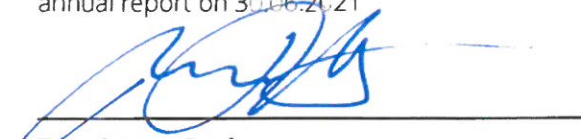


## **Jungheinrich Danmark A/S**

Park Allé 350 C  
2605 Brøndby  
CVR No. 26714818

### **Annual report 2020**

The Annual General Meeting adopted the  
annual report on 30.06.2021



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**Tyge Jesper Rothe**  
Chairman of the General Meeting

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# Entity details

## Entity

Jungheinrich Danmark A/S  
Park Allé 350 C  
2605 Brøndby

CVR No.: 26714818

Date of foundation: 01.12.1967

Registered office: Brøndby

Financial year: 01.01.2020 - 31.12.2020

## Board of Directors

Alexander Abe, Chairman  
Tyge Jesper Rothe  
Manuel Gimple

## Executive Board

Carsten Birk Duus, Managing Director

## Auditors

Pricewaterhousecoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup  
CVR No. 33771231

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Jungheinrich Danmark A/S for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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.

Copenhagen, 30.06.2021

## Executive Board



**Carsten Birk Duus**  
Managing Director

## Board of Directors

**Alexander Abe**  
Chairman



**Manuel Gimple**



**Tyge Jesper Rothe**

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Copenhagen, 30.06.2021

## Executive Board

**Carsten Birk Duus**  
Managing Director

## Board of Directors

Signature numérique  
de Alexander Abé  
Date : 2021.06.29  
14:57:36 +02'00'

**Alexander Abe**  
Chairman

**Tyge Jesper Rothe**

**Manuel Gimple**

# Independent auditor's report

## To the shareholders of Jungheinrich Danmark A/S

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31. December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Jungheinrich Danmark A/S for the financial year 1 January - 31 December 2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### 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.

### 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.

### 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:

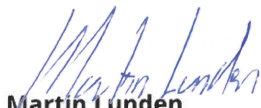
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

Copenhagen, 30.06.2021

**Pricewaterhousecoopers Statsautoriseret Revisionspartnerselskab**

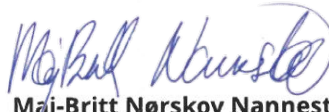
CVR No. 33771231



**Martin Lunden**

State Authorised Public Accountant

Identification No (MNE) mne32209



**Maj-Britt Nørskov Nannestad**

State Authorised Public Accountant

Identification No (MNE) mne32198



# Management commentary

## Financial highlights

|   | 2020<br>DKK'000 | 2019<br>DKK'000 | 2018<br>DKK'000 | 2017<br>DKK'000 | 2016<br>DKK'000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Key figures</b>                              |                 |                 |                 |                 |                 |
| Gross profit/loss                               | 72,887          | 76,393          | 69,796          | 54,641          | 50,337          |
| Operating profit/loss                           | 4,083           | 6,590           | 4,278           | 4,034           | 4,613           |
| Net financials                                  | (385)           | (347)           | (185)           | (118)           | (52)            |
| Profit/loss for the year                        | 2,862           | 4,857           | 3,276           | 3,054           | 1,749           |
| Total assets                                    | 145,544         | 142,167         | 107,564         | 77,717          | 76,412          |
| Investments in property,<br>plant and equipment | 35,889          | 28,373          | 29,646          | 37,128          | 19,923          |
| Equity  | 37,739          | 39,678          | 34,821          | 30,738          | 27,462          |
| <b>Ratios</b>                                   |                 |                 |                 |                 |                 |
| Return on equity (%)                            | 7.39            | 13.04           | 9.99            | 10.49           | 15.10           |
| Equity ratio (%)                                | 25.93           | 27.91           | 32.37           | 39.55           | 35.94           |

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

### Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

### Equity ratio (%):

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

Total assets

### Primary activities

The Entity's primary activity is to deal in battery-powered and engine-driven transport Facilities, including, atomized logistic systems, lifting trucks, stacker trucks and forklifts. The Entity is the exclusive distributor of Jungheinrich products in the Danish market.

### Development in activities and finances

Despite the COVID-19 pandemic and the negative growth in the Danish economy, the market for Material Handling Equipment increased by 6.5% compared to prior year and the market remains on an historical high level.

The Entity managed to continue the positive trend from prior years with a positive result.

Net profit for the year is DKK 2,862 k. (2019: DKK 4,857 k.) This performance is considered satisfactory. At the financial year-end, the Entity's balance sheet shows equity of DKK 37,739 k. (2019: DKK 39,678 k.).

