sales

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

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation 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.

Other financial income

Other financial income comprises 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, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

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, and 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**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 of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and 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.

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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments.

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.

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

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.

Cash flow statement

With reference to the Danish Financial Statements Act § 86 section 4 a cash flow statement is not prepared for Stenhøj A/S since this is included in the consolidated cash flow statement for Stenhøj Holding A/S.