



Stenhøj DK A/S

Barrit Langgade 188-190
7150 Barrit
CVR No. 16926485

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 DK A/S
Barrit Langgade 188-190
7150 Barrit

CVR No.: 16926485
Registered office: Hedensted
Financial year: 01.07.2018 - 31.12.2019

Board of Directors

Giulio Corghi, formand
Cinzia Corghi, næstformand
Claudio Spiritelli

Executive Board

Søren Vestergaard Olesen, 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 DK 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

Søren Vestergaard Olesen
direktør

Board of Directors

Giulio Corghi
formand

Cinzia Corghi
næstformand

Claudio Spiritelli

Independent auditor's report

To the shareholders of Stenhøj DK A/S

Opinion

We have audited the financial statements of Stenhøj DK 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

Primary activities

The Company's activities are manufacturing and sale and service of equipment for garages, including sales of compressors, spare parts, accessories and services.

Development in activities and finances

Loss for the year amount to DKK 9.6 million which is considered unsatisfactory.

The loss is affected significantly due to changes in accounting estimates, particularly related to valuation of inventories.

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".

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		8,257,087	24,644,240
Distribution costs		(11,179,817)	(12,111,383)
Administrative expenses		(8,741,749)	(7,170,110)
Other operating expenses		0	(100,422)
Operating profit/loss		(11,664,479)	5,262,325
Other financial income	3	39,787	70,458
Other financial expenses	4	(661,280)	(239,798)
Profit/loss before tax		(12,285,972)	5,092,985
Tax on profit/loss for the year	5	2,702,913	(1,127,552)
Profit/loss for the year		(9,583,059)	3,965,433
Proposed distribution of profit and loss			
Retained earnings		(9,583,059)	3,965,433
Proposed distribution of profit and loss		(9,583,059)	3,965,433

Balance sheet at 31.12.2019

Assets

	Notes	2018/19 DKK	2017/18 DKK
Goodwill		5,268,403	6,252,044
Intangible assets	6	5,268,403	6,252,044
Fixed assets		5,268,403	6,252,044
Manufactured goods and goods for resale		20,300,795	16,899,712
Inventories		20,300,795	16,899,712
Trade receivables		14,979,295	15,002,553
Contract work in progress		1,330,024	759,050
Receivables from group enterprises		25,418,281	31,220
Deferred tax	7	2,516,029	0
Other receivables		373,759	122,885
Prepayments		367,494	740,084
Receivables		44,984,882	16,655,792
Cash		0	18,341
Current assets		65,285,677	33,573,845
Assets		70,554,080	39,825,889

Equity and liabilities

	Notes	2018/19 DKK	2017/18 DKK
Contributed capital		2,000,000	2,000,000
Retained earnings		107,987	9,691,046
Equity		2,107,987	11,691,046
Deferred tax	7	0	186,884
Provisions		0	186,884
Income tax payable		0	778,580
Other payables		1,937,391	1,400,000
Non-current liabilities other than provisions	8	1,937,391	2,178,580
Current portion of non-current liabilities other than provisions	8	700,000	700,000
Trade payables		5,505,925	4,646,292
Payables to group enterprises		52,400,287	12,446,946
Income tax payable		0	176,785
Other payables		7,902,490	7,799,356
Current liabilities other than provisions		66,508,702	25,769,379
Liabilities other than provisions		68,446,093	27,947,959
Equity and liabilities		70,554,080	39,825,889
Events after the balance sheet date	1		
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Statement of changes in equity for 2018/19

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,000,000	9,691,046	11,691,046
Profit/loss for the year	0	(9,583,059)	(9,583,059)
Equity end of year	2,000,000	107,987	2,107,987

Notes

1 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.

2 Staff costs

	2018/19	2017/18
	DKK	DKK
Wages and salaries	44,291,658	22,111,857
Pension costs	3,672,361	1,819,836
Other social security costs	844,536	353,157
Other staff costs	440,354	381,066
	49,248,909	24,665,916
Average number of full-time employees	62	46

3 Other financial income

	2018/19	2017/18
	DKK	DKK
Financial income from group enterprises	0	4,370
Other interest income	23,288	40,263
Exchange rate adjustments	16,499	3,657
Other financial income	0	22,168
	39,787	70,458

4 Other financial expenses

	2018/19	2017/18
	DKK	DKK
Financial expenses from group enterprises	407,473	80,132
Other interest expenses	230,406	133,601
Other financial expenses	23,401	26,065
	661,280	239,798

5 Tax on profit/loss for the year

	2018/19 DKK	2017/18 DKK
Current tax	0	778,580
Change in deferred tax	(2,702,913)	348,972
	(2,702,913)	1,127,552

6 Intangible assets

	Goodwill DKK
Cost beginning of year	7,038,286
Cost end of year	7,038,286
Amortisation and impairment losses beginning of year	(786,242)
Amortisation for the year	(983,641)
Amortisation and impairment losses end of year	(1,769,883)
Carrying amount end of year	5,268,403

7 Deferred tax

	2018/19 DKK	2017/18 DKK
Intangible assets	154,137	(62,264)
Property, plant and equipment	38,198	38,198
Inventories	736,951	0
Receivables	(80,849)	(162,818)
Tax losses carried forward	1,667,592	0
Deferred tax	2,516,029	(186,884)

	2018/19 DKK
Changes during the year	
Beginning of year	(186,884)
Recognised in the income statement	2,702,913
End of year	2,516,029

The carrying amount of the deferred tax asset is based on an assessment of the taxable income for the company on stand-alone basis as well as the joint taxation collectively. The deferred tax asset is expected to be utilized within a timeframe of 3-5 years. Management is of the opinion that it is highly probable that the deferred tax asset will be utilized but there is an inherent uncertainty associated with this assessment.

8 Non-current liabilities other than provisions

	Due within 12 months 2018/19 DKK	Due within 12 months 2017/18 DKK	Due after more than 12 months 2018/19 DKK
Other payables	700,000	700,000	1,937,391
	700,000	700,000	1,937,391

9 Unrecognised rental and lease commitments

	2018/19 DKK	2017/18 DKK
Liabilities under rental or lease agreements until maturity in total	9,472,092	7,386,126
Liabilities under rental agreements or leases with group enterprises until expiry	1,274,400	577,914

10 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.

11 Assets charged and collateral

The Entity has guaranteed Stenhøj Holding A/S's debt with Nykredit Bank by floating charge for a maximum of 10,000K DKK

The floating charge covers receivable from sales, inventory, intangible, and tangible assets. The carrying amount is 40,548K DKK.

12 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Stenhøj Holding A/S, Barit

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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 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.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds

to the selling price of the work performed in the financial year.

Production costs

Production costs comprise cost of sales for the financial year, including ordinary writedown of inventories and other costs incurred to earn revenue for the financial year, including wages and salaries and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

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 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**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions.

Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 10 years.

Goodwill is 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.

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.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

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.

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 financial liabilities

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

Income tax receivable or payable

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