BMS
Heavy Cranes A/S

Troldholm 8, 9400 Nørresundby
CVR no. 33 49 96 39

Annual report 2019

The Annual Report was presented and adopted at
the Annual General Meeting of the Company

on 28/5 2020

Chairman of the general meeting

BMS
Heavy Cranes A/S

Contents

BMS
Heavy Cranes A/S

Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of BMS Heavy Cranes 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2019 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 1 January – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the Parent Company's operations and financial position.

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

Nørresundby, May 28th 2020

Executive Board

Jens Enggaard
CEO

Board of directors

Jørgen Enggaard
Chairman

Jens Enggaard

Asger Enggaard

Morten Kammer

Søren Enggaard

John Mikkelsen

BMS
Heavy Cranes A/S

Independent auditor's report

To the shareholders of BMS Heavy Cranes A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of BMS Heavy Cranes A/S for the financial year 1 January – 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for both the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2019 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis of 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

BMS
Heavy Cranes A/S

Independent auditor's report

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.

Aalborg, May 28th 2020

Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Allan Terp
State Authorized Public Accountant
mne33198

Henrik K. Andersen
State Authorized Public Accountant
mne36193

BMS
Heavy Cranes A/S

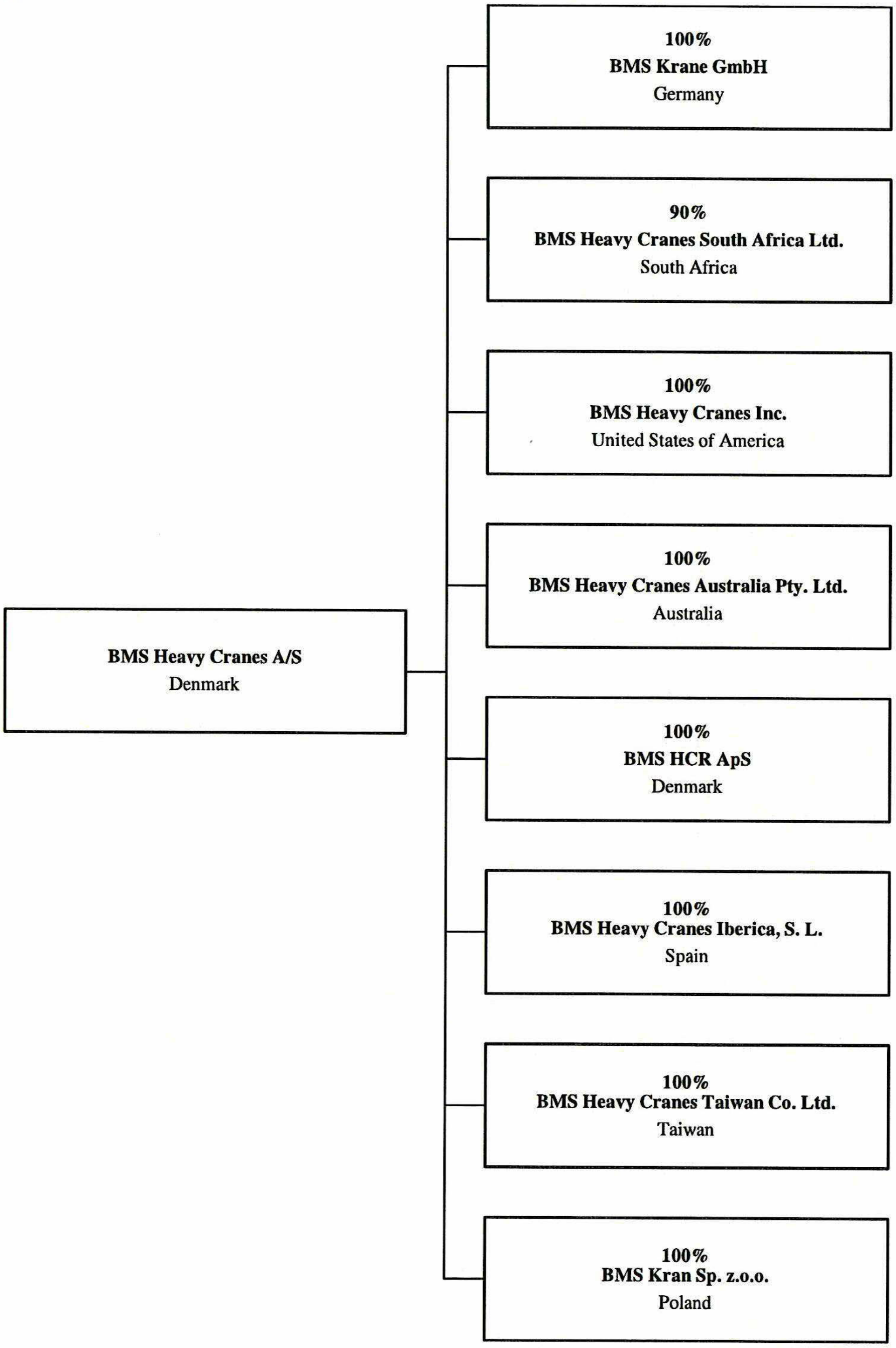
Management's review

Company Information

Company	BMS Heavy Cranes A/S Troldholm 8 9400 Nørresundby Denmark	
	CVR no.:	33 49 96 39
	Municipality of reg. office:	Aalborg
	Formation of the Company:	16 February 2011
	Financial period:	1 January - 31 December
	Telephone:	+45 70 137 138
	Telefax:	+45 44 57 07 41
	E-mail:	info@bms.dk