As mentioned as part of accounting policies the Entity has change the presentation of certain assets and liabilities. The change has no impact on the result nor the equity.

The Entity has assessed its cash resources for 2020 against current activities and activities planned for 2021.

The Entity's cash resources are considered adequate.

The management considers the result for the year as satisfactory and in line with the expected development.

### Profit/loss for the year in relation to expected developments

The management considers the result for the year as satisfactory and in line with the expected development.

### Uncertainty relating to recognition and measurement

No particular uncertainty relating to recognition and measurement is estimated to exist with respect to the Annual report for the financial year 01.01.2020-31.12.2020.

### Environment

Jungheinrich is aware of its responsibility to prevent pollution and commitments relevant to the context of the business. Locally we are currently exchanging all personal vehicles into Hybrid plugin and electric cars to reduce the company's total emission of CO<sub>2</sub>. In 2021, we will also examine the emission of CO<sub>2</sub> from our buildings to achieve a reduction of CO<sub>2</sub>. For further information please read the annual report from Jungheinrich AG.

### Events after the balance sheet date

After three month in the start of 2021 with a high level of restrictions due to the COVID-19 pandemic, the Danish society are gradually opening up, while many other countries experience a third wave resulting in new lock-downs. The management continue to evaluate the possible economic effects of the COVID-19 pandemic on a daily basis with regard to the development of sales, the supply chain, business partner risk and other risks.

### Outlook

We are currently observing almost normal operations, sales and revenues are progressing satisfactorily and the liquidity situation is not showing any bottlenecks. Short-time work for employees is not planned for the time being.

However, as the COVID-19 pandemic continues to spread and its consequences for the economy and society are

still unknown, we are still facing uncertain times in which it is not possible to make a forecast for the next 12 months.

# Income statement for 2020

|  | Notes | 2020<br>DKK       | 2019<br>DKK       |
|--|-------|-------------------|-------------------|
| <b>Gross profit/loss</b>                         |       | <b>72,887,367</b> | <b>76,392,794</b> |
| Staff costs                                      | 1     | (46,141,917)      | (47,048,289)      |
| Depreciation, amortisation and impairment losses | 2     | (22,662,905)      | (22,754,897)      |
| <b>Operating profit/loss</b>                     |       | <b>4,082,545</b>  | <b>6,589,608</b>  |
| Other financial income                           |       | 0                 | 51,911            |
| Other financial expenses                         |       | (384,686)         | (398,937)         |
| <b>Profit/loss before tax</b>                    |       | <b>3,697,859</b>  | <b>6,242,582</b>  |
| Tax on profit/loss for the year                  | 3     | (836,322)         | (1,385,655)       |
| <b>Profit/loss for the year</b>                  | 4     | <b>2,861,537</b>  | <b>4,856,927</b>  |

# Balance sheet at 31.12.2020

## Assets

|  | Notes | 2020<br>DKK        | 2019<br>DKK        |
|--|-------|--------------------|--------------------|
| Acquired intangible assets                       |       | 68,718             | 106,440            |
| <b>Intangible assets</b>                         | 5     | <b>68,718</b>      | <b>106,440</b>     |
| Other fixtures and fittings, tools and equipment |       | 88,816,814         | 81,254,201         |
| <b>Property, plant and equipment</b>             | 6     | <b>88,816,814</b>  | <b>81,254,201</b>  |
| Deposits   |       | 465,472            | 1,202,813          |
| <b>Financial assets</b>                          | 7     | <b>465,472</b>     | <b>1,202,813</b>   |
| <b>Fixed assets</b>                              |       | <b>89,351,004</b>  | <b>82,563,454</b>  |
| Manufactured goods and goods for resale          |       | 10,046,246         | 17,957,302         |
| Prepayments for goods                            |       | 370,868            | 0                  |
| <b>Inventories</b>                               |       | <b>10,417,114</b>  | <b>17,957,302</b>  |
| Trade receivables                                |       | 25,637,893         | 22,919,782         |
| Receivables from group enterprises               |       | 4,237,326          | 2,899,871          |
| Deferred tax                                     | 8     | 0                  | 300,022            |
| Other receivables                                |       | 65,073             | 158,400            |
| Prepayments                                      | 9     | 898,002            | 1,482,981          |
| <b>Receivables</b>                               |       | <b>30,838,294</b>  | <b>27,761,056</b>  |
| <b>Cash</b>                                      |       | <b>14,937,825</b>  | <b>13,884,938</b>  |
| <b>Current assets</b>                            |       | <b>56,193,233</b>  | <b>59,603,296</b>  |
| <b>Assets</b>                                    |       | <b>145,544,237</b> | <b>142,166,750</b> |

