



Palfinger Danmark A/S

**Stensgårdvej 21 M
5500 Middelfart**

CVR no. 26 67 49 72

Annual report for 2021

Adopted at the annual general
meeting on 22 February 2022

Norbert Karrer
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Palfinger Danmark A/S for the financial year 1 January - 31 December 2021.

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 2021 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2021.

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, 22 February 2022

Executive board

Jesper Serup Mouridsen chief executive officer (CEO)	Anders Helbo director
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Supervisory board

Norbert Karrer chairman	Stefan Klampfer	Jens Erland Kristoffersen
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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 2021, 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 2021 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2021 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 and IESBA Code. 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, 22 February 2022

Beierholm
Statsautoriseret revisionspartnerselskab
CVR no. 32 89 54 68

Lars Leopold Larsen
State Authorized Public Accountant
MNE no. mne33229

Kevin Mejborn Jönsson
State Authorized Public Accountant
MNE no. mne47795

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

CVR no.: 26 67 49 72

Reporting period: 1 January - 31 December 2021

Domicile: Middelfart

Supervisory board

Norbert Karrer, chairman
Stefan Klampfer
Jens Erland Kristoffersen

Executive board

Jesper Serup Mouridsen
Anders Helbo, director

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

Financial highlights

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

	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK
Key figures					
Gross profit/loss	20.093	21.114	19.134	19.289	11.502
Profit/loss before amortisation/depreciation and impairment losses	5.807	8.291	6.212	7.702	790
Net financials	-304	-113	-31	-281	-118
Profit/loss for the year	3.735	5.829	4.145	5.260	-98
Balance sheet					
Balance sheet total	67.029	48.653	54.463	51.547	40.321
Investment in property, plant and equipment	-20.338	-480	-1.558	-527	-506
Equity	30.476	26.742	20.913	16.768	11.508
Number of employees	23	21	19	19	16
Financial ratios					
Return on assets	8,9%	14,8%	7,7%	10,7%	1,4%
Solvency ratio	45,5%	55,0%	38,4%	32,5%	28,5%
Return on equity	13,1%	24,5%	22,0%	37,2%	-0,8%

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'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 2021 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 2021 nor the outlook for the future.

Development in activities and financial position

The company's income statement for 2021 shows a profit of DKK 3.734.763 and the balance sheet by 31 December 2021 shows equity of DKK 30.476.487.

Overall, the profit in 2021 is lower than the previous year and does not meet the initial expectations for the year. The business climate was good throughout the year, and the number of new orders on equipment, as well as the level of service business, was close to expectations. However, both revenue and thereby profit for the year suffered from delayed deliveries of new equipment from the group suppliers, caused mainly by instability in their supply chain. Palfinger Danmark A/S therefore has a large order backlog by the end of 2021.

During 2021, a move of the company's workshop activities in the Copenhagen area from rented facilities to a purchased site was decided, and the move was finalized during the last weeks of the year. The purchase of land and buildings significantly increased the company's Assets.

Management considers the financial result of the year to be satisfactory, given the circumstances.

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.

Management's review

Outlook for 2022

The large order backlog at the beginning of the year gives base to a positive outlook for financial performance in 2022. The problems with delayed deliveries are ongoing, but group factories are working hard to re-establish stability in their supply chain.

Also, with the move of the Copenhagen workshop to own and larger facilities by the end of 2021, the base is in place for strengthened service activities in the area.

On the overall, 2022 is expected to show strong business activity and profit.

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.

Management's review

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 2021 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 2021 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.

Income from services, comprising sale of workshop and repair hours as well as re-invoicing of freight is recognised on a straight-line basis as the services are provided.

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. Land is not depreciated.

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
Buildings	8-20 years	0-40 %
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	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary operations after tax} \times 100}{\text{Average equity}}$

Income statement 1 January - 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Gross profit		20.092.952	21.114.117
Staff costs	1	<u>-14.285.764</u>	<u>-12.823.287</u>
Profit/loss before amortisation/depreciation and impairment losses		5.807.188	8.290.830
Depreciation, amortisation and impairment of equipment	2	-682.156	-675.571
Other operating costs		<u>0</u>	<u>-5.605</u>
Profit/loss before net financials		5.125.032	7.609.654
Financial income		34.997	134.729
Financial costs	3	<u>-339.327</u>	<u>-248.196</u>
Profit/loss before tax		4.820.702	7.496.187
Tax on profit/loss for the year	4	<u>-1.085.939</u>	<u>-1.667.634</u>
Profit/loss for the year		<u>3.734.763</u>	<u>5.828.553</u>
Distribution of profit	5		

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Assets			
Land and buildings		19.455.486	0
Other fixtures and fittings, tools and equipment		<u>1.625.858</u>	<u>1.425.844</u>
Tangible assets	6	<u>21.081.344</u>	<u>1.425.844</u>
Total non-current assets		<u>21.081.344</u>	<u>1.425.844</u>
Finished goods and goods for resale		<u>22.778.434</u>	<u>12.340.710</u>
Stocks		<u>22.778.434</u>	<u>12.340.710</u>
Trade receivables		20.864.006	31.517.728
Other Receivables	7	155.000	155.000
Deferred tax asset	8	<u>49.811</u>	<u>114.444</u>
Receivables		<u>21.068.817</u>	<u>31.787.172</u>
Cash at bank and in hand		<u>2.100.272</u>	<u>3.099.110</u>
Total current assets		<u>45.947.523</u>	<u>47.226.992</u>
Total assets		<u><u>67.028.867</u></u>	<u><u>48.652.836</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Equity and liabilities			
Share capital		500.000	500.000
Retained earnings		<u>29.976.487</u>	<u>26.241.724</u>
Equity		<u>30.476.487</u>	<u>26.741.724</u>
Other provisions	9	<u>948.500</u>	<u>948.500</u>
Total provisions		<u>948.500</u>	<u>948.500</u>
Lease obligations		<u>507.098</u>	<u>345.847</u>
Total non-current liabilities	10	<u>507.098</u>	<u>345.847</u>
Banks	10	44.417	30.469
Lease obligation	10	369.510	125.462
Trade payables		2.500.016	1.867.104
Payables to group entities		26.306.257	9.199.386
Corporation tax		71.306	467.446
Other payables		<u>5.805.276</u>	<u>8.926.898</u>
Total current liabilities		<u>35.096.782</u>	<u>20.616.765</u>
Total liabilities		<u>35.603.880</u>	<u>20.962.612</u>
Total equity and liabilities		<u>67.028.867</u>	<u>48.652.836</u>