	Website:	www.bms.dk
Board of Directors	Jørgen Enggaard (chairman) Søren Enggaard Jens Enggaard John Mikkelsen Asger Enggaard	
Executive Board	Jens Enggaard (CEO) Morten Kammer	
Auditor	Ernst & Young P/S Godkendt Revisionspartnerselskab Vestre Havnepromenade 1A 9000 Aalborg	

Management's review

Group chart



BMS
Heavy Cranes A/S

Management's review

Financial Highlights for the Group

In DKK millions	2019	2018	2017	2016	2015
Key figures					
Revenue	867,6	542,7	505,1	402,9	446,2
Gross profit/loss	79,2	65,5	61,0	44,0	49,0
Profit/loss from ordinary activities	30,3	20,1	30,7	17,6	27,7
Profit/loss from net financials	0,8	-3,9	-8,8	-4,7	-4,0
Profit/loss before tax	31,0	16,3	21,9	12,9	23,7
Profit/loss for the year	24,7	12,4	16,8	9,8	18,3
Non-current assets	275,6	226,2	198,0	197,7	151,4
Current assents	334,8	241,5	216,6	179,1	149,9
Total assets	610,4	467,7	414,6	376,9	301,3
Portion relating to investments in items of property, plant and equipment	-70,7	-63,9	-25,4	-68,0	-80,1
Equity	153,8	128,8	115,9	95,4	90,2
Non-current liabilities	223,1	172,4	141,3	149,0	104,0
Current liabilities	233,5	166,4	155,8	132,1	105,2
Cash flows from operating activities	89,1	0,1	33,4	17,5	16,5
Cash flow from investing activities	-73,3	-55,4	-25,8	-68,0	-55,9
Cash flows from financing activities	6,7	50,8	-2,8	50,9	36,6
Total Cash flows	22,6	-4,5	4,8	0,4	-2,8
Key figures in %:					
Gross margin	9,1	12,1	12,1	10,9	11,0
Profit margin	3,5	3,7	6,1	4,4	6,2
Current ratio	143,4	145,1	139,0	135,6	142,5
Return on assets	5,6	4,6	7,9	5,2	9,9
Return on invested capital	8,2	6,2	11,3	7,2	15,0
Cash conversion ratio	536,0	466,2	192,8	485,8	261,4
Solvency ratio	25,2	27,7	28,0	25,3	29,9
Return on equity	17,5	10,1	15,9	10,6	22,9
Average number of full-time employees	168	120	105	90	93

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

BMS
Heavy Cranes A/S

Management's review

Principipal activities of the Group
The Group's main activity is providing crane services and other related services.