**Equity and liabilities**

|  | Notes | 2020<br>DKK        | 2019<br>DKK        |
|--|-------|--------------------|--------------------|
| Contributed capital  | 10    | 500,000            | 500,000            |
| Retained earnings  |       | 34,439,428         | 39,177,891         |
| Proposed dividend  |       | 2,800,000          | 0                  |
| <b>Equity</b>  |       | <b>37,739,428</b>  | <b>39,677,891</b>  |
| Deferred tax   | 8     | 248,000            | 0                  |
| Other provisions   | 11    | 7,609,868          | 4,574,269          |
| <b>Provisions</b>  |       | <b>7,857,868</b>   | <b>4,574,269</b>   |
| Lease liabilities  |       | 26,830,815         | 20,894,273         |
| Prepayments received from customers                              |       | 21,148,293         | 15,982,777         |
| Other payables   | 12    | 4,276,226          | 1,504,309          |
| <b>Non-current liabilities other than provisions</b>             | 13    | <b>52,255,334</b>  | <b>38,381,359</b>  |
| Current portion of non-current liabilities other than provisions | 13    | 8,260,383          | 6,102,779          |
| Prepayments received from customers                              |       | 15,130,385         | 10,830,448         |
| Trade payables   |       | 4,000,093          | 4,595,582          |
| Payables to group enterprises                                    |       | 12,658,319         | 29,220,665         |
| Tax payable  |       | 288,300            | 1,906,806          |
| Other payables   | 14    | 7,354,127          | 6,876,951          |
| <b>Current liabilities other than provisions</b>                 |       | <b>47,691,607</b>  | <b>59,533,231</b>  |
| <b>Liabilities other than provisions</b>                         |       | <b>99,946,941</b>  | <b>97,914,590</b>  |
| <b>Equity and liabilities</b>                                    |       | <b>145,544,237</b> | <b>142,166,750</b> |
| Assets charged and collateral                                    | 15    |                    |                    |
| Related parties with controlling interest                        | 16    |                    |                    |
| Non-arm's length related party transactions                      | 17    |                    |                    |
| Group relations  | 18    |                    |                    |



# Statement of changes in equity for 2020

|                             | <b>Contributed<br/>capital<br/>DKK</b> | <b>Retained<br/>earnings<br/>DKK</b> | <b>Proposed<br/>dividend<br/>DKK</b> | <b>Total<br/>DKK</b> |
|-----------------------------|--|--------------------------------------|--------------------------------------|----------------------|
| Equity beginning of year    | 500,000                                | 39,177,891                           | 0                                    | 39,677,891           |
| Extraordinary dividend paid | 0                                      | (4,800,000)                          | 0                                    | (4,800,000)          |
| Profit/loss for the year    | 0                                      | 61,537                               | 2,800,000                            | 2,861,537            |
| <b>Equity end of year</b>   | <b>500,000</b>                         | <b>34,439,428</b>                    | <b>2,800,000</b>                     | <b>37,739,428</b>    |

# Notes

## 1 Staff costs

|                                       | 2020<br>DKK       | 2019<br>DKK       |
|---------------------------------------|-------------------|-------------------|
| Wages and salaries                    | 41,539,522        | 42,908,301        |
| Pension costs                         | 2,108,109         | 1,827,894         |
| Other social security costs           | 2,494,286         | 2,312,094         |
|                                       | <b>46,141,917</b> | <b>47,048,289</b> |
| Average number of full-time employees | 75                | 82                |

Referring to section 98b (3) of the Danish Financial Statements Act, the Entity has decided not to disclose remuneration for Management etc.

## 2 Depreciation, amortisation and impairment losses

|   | 2020<br>DKK       | 2019<br>DKK       |
|---|-------------------|-------------------|
| Amortisation of intangible assets             | 37,722            | 37,722            |
| Depreciation of property, plant and equipment | 22,625,183        | 22,717,175        |
|   | <b>22,662,905</b> | <b>22,754,897</b> |

## 3 Tax on profit/loss for the year

|                        | 2020<br>DKK    | 2019<br>DKK      |
|------------------------|----------------|------------------|
| Current tax            | 288,300        | 2,526,898        |
| Change in deferred tax | 548,022        | (1,141,243)      |
|                        | <b>836,322</b> | <b>1,385,655</b> |

## 4 Proposed distribution of profit and loss

|  | 2020<br>DKK      | 2019<br>DKK      |
|--|------------------|------------------|
| Ordinary dividend for the financial year | 2,800,000        | 0                |
| Retained earnings                        | 61,537           | 4,856,927        |
|  | <b>2,861,537</b> | <b>4,856,927</b> |