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2021	500.000	26.241.724	26.741.724
Net profit/loss for the year	0	3.734.763	3.734.763
Equity at 31 December 2021	500.000	29.976.487	30.476.487

Cash flow statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Net profit/loss for the year		3.734.763	5.828.553
Adjustments	15	2.072.425	2.463.005
Change in working capital	16	-2.272.709	5.324.299
Cash flows from operating activities before financial income and expenses		3.534.479	13.615.857
Interest income and similar income		34.997	134.729
Interest expenses and similar charges		-339.326	-248.196
Cash flows from ordinary activities		3.230.150	13.502.390
Corporation tax paid		-1.417.450	-2.432.014
Cash flows from operating activities		1.812.700	11.070.376
Purchase of property, plant and equipment		-20.337.656	-480.080
Sale of property, plant and equipment		0	308.592
Cash flows from investing activities		-20.337.656	-171.488
Reduction of lease obligations		-147.967	-266.926
Repayment of payables to group entities		0	-12.151.143
Lease liabilities assumed		553.266	0
Raising of payables to group entities		17.106.871	0
Cash flows from financing activities		17.512.170	-12.418.069
Change in cash and cash equivalents		-1.012.786	-1.519.181
Cash and cash equivalents		3.068.641	4.587.822
Cash and cash equivalents		2.055.855	3.068.641
Analysis of cash and cash equivalents:			
Cash at bank and in hand		2.055.855	3.068.641
Cash and cash equivalents		2.055.855	3.068.641

Notes

	2021 DKK	2020 DKK
1 Staff costs		
Wages and salaries	12.379.532	11.091.762
Pensions	792.823	710.430
Other social security costs	261.388	185.988
Other staff costs	852.021	835.107
	14.285.764	12.823.287
Average number of employees	23	21

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

2 Depreciation, amortisation and impairment of equipment		
Depreciation tangible assets	682.156	675.571
	682.156	675.571

3 Financial costs		
Financial expenses, group entities	69.667	140.004
Other financial costs	269.660	108.192
	339.327	248.196

Notes

	2021 DKK	2020 DKK
4 Tax on profit/loss for the year		
Current tax for the year	1.021.306	1.667.446
Deferred tax for the year	64.633	188
	1.085.939	1.667.634
5 Distribution of profit		
Retained earnings	3.734.763	5.828.553
	3.734.763	5.828.553
6 Tangible assets		
	Land and buildings	Other fixtures and fittings, tools and equipment
Cost at 1 January 2021	0	4.028.645
Additions for the year	19.510.839	826.817
Cost at 31 December 2021	19.510.839	4.855.462
Impairment losses and depreciation at 1 January 2021	0	2.602.801
Depreciation for the year	55.353	626.803
Impairment losses and depreciation at 31 December 2021	55.353	3.229.604
Carrying amount at 31 December 2021	19.455.486	1.625.858
Value of leased assets	0	1.087.148

Notes

	2021 DKK	2020 DKK
7 Other Receivables		
Receivables due later than 1 year amount to DKK 155.000.		
8 Provision for deferred tax		
Provision for deferred tax at 1 January 2021	114.444	114.632
Deferred tax recognised in income statement	-64.633	-188
Provision for deferred tax at 31 December 2021	49.811	114.444
Deferred tax assets are primarily related to temporary differences.		
9 Other provisions		
Balance at beginning of year at 1 January 2021	948.500	941.144
Provision in year	0	7.356
Balance at 31 December 2021	948.500	948.500
Other provisions comprise estimated expenses relating to warranty commitments.		
10 Long term debt		
Lease obligations		
Between 1 and 5 years	507.098	345.847
Non-current portion	507.098	345.847
Within 1 year	369.510	125.462
	876.608	471.309

Notes

	2021 DKK	2020 DKK
11 Rent and lease liabilities		
Rent liabilities, within 1 year	318.612	611.859
Rent liabilities, between 1 and 5 years	292.061	501.292
Lease liabilities, within 1 year	262.224	354.775
Lease liabilities, between 1 and 5 years	207.353	583.054

12 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.

13 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.

14 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

	2021 DKK	2020 DKK
15 Cash flow statement - adjustments		
Financial income	-34.997	-134.729
Financial costs	339.327	248.196
Gain on sale of assets	0	-6.628
Loss on sale of assets	0	5.605
Depreciation and amortisation	682.156	675.571
Tax on profit/loss for the year	1.085.939	1.667.634
Change in other provisions	0	7.356
	<u>2.072.425</u>	<u>2.463.005</u>
16 Cash flow statement - change in working capital		
Change in inventories	-10.437.724	5.122.415
Change in receivables	10.653.722	-1.495.233
Change in trade payables, etc.	-2.488.707	1.697.117
	<u>-2.272.709</u>	<u>5.324.299</u>