Unusual events
The financial position at 31 December 2019 of the Group and the results of the activities of the Group for the financial year for 2019 have not been affected by any unusual events.

Development in the financial year
The income statement of the Group for 2019 shows a profit of DKK 24.719 thousand, and at 31 December 2019 the balance sheet of the Group shows equity of DKK 153.998 thousand.

The past year and follow-up on development expectations from last year
The result for the year is higher than last year's result due to increased activities where expectations were announced at a level equal to the previous year. The result for the year is considered very satisfactory.

Expections for the next year
The Management's expect the Group to generate a profit in the next year at a level equal to 2019.

Intellectual capital
It is important for the Group's continued growth and development to be able to attract and retain highly-educated and experienced employees, including fieldwork and administrative employees specialized in crane service industry.

Special risks - operating risks and financial risks etc.
Operating risks
The Group is exposed to risks related to its activities and financial position that are normal for the crane service industry. On an on-going basis Management take into consideration the risks that Group faces due to its activities.

Financial risks
Due to the Group's activities, investments and financing it is exposed to changes in foreign exchange rates and changes in interest rates. The Group's policy is not to speculate in such changes nor make profit of hedging transactions based on speculations. The Group's financial management aims only to minimize the financial risks of activities, investments and financing.

Foreign exchange and interest risks
A large part of the Group's trade and financing takes place in foreign currency. The Company does, when relevant, hedge this risk on an ongoing basis by entering offsetting agreements, swaps, etc.

External environment
The Group believes that it is in compliance with applicable laws and regulations at all times and strives to reduce the environmental impact of its activities.

Research and development
No research and development activities were performed in or for the Group.

Subsequent events
No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Management's review

Corporate Social Responsibility

The Company's financial statements are part of the group financial statements for A. Enggaard Kraner A/S. In accordance with the Danish financial statement act section 99a, part 6, the company refers to the Annual Report for 2019 for A. Enggaard Kraner A/S for detailed policies in relation to the corporate social responsibilities and follow-up on these.

Gender diversity

The Group acknowledge the strength of diversity among its employees and is working on enhancing the number of female leaders. The Group has established a goal that 20% of the board of directors should be female at the end of 2022. At the end of 2019, no female was represented as board member of the Group. During 2019 there has been no replacements among the Board of Directors.

The Danish Companies Act section 139 a, paragraph 2 requires that the Group implement a policy to favorably treat employees based on gender, in order to promote the underrepresented gender in the additional management levels. The Company does not employ, promote or dismiss employees based on their ethical origin, religion, political views, sexual orientation, age or gender but alone focus on the skill set of the individual. When employing and recruiting for management positions, the Group aims to have both male and female candidates despite the circumstance that the Group operates in an environment, which traditionally is male dominated. When considering two equally qualified candidates the desire for diversity will prevail. It is the Groups policy that the percentage of female employees is reflected at management level at the end of 2022 the latest. The number of females at management level is unchanged compared to last year but it has increased at sublevel management.

BMS
Heavy Cranes A/S

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

DKK'000	Note	Group 2019	Group 2018	Parent 2019	Parent 2018
Revenue		**867.579**	**542.685**	**691.108**	**503.785**
Production costs	2	-788.342	-477.173	-623.522	-443.582
Gross profit/loss		**79.237**	**65.512**	**67.586**	**60.203**
Administrative expenses	2-3	-48.984	-45.406	-40.126	-33.532
Profit/loss from ordinary activities		**30.253**	**20.106**	**27.460**	**26.671**
Share of net result after tax in subsidiaries	8	0	0	7.759	-6.602
Share of net result after tax in associates	8	7.440	-1.410	0	0
Financial income	4	82	2.591	761	2.671
Financial expenses	5	-6.761	-5.035	-5.925	-4.648
Profit/loss before tax		**31.014**	**16.252**	**30.055**	**18.092**
Tax on profit/loss for the year	6	-6.352	-3.835	-5.336	-5.638
Net profit/loss for the year		**24.662**	**12.416**	**24.719**	**12.454**

	2019	2018
Breakdown of the consolidated results of operations:		
Shareholders, BMS Heavy Cranes A/S	24.719	12.454
Non-controlling interests	-57	-38
	24.662	**12.416**