## 5 Intangible assets

|   | <b>Acquired<br/>intangible<br/>assets<br/>DKK</b> |
|---|---|
| Cost beginning of year                                | 175,727   |
| <b>Cost end of year</b>                               | <b>175,727</b>                                    |
| Amortisation and impairment losses beginning of year  | (69,287)  |
| Amortisation for the year                             | (37,722)  |
| <b>Amortisation and impairment losses end of year</b> | <b>(107,009)</b>                                  |
| <b>Carrying amount end of year</b>                    | <b>68,718</b>                                     |

## 6 Property, plant and equipment

|   | <b>Other fixtures<br/>and fittings,<br/>tools and<br/>equipment<br/>DKK</b> |
|---|---|
| Cost beginning of year                                | 144,430,129   |
| Changes in accounting policies                        | (1,625,967)   |
| Additions   | 35,889,349  |
| Disposals   | (15,922,987)  |
| <b>Cost end of year</b>                               | <b>162,770,524</b>  |
| Depreciation and impairment losses beginning of year  | (63,175,928)  |
| Changes in accounting policies                        | 549,297   |
| Depreciation for the year                             | (22,625,185)  |
| Reversal regarding disposals                          | 11,298,106  |
| <b>Depreciation and impairment losses end of year</b> | <b>(73,953,710)</b>   |
| <b>Carrying amount end of year</b>                    | <b>88,816,814</b>   |

Carrying amount end of year of Right of use assets and of other assets owned by third parties DKK 60.6 million.

## 7 Financial assets

|                                    | <b>Deposits<br/>DKK</b> |
|------------------------------------|-------------------------|
| Cost beginning of year             | 1,202,813               |
| Disposals                          | (737,341)               |
| <b>Cost end of year</b>            | <b>465,472</b>          |
| <b>Carrying amount end of year</b> | <b>465,472</b>          |

## 8 Deferred tax

|                                    | <b>2020</b>    | <b>2019</b>      |
|------------------------------------|----------------|------------------|
| <b>Changes during the year</b>     | <b>DKK</b>     | <b>DKK</b>       |
| Beginning of year                  | (300,022)      | 841,221          |
| Recognised in the income statement | 548,022        | (1,141,243)      |
| <b>End of year</b>                 | <b>248,000</b> | <b>(300,022)</b> |

## 9 Prepayments

Prepayments consists of prepaid costs including insurance and rent.

## 10 Share capital

|        | <b>Number</b> | <b>Par value</b> | <b>Nominal</b> | <b>Recorded par</b> |
|--------|---------------|------------------|----------------|---------------------|
|        |               | <b>DKK</b>       | <b>value</b>   | <b>value</b>        |
|        |               |                  | <b>DKK</b>     | <b>DKK</b>          |
| Shares | 1,000         | 500              | 500            | 500,000             |
|        | <b>1,000</b>  |                  | <b>500</b>     | <b>500,000</b>      |

No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

## 11 Other provisions

Residual value commitments relate to sales contracts subject to a buy-back clause, for which the re-purchase value is estimated to exceed the expected market value at the buy-back date.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the warranty period. Non-recourse guarantee commitments are recognised and measured at nominal value on the basis of prior years' experience.

## 12 Other payables

|                        | <b>2020</b>      | <b>2019</b>      |
|------------------------|------------------|------------------|
|                        | <b>DKK</b>       | <b>DKK</b>       |
| Holiday pay obligation | 4,276,226        | 1,504,309        |
|                        | <b>4,276,226</b> | <b>1,504,309</b> |

### 13 Non-current liabilities other than provisions

|                                     | Due within 12<br>months<br>2020<br>DKK | Due within 12<br>months<br>2019<br>DKK | Due after<br>more than 12<br>months<br>2020<br>DKK | Outstanding<br>after 5 years<br>2020<br>DKK |
|-------------------------------------|--|--|--|---|
| Lease liabilities                   | 8,260,383                              | 6,102,779                              | 26,830,815   | 809,808                                     |
| Prepayments received from customers | 0                                      | 0                                      | 21,148,293   | 0   |
| Other payables                      | 0                                      | 0                                      | 4,276,226  | 0   |
|                                     | <b>8,260,383</b>                       | <b>6,102,779</b>                       | <b>52,255,334</b>                                  | <b>809,808</b>                              |

### 14 Other payables

|   | 2020<br>DKK      | 2019<br>DKK      |
|---|------------------|------------------|
| VAT and duties  | 2,449,118        | 1,817,637        |
| Wages and salaries, personal income taxes, social security costs, etc payable | 1,753,671        | 757,509          |
| Holiday pay obligation  | 1,602,540        | 3,975,408        |
| Other costs payable   | 1,548,798        | 326,397          |
|   | <b>7,354,127</b> | <b>6,876,951</b> |

### 15 Assets charged and collateral

None.

