



# **Palfinger Danmark A/S**

**Stensgårdvej 21 M  
5500 Middelfart**

**CVR no. 26 67 49 72**

## **Annual report for 2020**

Adopted at the annual general  
meeting on 17 February 2021

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Norbert Karrer  
chairman

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## **Statement by management on the annual report**

The supervisory and executive boards have today discussed and approved the annual report of Palfinger Danmark A/S for the financial year 1 January - 31 December 2020.

The annual report is 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 financial position at 31 December 2020 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2020.

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

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

Middelfart, 17 February 2021

### **Executive board**

Jens Erland Kristoffersen  
chief executive officer (CEO)

### **Supervisory board**

Norbert Karrer  
Chairman

Thomas Scheidweiler

Thomas Moucka

## **Independent auditor's report**

### ***To the shareholder of Palfinger Danmark A/S***

#### **Opinion**

We have audited the financial statements of Palfinger Danmark A/S for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2020 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 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 the 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.

## **Independent auditor's report**

### **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 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.

## **Independent auditor's report**

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

### **Statement on management's review**

Management is responsible for management's review.

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

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

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

Kolding, 17 February 2021

Beierholm  
Statsautoriseret revisionspartnerselskab  
CVR no. 32 89 54 68

Lars Leopold Larsen  
State Authorized Public Accountant  
MNE no. mne33229

## Company details

### The company

Palfinger Danmark A/S  
Stensgårdvej 21 M  
5500 Middelfart

Telephone: 70 10 80 10

Fax: 76 14 10 47

Website: [www.palfinger.dk](http://www.palfinger.dk)

CVR no.: 26 67 49 72

Reporting period: 1 January - 31 December 2020

Domicile: Middelfart

### Supervisory board

Norbert Karrer, chairman  
Thomas Scheidweiler  
Thomas Moucka

### Executive board

Jens Erland Kristoffersen

### Auditors

Beierholm  
Statsautoriseret revisionspartnerselskab  
Birkemose Allé 19  
6000 Kolding

### Bankers

Handelsbanken  
Nibevej 6  
9200 Aalborg SV

### Consolidated financial statements

The company is reflected in the group report as the parent company Palfinger AG.

The group report of Palfinger AG can be obtained at the following address: [www.palfinger.ag/en/news/publications](http://www.palfinger.ag/en/news/publications)

## Financial highlights

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

	2020	2019	2018	2017	2016
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
Gross profit/loss	21.114	19.134	19.289	11.502	14.934
Profit/loss before amortisation/depreciation and impairment losses	8.291	6.212	7.702	790	5.132
Net financials	-113	-31	-281	-118	-257
Profit/loss for the year	5.829	4.145	5.260	-98	3.894
<b>Balance sheet</b>					
Balance sheet total	48.653	54.463	51.547	40.321	32.584
Investment in property, plant and equipment	-480	-1.558	-527	-506	-891
Equity	26.742	20.913	16.768	11.508	11.606
Number of employees	21	19	19	16	14
<b>Financial ratios</b>					
Return on assets	14,8%	7,7%	10,7%	1,4%	11,2%
Solvency ratio	55,0%	38,4%	32,5%	28,5%	35,6%
Return on equity	24,5%	22,0%	37,2%	-0,8%	35,7%

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



## **Management's review**

### **Business review**

The PALFINGER Group, based in Bergheim, Austria, has for many years been among the leading international manufacturers of innovative, reliable and efficient hydraulic lifting solutions in the line of commercial vehicles and in the maritime field. The PALFINGER group has grown extensively over the last decade and is now situated in 70 different countries with more than 11.000 employees.

Palfinger Danmark A/S was acquired by the PALFINGER group February 1st 2017. The company's main activity is import, marketing, sale and maintenance of PALFINGER hydraulic cranes, hooklifts and spare parts on the Danish market.

### **Recognition and measurement uncertainties**

The annual report for 2020 does not contain material uncertainties regarding recognition and measurement. No events have occurred after the balance sheet date which could significantly affect the company's financial position. There are no unusual circumstances affecting neither the annual report for 2020 nor the outlook for the future.

### **Development in activities and financial position**

The company's income statement for 2020 shows a profit of DKK 5.828.553 and the balance sheet by 31 December 2020 shows equity of DKK 26.741.724.

The profit in 2020 is above the previous year and meets expectations for the year despite the challenges caused by the Covid-19 pandemic.

After a freeze of most activities in the spring of 2020, the delivery of products according to backlog was resumed from the factories. Revenue for the year ended below expectations but at an acceptable level, given the circumstances. This, combined with structural cost savings, secured the profit in 2020. Management considers the result of the year to be satisfactory.