BMS
Heavy Cranes A/S

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Assets	Note	Group 2019	Group 2018	Parent 2019	Parent 2018
DKK'000					
Plant and machinery		257.269	221.715	248.556	214.087
Fixtures and fittings, plant and equipment		4.016	2.468	1.736	1.183
Property, plant and equipment	7	**261.285**	**224.183**	**250.292**	**215.270**
Equity investments in subsidiaries		0	0	15.620	3.651
Equity investments in associates		9.241	1.426	0	0
Deferred tax asset	9	5.081	556	339	0
Other non-current assets	8	**14.322**	**1.982**	**15.959**	**3.651**
Non-current assets		**275.607**	**226.165**	**266.251**	**218.921**
Goods for resale		255	0	0	0
Inventories		**255**	**0**	**0**	**0**
Trade receivables		300.567	177.876	215.680	134.798
Receivables from group entities		451	54.902	40.289	94.523
Receivables from associates		3.422	2.298	3.422	2.298
Other receivables		3.969	3.262	2.015	2.275
Prepayments		426	644	75	643
Receivables		**308.835**	**238.982**	**261.481**	**234.537**
Cash		**25.717**	**2.523**	**13.931**	**12**
Current assets		**334.807**	**241.505**	**275.412**	**234.549**
Total assets		**610.414**	**467.670**	**541.663**	**453.470**

BMS
Heavy Cranes A/S

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Liabilities and equity		**Group**		**Parent**	
DKK'000	Note	2019	2018	2019	2018
Share capital		12.500	12.500	12.500	12.500
Retained earnings		141.498	116.475	139.377	116.475
Reserve of equity investments		0	0	2.121	0
Equity holders' share of equity, BMS Heavy Cranes A/S		**153.998**	**128.975**	**153.998**	**128.975**
Non-controlling interests		-193	-128	0	0
Total equity		**153.805**	**128.847**	**153.998**	**128.975**
Deferred tax	9	0	0	0	1.581
Other provisions	10	23.586	7.050	12.479	5.700
Debt to mortgage credit institutions	11	3.080	4.196	3.080	4.196
Lease obligations	11	196.473	168.187	191.177	162.063
Non-current liabilities		**223.139**	**179.433**	**206.736**	**173.540**
Debt to mortgage credit institutions	11	1.077	1.058	1.077	1.058
Lease obligations	11	30.896	24.202	29.980	23.367
Debt to credit institutions		408	27.411	0	27.411
Trade payables		104.363	53.689	67.703	52.537
Payables to group entities		55.659	29.422	56.928	28.505
Income tax		5.947	5.223	2.641	5.174
Other payables		35.120	18.385	22.600	12.902
Current liabilities		**233.470**	**159.390**	**180.929**	**150.954**
Liabilities		**456.609**	**338.823**	**387.665**	**324.495**
Total liabilities and equity		**610.414**	**467.670**	**541.663**	**453.470**

Accounting policies	1
Staff costs	12
Contractual obligations and contingencies	13
Mortgages and collateral	14
Currency and interest rate risks and use of derivative financial instruments	15
Related parties	16
Appropriation of profit/loss	17

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

	Group				
DKK'000	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
Equity 1 January	12.500	116.475	**128.975**	-128	**128.847**
Distribution of profit/loss	0	24.719	**24.719**	-57	**24.662**
Foreign exchange adjustments, foreign subsidiary	0	321	**321**	-8	**313**
Reversal of value adjustment of hedging instruments, beginning of year	0	2.404	**2.404**	0	**2.404**
Value adjustment of hedging instruments, year-end	0	-2.427	**-2.427**	0	**-2.427**
Tax on equity transactions	0	6	**6**	0	**6**
Equity 31 December	**12.500**	**141.498**	**153.998**	**-193**	**153.805**

BMS
Heavy Cranes A/S

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

	Parent			
DKK'000	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Total
Equity 1 January	12.500	0	116.475	**128.975**
Distribution of profit/loss	0	2.121	22.598	**24.719**
Foreign exchange adjustments, foreign subsidiary	0	0	321	**321**
Reversal of value adjustment of hedging instruments, beginning of year	0	0	2.404	**2.404**
Value adjustment of hedging instruments, year-end	0	0	-2.427	**-2.427**
Tax on equity transactions	0	0	6	**6**
Equity 31 December	**12.500**	**2.121**	**139.377**	**153.998**

The share capital comprises 12.500 class A shares of DKK 1.000 each.