### 16 Related parties with controlling interest

Jungheinrich Beteiligungs GmbH, Friedrich-Ebert-Damm 129, D-22047 Hamburg, owns the entire share capital and can therefore controlled the Entity.

### 17 Non-arm's length related party transactions

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

### 18 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Jungheinrich AG, Friedrich-Ebert-Damm 129, D-22047 Hamburg, HRB 44885.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Jungheinrich AG, Friedrich-Ebert-Damm 129, D-22047 Hamburg, HRB 44885

Copies of the consolidated financial statements of Jungheinrich AG may be ordered at the following address:  
Friedrich-Ebert-Damm 129, D-22047 Hamburg or from <https://www.jungheinrich.com/en/investor-relations>.



# Accounting policies

## Reporting class

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

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

## Material errors in previous years

The Entity has decided to change the presentation of sale and lease back in the Balance sheet. Sale and lease back asset has in prior year been presented as part of Property, plant and equipment, but has now been presented as part of trade receivables.

The Entity has further decided to include liabilities relating to vendor leasing as part of prepayments received from customers instead of as part of lease liabilities.

The change in presentation of recognition of sale and lease back assets and liabilities relating to vendor lease has no impact on the result nor the equity.

## 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, changes in inventories of finished goods, other operating income, cost of raw materials and consumables and external expenses.



**Revenue**

The Company has chosen to use IFRS 15 Revenue from contracts with customers as the basis of interpretation when recognising revenue.

IFRS 15 contains one overall and comprehensive model for the recognition of revenue. The fundamental principle in IFRS 15 is that the Company is to recognise revenue so it reflects goods or services provided to customers at the amounts to which the Company is expected to be entitled for the provision of these goods or services.

**Cost of sales**

Cost of sales comprises costs of sales and freight for the financial year measured at cost, adjusted for ordinary inventory write-downs.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

**Depreciation, amortisation and impairment losses**

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

**Other financial income**

Other financial income comprises dividends etc received on other investments, 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.

**Balance sheet****Intellectual property rights etc**

Acquired software is measured at cost less accumulated amortisation and impairment losses. Straight-line amortisation is made on the basis of the estimated useful life of the asset.

The useful life and the booked value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively. The estimated useful lives are as follows:

|          |              |
|----------|--------------|
| Software | 3 to 8 years |
|----------|--------------|

### **Property, plant and equipment**

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

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line and diminishing balance depreciation is applied to rental equipment. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

|                            |               |
|----------------------------|---------------|
| Lease and rental equipment | 5 to 9 years  |
| Tools and equipment        | 3 to 14 years |

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Profit or loss from the divestment of rental activities is included in gross profit or loss. Profit or loss from current replacement of property, plant and equipment is recognised as income or expenses in Other external expenses. Property, plant and equipment

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

### **Impairment of fixed assets**

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

**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.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Prepayments**

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

**Cash**

Cash comprises cash in hand and bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Other provisions**

Other provisions comprise complaints, non-recourse guarantee commitments and provisions for residual value commitments that are subject to uncertainty about the amounts or to the date of maturity.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the warranty period. Non-recourse guarantee commitments are recognised and measured at nominal value on the basis of prior years' experience.

**Leased assets and lease liabilities**

The Company has chosen to use IFRS 16 Leases as the basis of interpretation for recognising and measurement of leases to which the Company is the lessee.

When entering into a contract, the Company assesses whether the contract is a lease or contains a lease component. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When an assessing whether a contract

contains a lease component, it must be considered whether, during the period of use, the lessee has the right to substantially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

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

Lease liabilities recognised as "Lease liabilities" are initially measured at the present value of the lease payments that are not paid at the date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. The lease payments consist of fixed and variable lease payments that depend on an index or a rate, guaranteed residual values, purchase options and extension options if the Company is reasonably certain to exercise the option and termination penalties if the lease term reflects the Company exercising an option to terminate the lease. The lease liability is subsequently adjusted as follows if:

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

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

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

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

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

#### **Other financial liabilities**

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

#### **Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

#### **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.

#### **Cash flow statement**

Omission of referring to Section 86(4) of the Danish Financial Statements Act, Jungheinrich Danmark A/S has

decided not to prepare cash flow statement as this is included in the consolidated financial statements of Jungheinrich Aktiengesellschaft in which Jungheinrich Danmark A/S is included.