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

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

### **Outlook for 2021**

Although Covid-19 certainly continues to be a challenge for carrying out the daily business, Palfinger Danmark A/S does not expect the pandemic to significantly influence market activities going forward. On the overall, 2021 is expected to show business activities and profit in line with that of 2020.

## **Management's review**

### **Intellectual capital**

Palfinger Danmark A/S continuously educates both own employees and the sales and service employees at the service partners, whereby it is ensured that the customers are met by experts with the latest technical knowledge. Education is undertaken both locally in Denmark as well as at PALFINGER factories in Europe.

### **Environmental matters**

The PALFINGER group has been paying attention to the topic of sustainability in a structured way for 15 years and it is committed to minimize the environmental impact of its operations. The group has several ambitious sustainability targets, such as the target to reduce CO2 emissions by 25 percent by 2030 (compared to 2015). The sustainability programme entails measures in the fields 'Responsible employer', 'Eco-efficiency in production', 'Sustainable products' and 'Fair business'.

Palfinger Danmark A/S does not have a local policy regarding environmental impact. The company follows group instructions and employs environmental consciousness when conducting every-day business.

### **Research and development activities**

The development of innovative products has high priority in the PALFINGER group and extensive resources are allocated to the group's global R&D activities. No R&D activities are placed in Palfinger Danmark A/S.

### **Particular risks**

#### ***Operating risks***

The company is not exposed to any significant risks other than normal business and market risk.

#### ***Currency and financial risks***

The company sells to the Danish market in DKK and purchases mainly in EUR from group factories. Risk assesment is carried out by group Treasury and Palfinger Danmark A/S makes no use of financial instruments. The company is financed internally within the PALFINGER group. The PALFINGER group is exposed to certain currency, commodity and interest rate risks arising from its global operation, financing and investing activities. The PALFINGER group uses derivative instruments to reduce and manage the economic impact of these exposures.

## **Accounting policies**

The annual report of Palfinger Danmark A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

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

The annual report for 2020 is presented in DKK

### **Basis of recognition and measurement**

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

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

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

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

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

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

### **Income statement**

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

## **Accounting policies**

### **Revenue**

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

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

### **Raw materials and consumables**

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

### **Other operating income**

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

### **Other operating expenses**

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

### **Special items**

Special items are items that are special due to their size or nature and that differ from the fluctuations normally expected by the company.

### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### **Amortisation, depreciation and impairment losses**

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

## Accounting policies

### Financial income and expenses

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

### Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

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

### Balance sheet

#### Tangible assets

Tangible assets are measured at cost less accumulated depreciation and impairment losses.

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

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

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	2-8 years	0 %

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

### Impairment of fixed assets

The carrying amount of tangible assets is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

## **Accounting policies**

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

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

### **Stocks**

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

The cost of goods for resale comprises the purchase price plus delivery costs.

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

### **Receivables**

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that a receivable is impaired, an impairment loss for that individual asset is recognised.

### **Prepayments**

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

### **Provisions**

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

Provisions - except for provisions for deferred tax - are measured at net asset value.

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

## **Accounting policies**

### **Income tax and deferred tax**

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

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

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

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

### **Liabilities**

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

Financial liabilities also include the capitalised residual finance lease commitment.

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

### **Foreign currency translation**

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

## **Accounting policies**

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

### **Cash flow statement**

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

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

#### **Cash flows from operating activities**

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

#### **Cash flows from investing activities**

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

#### **Cash flows from financing activities**

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

#### **Cash and cash equivalents**

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



## Accounting policies

### Financial highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

## Income statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
<b>Gross profit</b>		<b>21.114.117</b>	<b>19.134.444</b>
Staff costs	1	<u>-12.823.287</u>	<u>-12.922.045</u>
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>8.290.830</b>	<b>6.212.399</b>
Depreciation, amortisation and impairment of equipment	2	-675.571	-769.690
Other operating costs		<u>-5.605</u>	<u>-35.042</u>
<b>Profit/loss before net financials</b>		<b>7.609.654</b>	<b>5.407.667</b>
Financial income		134.729	290.922
Financial costs	4	<u>-248.196</u>	<u>-321.610</u>
<b>Profit/loss before tax</b>		<b>7.496.187</b>	<b>5.376.979</b>
Tax on profit/loss for the year	5	<u>-1.667.634</u>	<u>-1.231.864</u>
<b>Profit/loss for the year</b>		<b><u>5.828.553</u></b>	<b><u>4.145.115</u></b>
Distribution of profit	6		

## Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
<b>Assets</b>			
Other fixtures and fittings, tools and equipment		<u>1.425.844</u>	<u>1.928.905</u>
<b>Tangible assets</b>	7	<u><b>1.425.844</b></u>	<u><b>1.928.905</b></u>
<b>Total non-current assets</b>		<u><b>1.425.844</b></u>	<u><b>1.928.905</b></u>
Finished goods and goods for resale		<u>12.340.710</u>	<u>17.463.125</u>
<b>Stocks</b>		<u><b>12.340.710</b></u>	<u><b>17.463.125</b></u>
Trade receivables		31.517.728	30.168.935
Other Receivables	8	155.000	155.000
Deferred tax asset	9	<u>114.444</u>	<u>114.632</u>
<b>Receivables</b>		<u><b>31.787.172</b></u>	<u><b>30.438.567</b></u>
<b>Cash at bank and in hand</b>		<u><b>3.099.110</b></u>	<u><b>4.632.423</b></u>
<b>Total current assets</b>		<u><b>47.226.992</b></u>	<u><b>52.534.115</b></u>
<b>Total assets</b>		<u><u><b>48.652.836</b></u></u>	<u><u><b>54.463.020</b></u></u>

## Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
<b>Equity and liabilities</b>			
Share capital		500.000	500.000
Retained earnings		<u>26.241.724</u>	<u>20.413.171</u>
<b>Equity</b>		<b><u>26.741.724</u></b>	<b><u>20.913.171</u></b>
Other provisions	10	<u>948.500</u>	<u>941.144</u>
<b>Total provisions</b>		<b><u>948.500</u></b>	<b><u>941.144</u></b>
Lease obligations		<u>345.847</u>	<u>471.309</u>
<b>Total non-current liabilities</b>	11	<b><u>345.847</u></b>	<b><u>471.309</u></b>
Banks	11	30.469	44.595
Lease obligation	11	125.462	266.926
Trade payables		1.867.104	2.540.270
Payables to group entities		9.199.386	21.350.529
Corporation tax		467.446	1.232.022
Other payables		<u>8.926.898</u>	<u>6.703.054</u>
<b>Total current liabilities</b>		<b><u>20.616.765</u></b>	<b><u>32.137.396</u></b>
<b>Total liabilities</b>		<b><u>20.962.612</u></b>	<b><u>32.608.705</u></b>
<b>Total equity and liabilities</b>		<b><u>48.652.836</u></b>	<b><u>54.463.020</u></b>
Rent and lease liabilities	12		
Contingent liabilities	13		
Mortgages and collateral	14		
Related parties and ownership structure	15		

## Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2020	500.000	20.413.171	20.913.171
Net profit/loss for the year	0	5.828.553	5.828.553
<b>Equity at 31 December 2020</b>	<b>500.000</b>	<b>26.241.724</b>	<b>26.741.724</b>

## Cash flow statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Net profit/loss for the year		5.828.553	4.145.115
Adjustments	16	2.463.005	2.081.978
Change in working capital	17	5.324.299	-7.073.556
<b>Cash flows from operating activities before financial income and expenses</b>		<b>13.615.857</b>	<b>-846.463</b>
Interest income and similar income		134.729	290.922
Interest expenses and similar charges		-248.196	-321.610
<b>Cash flows from ordinary activities</b>		<b>13.502.390</b>	<b>-877.151</b>
Corporation tax paid		-2.432.014	-1.542.816
<b>Cash flows from operating activities</b>		<b>11.070.376</b>	<b>-2.419.967</b>
Purchase of property, plant and equipment		-480.080	-1.557.820
Sale of property, plant and equipment		308.592	169.100
<b>Cash flows from investing activities</b>		<b>-171.488</b>	<b>-1.388.720</b>
Reduction of lease obligations		-266.926	-370.058
Repayment of payables to group entities		-12.151.143	-2.234.958
Lease liabilities assumed		0	673.562
<b>Cash flows from financing activities</b>		<b>-12.418.069</b>	<b>-1.931.454</b>
<b>Change in cash and cash equivalents</b>		<b>-1.519.181</b>	<b>-5.740.141</b>
Cash and cash equivalents		4.587.822	10.327.963
<b>Cash and cash equivalents</b>		<b>3.068.641</b>	<b>4.587.822</b>
Analysis of cash and cash equivalents:			
Cash at bank and in hand		3.068.641	4.587.822
<b>Cash and cash equivalents</b>		<b>3.068.641</b>	<b>4.587.822</b>

## Notes

	2020 DKK	2019 DKK
<b>1 Staff costs</b>		
Wages and salaries	11.091.762	11.045.857
Pensions	710.430	617.063
Other social security costs	185.988	254.012
Other staff costs	835.107	1.005.113
	<b>12.823.287</b>	<b>12.922.045</b>
Average number of employees	21	19

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed.