The share capital has remained unchanged for the past five years.

BMS
Heavy Cranes A/S

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

DKK'000	Group		Parent	
	2019	2018	2019	2018
Profit/loss before tax	31.014	16.251	30.055	18.092
Amortisation/depreciation charges	36.596	26.431	34.632	24.438
Profit/loss on disposal of property, plant and equipment	89	-473	48	-518
Income taxes	-9.597	-2.333	-9.243	-2.184
Share of net profit/loss in subsidiaries and associates	-7.440	1.410	-9.111	6.602
Cash flows from primary activities	**50.662**	**41.286**	**46.381**	**46.430**
Change in inventories	-144	0	0	0
Change in receivables	-59.812	-25.950	-28.529	-19.933
Change in provisions	16.536	1.150	6.779	-200
Change in trade payables	42.906	-3.997	15.166	-6.362
Change in other payables	39.006	-12.962	38.121	-11.724
Fair value adjustments of hedging instruments recognised in equity	-23	562	-23	562
Cash flows from operating activities	**89.131**	**89**	**77.895**	**8.773**
Acquisition of property, plant and equipment	-70.711	-63.924	-68.401	-55.529
Disposal of property, plant and equipment	150	8.535	51	618
Acquisition of subsidiaries, associates and activities	-2.713	0	-2.844	-85
Cash flows from investing activities	**-73.274**	**-55.389**	**-71.194**	**-54.996**
Unrealised value adjustments in the year etc.	261	156	0	0
Increase in debt to credit institutions	62.069	56.207	62.069	48.924
Repayment of non-current liabilities	-28.598	-19.283	-27.440	-18.959
Changes in overdraft facilities	-27.003	13.703	-27.411	14.922
Cash flows from financing activities	**6.729**	**50.783**	**7.218**	**44.887**
Total changes in cash flow	**22.586**	**-4.517**	**13.919**	**-1.336**
Cash and cash equivalents at 1 January	2.523	7.040	12	1.348
Net adjustments from new group entities	608	0	0	0
Cash and cash equivalents at 31 December	**25.717**	**2.523**	**13.931**	**12**

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies

The annual report of BMS Heavy Cranes A/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The financial statements have been prepared in accordance with the same accounting policies as last year.

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company BMS Heavy Cranes A/S and subsidiaries controlled by BMS Heavy Cranes A/S.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing if the Parent Company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating decisions the group exercises significant influence are classified as associates. Significant influence is assumed to exist if the Parent Company directly or indirectly holds or controls 20% or more of the voting power of the investee, but does not control the investee.

The existence of potential voting rights which may currently be exercised or converted into voting rights is considered when assessing if significant influence exists.

Joint arrangements

Joint arrangements are activities or entities of which the group and one or more other parties have joint control based on cooperation agreements. Joint control implies that decisions on relevant activities require unanimous consent among the parties jointly controlling the arrangement.

Jointly controlled arrangements are classified either as joint operations or joint ventures. Joint operations are activities where the participants have direct rights over assets and are subject to direct liability, whereas joint ventures are activities where the participants solely have rights over the net assets.

The Management's review includes a group chart.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Preparation of consolidated financial statements

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

In the consolidated financial statements, the items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the Group's profit/loss and equity, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Equity investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The Group's activities in joint operations are recognised in the consolidated financial statements on a line-by-line basis.

Business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the Group actually obtains control of the acquiree.

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial-statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities, contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from divestment or winding-up of subsidiaries which imply that control is no longer maintained are calculated as the difference between, on the one hand, the selling price less selling expenses and, on the other hand, the proportionate share of the carrying amount of net assets. If the entity still holds equity investments in the divested entity, the remaining proportionate share of the carrying amount forms the basis for the measurement of equity investments in associates or securities and equity investments.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' ownership share or at the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities.

