

# Sitech Denmark A/S

Mossvej 9  
8700 Horsens

CVR no. 32 76 34 64

## Annual report 2019

The annual report was presented and approved at  
the Company's annual general meeting on

6 July 2020

  
\_\_\_\_\_  
chairman

## **Contents**

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of Sitech Denmark A/S for the financial year 1 January – 31 December 2019.

The annual report has been 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 assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Horsens, 6 July 2020  
Executive Board:



Joe Andersen

Board of Directors:



Andreas Hendrix  
Chairman



Frank Arnold Dahlhoff



Daniel Bernard Green



Joe Andersen

## **Independent auditor's report**

### **To the shareholder of Sitech Denmark A/S**

#### **Opinion**

We have audited the financial statements of Sitech Denmark A/S for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility 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 that 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 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.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

## Independent auditor's report

- 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.

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

## Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Aarhus, 6 July 2020

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Michael E. K. Rasmussen  
State Authorised  
Public Accountant  
mne41364

**Sitech Denmark A/S**  
Annual report 2019  
CVR no. 32 76 34 64

## **Management's review**

### **Company details**

Sitech Denmark A/S  
Mossvej 9  
8700 Horsens

Telephone: +45 70254414  
Fax: +45 70254415

CVR no.: 32 76 34 64  
Established: 29 January 2010  
Registered office: Horsens  
Financial year: 1 January – 31 December

### **Board of Directors**

Andreas Hendrix, Chairman  
Frank Arnold Dahlhoff  
Daniel Bernard Green  
Joe Andersen

### **Executive Board**

Joe Andersen

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Bredskifte Allé 13  
DK-8210 Aarhus V

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's principal activities comprise marketing and sales in Denmark, Greenland and the Faroe Islands of Trimble construction technology systems to heavy and highway construction industries. Furthermore, the Company provides spare parts and offers customer service, personalised training and technical support within these areas.

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

For the year under review, the Company reported a profit of DKK 3,903 thousand, total assets of DKK 18,586 thousand and equity of DKK 10,795 thousand. Profit for the year was positively affected by the recognition of deferred tax assets, which previously were not recognised, at an amount of DKK 1,328 thousand.

#### **Outlook**

Due to the ongoing economic crisis in the society because of the COVID-19 virus outbreak, the Management of Sitech Denmark A/S expects an impact on the business end of Q2, reducing revenue and EBIT for the full year.

Budget revenue 2020 was already reduced by 7.7% compared to actual results for 2019 due to a shortage of projects in the Danish civil infrastructure industry. Together with the outbreak of COVID-19, it is expected to further reduce market business potential due to missing construction machinery deliveries from the global OEM's. This is expected to affect full-year revenue by 20% compared to budget.

Revenue is projected to be in the range of DKK 38 million for the full year.

Keeping a stable GM and taking measures in COS and OPEX, Sitech Denmark A/S is expected to end the year at 0% EBITA.

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2019	2018
<b>Gross profit</b>		17,028,343	13,604,556
Staff costs	2	-12,263,706	-11,295,591
Depreciation, amortisation and impairment losses		<u>-1,447,978</u>	<u>-741,086</u>
<b>Ordinary operating profit</b>		3,316,659	1,567,879
Other operating costs		<u>-13,776</u>	<u>-872</u>
<b>Operating profit</b>		3,302,883	1,567,007
Financial expenses	3	<u>-23,612</u>	<u>-30,593</u>
<b>Profit before tax</b>		3,279,271	1,536,414
Tax on profit for the year	4	<u>624,079</u>	<u>0</u>
<b>Profit for the year</b>		<u>3,903,350</u>	<u>1,536,414</u>
<b>Proposed profit appropriation</b>			
Retained earnings		<u>3,903,350</u>	<u>1,536,414</u>



## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2019	31/12 2018
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	5		
Leased assets		727,743	1,169,376
Fixtures and fittings, tools and equipment		<u>1,623,262</u>	<u>2,352,453</u>
		2,351,005	3,521,829
<b>Total fixed assets</b>		<u>2,351,005</u>	<u>3,521,829</u>
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		<u>8,123,473</u>	<u>5,441,809</u>
<b>Receivables</b>			
Trade receivables		5,977,594	5,585,765
Deferred tax asset		1,257,746	0
Prepayments		<u>49,921</u>	<u>41,756</u>
		7,285,261	5,627,521
<b>Cash at bank and in hand</b>		<u>826,331</u>	<u>0</u>
<b>Total current assets</b>		<u>16,235,065</u>	<u>11,069,330</u>
<b>TOTAL ASSETS</b>		<u>18,586,070</u>	<u>14,591,159</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2019	31/12 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		500,000	500,000
Retained earnings		<u>10,295,490</u>	<u>6,392,140</u>
<b>Total equity</b>		<u>10,795,490</u>	<u>6,892,140</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other payables	6	<u>299,848</u>	<u>0</u>
<b>Current liabilities</b>			
Trade payables		2,146,323	1,965,719
Payables to group entities		115,450	2,098,687
Corporation tax		643,808	0
Other payables		3,820,499	3,201,444
Deferred income		<u>764,652</u>	<u>433,169</u>
		<u>7,490,732</u>	<u>7,699,019</u>
<b>Total liabilities</b>		<u>7,790,580</u>	<u>7,699,019</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>18,586,070</u>	<u>14,591,159</u>
 <b>Contractual obligations, contingencies, etc.</b>			
	7		
<b>Related party disclosures</b>	8		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2019	500,000	6,392,140	6,892,140
Transferred over the profit appropriation	0	3,903,350	3,903,350
<b>Equity at 31 December 2019</b>	<b>500,000</b>	<b>10,295,490</b>	<b>10,795,490</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Sitech Denmark A/S for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

A few reclassifications of comparative figures from the previous year have been made.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, 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.