<b>2 Depreciation, amortisation and impairment of equipment</b>		
Depreciation tangible assets	675.571	769.690
	<b>675.571</b>	<b>769.690</b>

### 3 Special items

In the company's income statement grants received as a result of Covid-19 are included in Net profit. The grants received include salary compensations. The grants received amount to tDKK 368 in the financial year.

### 4 Financial costs

Financial expenses, group entities	140.004	183.710
Other financial costs	108.192	137.900
	<b>248.196</b>	<b>321.610</b>

## Notes

	2020 DKK	2019 DKK
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	1.667.446	1.232.022
Deferred tax for the year	188	-158
	<b><u>1.667.634</u></b>	<b><u>1.231.864</u></b>
<b>6 Distribution of profit</b>		
Retained earnings	<u>5.828.553</u>	<u>4.145.115</u>
	<b><u>5.828.553</u></b>	<b><u>4.145.115</u></b>
<b>7 Tangible assets</b>		
		Other fixtures and fittings, tools and equipment
Cost at 1 January 2020		4.550.816
Additions for the year		480.081
Disposals for the year		<u>-1.002.252</u>
Cost at 31 December 2020		<u>4.028.645</u>
Impairment losses and depreciation at 1 January 2020		2.621.911
Depreciation for the year		675.571
Reversal of impairment and depreciation of sold assets		<u>-694.681</u>
Impairment losses and depreciation at 31 December 2020		<u>2.602.801</u>
<b>Carrying amount at 31 December 2020</b>		<b><u>1.425.844</u></b>
Value of leased assets		<u>542.216</u>



## Notes

### 8 Other Receivables

Receivables due later than 1 year amount to DKK 155.000.

	<u>2020</u> DKK	<u>2019</u> DKK
<b>9 Provision for deferred tax</b>		
Provision for deferred tax at 1 January 2020	114.632	114.474
Deferred tax recognised in income statement	<u>-188</u>	<u>158</u>
<b>Provision for deferred tax at 31 December 2020</b>	<b><u>114.444</u></b>	<b><u>114.632</u></b>

Deferred tax assets are primarily related to temporary differences.

### 10 Other provisions

Balance at beginning of year	941.144	887.350
Provision in year	<u>7.356</u>	<u>53.794</u>
<b>Saldo ultimo</b>	<b><u>948.500</u></b>	<b><u>941.144</u></b>

Other provisions comprise estimated expenses relating to warranty commitments.

### 11 Long term debt

#### Lease obligations

Between 1 and 5 years	<u>345.847</u>	<u>471.309</u>
Non-current portion	345.847	471.309
Within 1 year	<u>125.462</u>	<u>266.926</u>
	<b><u>471.309</u></b>	<b><u>738.235</u></b>

## Notes

	2020	2019
	DKK	DKK
<b>12 Rent and lease liabilities</b>		
Rent liabilities, within 1 year	611.859	519.286
Rent liabilities, between 1 and 5 years	501.292	925.716
Lease liabilities, within 1 year	354.775	103.030
Lease liabilities, between 1 and 5 years	583.054	137.374

## 13 Contingent liabilities

The company is jointly taxed with its sister company, Palfinger Marine DK A/S (management company), and is jointly and severally liable with other jointly taxed entities for payment of income taxes and withholding taxes on dividends, interest and royalties.

## 14 Mortgages and collateral

As security for bank debts, the Company has granted charges of tDKK 7.000 on existing and future acquisitions under the rules on company charges (floating charge). There is currently no credit facilities connected to the granted charges.

## 15 Related parties and ownership structure

### Controlling interest

Palfinger EMEA GmbH, Austria holds 100% of the share capital in the entity.

### Transactions

The company buys goods and services from group entities and sells goods and services to group entities. Transactions with related parties has been entered into on market terms.

### Ownership structure

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

Palfinger EMEA GmbH, Austria

## Notes

	2020 DKK	2019 DKK
<b>16 Cash flow statement - adjustments</b>		
Financial income	-134.729	-290.922
Financial costs	248.196	321.610
Gain on sale of assets	-6.628	-39.100
Loss on sale of assets	5.605	35.042
Depreciation and amortisation	675.571	769.690
Tax on profit/loss for the year	1.667.634	1.231.864
Change in other provisions	7.356	53.794
	<b><u>2.463.005</u></b>	<b><u>2.081.978</u></b>
<b>17 Cash flow statement - change in working capital</b>		
Change in inventories	5.122.415	1.377.886
Change in receivables	-1.495.233	-9.422.907
Change in trade payables, etc.	1.697.117	971.465
	<b><u>5.324.299</u></b>	<b><u>-7.073.556</u></b>