In the former scenario, goodwill relating to the non-controlling interests' share in the acquired entity is thus recognised, while, in the latter scenario, goodwill relating to the non-controlling interests' share is not recognised. Measurement of non-controlling interests is chosen on a transaction-by-transaction basis.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of equity investments, mergers, demergers, additions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are taken directly to equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

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 rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. 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.

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at average exchange rates for the year, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign entities to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Foreign exchange adjustments of balances with separate foreign subsidiaries which are considered part of the total investment in the subsidiary are taken directly to equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at closing rates. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity must be transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously recognised in equity must be transferred to the income statement in the period in which the hedged item affects the income statement.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

Fair value adjustments of derivative financial instruments held to hedge net investments in separate foreign subsidiaries or associates are recognised directly in equity.

Segment information

Disclosure of activity and geographic information are not included in the annual report since there are no reasonable split of the Group's activities.

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

On the conclusion of sales contracts which consist of several, separate sales transactions, the contract price is split up into the individual sales transactions based on the relative fair value approach. The separate sales transactions are recognised as revenue when the criteria for sale of goods, services or construction contracts are met.

A contract is split up into individual transactions when the fair value of each individual sales transaction can be calculated reliably and when each individual sales transaction has a separate value for the purchaser. Sales transactions are deemed to have a separate value for the purchaser when the transaction is individually identifiable and is usually sold separately.

Income from the sale of services, which include service contracts and extended warranty commitments relating to products and services sold, is recognised on a straight-line basis as the services are rendered.

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

Production costs

Production costs comprise costs, including depreciation/amortisation charges, wages and salaries as well as rent and leases and profit/loss on disposal of tangible assets, incurred in generating the year's revenue.

Administrative costs

Administrative expenses comprise costs incurred in the year to manage and administer the Company, including expenses related to administrative staff, management, office premises, office expenses and amortisation/depreciation etc.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Profit/loss from equity investments in subsidiaries and associates

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries and associates are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries. One proportionate elimination of intra-group gains/losses is made for equity investments in associates.

Shares of profit/loss after tax in associates are recognised in the consolidated income statement after elimination of a proportionate share of unrealised intra-group gains/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax for the year

The Parent Company and its Danish subsidiaries are subject to the Danish rules on mandatory joint taxation of A. Enggaard Kraner A/S Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

A. Enggaard Kraner A/S acts as Management Company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

The tax expense for the year, which comprises the year's current tax charge, joint taxation contributions and changes in the deferred tax charge – including changes arising from changes in tax rates – 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.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Plant and machinery	5-15 years
Fixtures and fittings, plant and equipment	3-10 years

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

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

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as production costs.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the net present value of future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

The capitalised residual lease liability 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 considered 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 liabilities relating to operating leases and other leases are disclosed in contingencies, etc.

Equity investments in subsidiaries and associates

Equity investments in subsidiaries and associates are measured according to the equity method in the parent company financial statements. The Parent Company has chosen to consider the equity method a measurement method.

On initial recognition, equity investments in subsidiaries and associates are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding the consolidated financial statements above.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies in the consolidated financial statements. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

To avoid negative impact on the Group's operations, information of associates are not disclosed in the annual report in accordance to the Danish Financial Statements Act § 97a (4).

Impairment of non-current assets

The carrying amount of property, plant and equipment and equity investments in subsidiaries and associates is tested annually for impairment.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are assessed for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domicile and credit ratings of the debtors in accordance with the Group's credit risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the net present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Current assets" comprise expenses incurred concerning subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of equity investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve can be eliminated in case of losses, realisation of equity investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Dividend

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Income tax receivable" or "Income tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes or on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting neither the profit/loss for the year nor the taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the expected value of their utilisation; 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 and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

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.

Provisions

Provisions comprise anticipated costs related to demobilization of rental equipment. Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value and recognised based on past experience.

1 Accounting policies (continued)

Liabilities other than provisions

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

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from corporate acquisitions are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and financial assets.