### Income statement

#### Revenue

Income from the sale of goods and services, comprising the sale of systems and software as well as consultancy services within these systems, is recognised in the income statement when delivery and transfer of risks to the buyer have taken place and provided that the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

#### Cost of sales

Item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

#### Other external costs

Other external costs comprise costs for distribution, administration, premises, sale, advertising, bad debts, operating leases, etc.

#### Gross profit

With reference to section 32 of the Danish Financial Statements, the Company has aggregated revenue, cost of sales, other external costs and other income in one line item named gross profit.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Staff costs

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc. to the Company's employees.

##### Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

##### Financial expenses

Financial expenses are recognised in the income statement at the amounts relating to the financial year.

##### Tax on profit/loss for the year

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised directly in the income statement.

The Company is jointly taxed with its Parent Company and its subsidiaries. Current income tax is allocated between jointly taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses). The administrative company is Pon Holding Denmark A/S (CVR no. 21 86 47 06).

### Balance sheet

#### Property, plant and equipment

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

Depreciation is provided in a straight-line basis over the expected useful lives of the assets.

The expected useful lives are as follows:

Leased assets	1-5 year
Fixtures and fittings, tools and equipment	3 years

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

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or operating costs, respectively.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Leased assets

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value of future lease payments is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are treated as operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in contingencies, etc.

##### Impairment of fixed assets

The carrying amount of 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.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

Finished goods are measured at cost, comprising the cost of raw materials and consumables.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

##### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

##### Equity

###### *Dividends*

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

DKK	2019	2018
-----	------	------

#### 2 Staff costs

Wages and salaries	10,820,930	9,939,260
Pensions	981,358	898,017
Other social security costs	126,653	111,274
Other staff costs	<u>334,765</u>	<u>347,040</u>
	<u>12,263,706</u>	<u>11,295,591</u>
Average number of full-time employees	<u>16</u>	<u>16</u>

#### 3 Financial expenses

Interest expense to group entities	6,581	16,417
Other financial expenses	<u>17,031</u>	<u>14,176</u>
	<u>23,612</u>	<u>30,593</u>

#### 4 Tax on profit for the year

DKK	2019	2018
Current tax for the year	-643,808	4,061
Deferred tax for the year	-80,010	0
Adjustment of tax concerning previous years	1,337,756	-4,061
Adjustment of deferred tax concerning previous year	<u>10,141</u>	<u>0</u>
	<u>624,079</u>	<u>0</u>



## Financial statements 1 January – 31 December

### Notes

#### 5 Property, plant and equipment

DKK	Leased assets	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2019	2,618,112	3,373,617	5,991,729
Additions for the year	770,886	470,030	1,240,916
Disposals for the year	-824,276	-805,311	-1,629,587
Cost at 31 December 2019	2,564,722	3,038,336	5,603,058
Depreciation and impairment losses at 1 January 2019	-1,448,736	-1,021,164	-2,469,900
Depreciation for the year	-535,553	-912,424	-1,447,977
Depreciation and impairment losses for the year on assets sold	147,310	518,514	665,824
Depreciation and impairment losses at 31 December 2019	-1,836,979	-1,415,074	-3,252,053
<b>Carrying amount at 31 December 2019</b>	<b>727,743</b>	<b>1,623,262</b>	<b>2,351,005</b>

#### 6 Non-current liabilities

DKK	31/12 2019	31/12 2018
<b>Other payables</b>		
0-1 years	3,820,499	3,201,444
1-5 years	299,848	0
	<b>4,120,347</b>	<b>3,201,444</b>

#### 7 Contractual obligations, contingencies, etc.

##### Contingent liabilities

The Company is jointly taxed with the Parent Company, Pon Holding Denmark A/S, and its subsidiaries. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc. may entail that the companies' liability will increase.

##### Contractual obligations

The Company has entered into lease liabilities regarding the lease of premises with a non-cancellable period of four years. The lease liability during the period of interminability represents DKK 1,330 thousand (2018: DKK 1,765 thousand).

Further, the Company has entered into other lease liabilities with a total lease payment of DKK 291 thousand (2018: DKK 291 thousand).

##### Operating lease obligations

The Company has entered into operating leases, comprising seven cars, with a total annual lease payment of DKK 430 thousand. The leases have a remaining term of 15-48 months and a total residual payment of DKK 1,273 thousand (2018: DKK 1,504 thousand).

## Financial statements 1 January – 31 December

### Notes

#### Guarantees

A guarantee of DKK 125 thousand (2018: DKK 125 thousand) has been provided to a third party. The guarantee for which no expiry date has been determined is facilitated via Nordea Bank.

#### 8 Related party disclosures

Sitech Denmark A/S is part of the consolidated financial statements of Pon Equipment Holding B.V., Rondelbeltweg 41, 1300 Almere, the Netherlands, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Pon Equipment Holding B.V. can be obtained by contacting the Company.