Cash flows from financing activities

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

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Key figures

The financial ratios stated under "Financial highlights" have been calculated as follows:

Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit/loss from ordinary activities x 100}}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Return on assets	$\frac{\text{Profit/loss from ordinary activities x 100}}{\text{Average of total assets}}$
Return on invested capital	$\frac{\text{Profit/loss from ordinary activities x 100}}{\text{Average of invested capital}}$
Cash conversion ratio	$\frac{\text{Free cash flow before acquisitions x 100}}{\text{Profit/loss from ordinary activities}}$
Solvency ration	$\frac{\text{Equity at year end x 100}}{\text{Total liablities and equity at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$
Definition of invested capital	Equity, lease obligations, debt to mortgage credit institutions and debt to credit institutions

BMS
Heavy Cranes A/S

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

DKK'000	Group		Parent	
	2019	2018	2019	2018
2 Amortisation, depreciation and impairment losses				
Plant and machinery	34.119	25.469	32.815	24.041
Fixtures and fittings, plant and equipment	1.125	962	465	397
Investment in subsidiaries	1.352	0	1.352	0
	36.596	**26.431**	**34.632**	**24.438**
Amortisation/depreciation charges and impairment losses are recognised under the following line items:				
Production costs	36.596	26.431	34.632	24.438
	36.596	**26.431**	**34.632**	**24.438**
3 Fees paid to auditors appointed at the annual general meeting				
Fee for statutory audit	153	133	150	130
Fees for tax advisory services	5	5	5	5
Assurance engagements	0	26	0	26
Other assistance	3	3	3	3
	161	**167**	**158**	**164**
4 Financial income				
Interest income from subsidiaries	0	361	737	585
Other interest income	82	2.230	24	2.086
	82	**2.591**	**761**	**2.671**
5 Financial expenses				
Interest expenses to subsidiaries	476	747	476	517
Other interest expenses	6.285	4.288	5.449	4.131
	6.761	**5.035**	**5.925**	**4.648**

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

DKK'000	Group		Parent	
	2019	2018	2019	2018
6 Tax for the year				
Current tax charge for the year	10.861	5.848	7.251	5.638
Adjustment of the deferred tax charge for the year	-4.514	-2.013	-1.920	123
	6.347	**3.835**	**5.331**	**5.761**
Analysed as follows:				
Tax for the year	6.352	3.712	5.336	5.638
Tax on changes in equity	-5	123	-5	123
	6.347	**3.835**	**5.331**	**5.761**

BMS
Heavy Cranes A/S

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

DKK'000

7 Property, plant and equipment

Group	Plant and machinery	Fixtures and fittings, plant and equipment	Total
Cost at 1 January	329.282	9.570	338.853
Cost from new group entities	2.494	119	2.613
Exchange rate adjustment relating to foreign entities	142	116	257
Additions	67.934	2.777	70.711
Disposals	-2.537	-804	-3.341
Cost at 31 December	397.315	11.778	409.093
Depreciation and impairment losses at 1 January	107.567	7.102	114.670
Depreciation and impairment from new group entities	822	76	898
Exchange rate adjustment relating to foreign entities	22	77	97
Depreciation for the year	34.119	1.125	35.244
Reversal of impairment and depreciation of sold assets	-2.484	-618	-3.101
Depreciation and impairment losses at 31 December	140.046	7.762	147.808
Carrying amount at 31 December	**257.269**	**4.016**	**261.285**
Items of property, plant and equipment include assets held under finance leases with a carrying amount totalling	224.979	532	225.511

Parent	Plant and machinery	Fixtures and fittings, plant and equipment	Total
Cost at 1 January	321.359	5.904	327.263
Additions	67.284	1.117	68.401
Disposals	-2.338	-139	-2.477
Cost at 31 December	386.305	6.882	393.187
Depreciation and impairment losses at 1 January	107.272	4.721	111.993
Depreciation for the year	32.815	465	33.280
Reversal of impairment and depreciation of sold assets	-2.338	-40	-2.378
Depreciation and impairment losses at 31 December	137.749	5.146	142.895
Carrying amount at 31 December	**248.556**	**1.736**	**250.292**
Items of property, plant and equipment include assets held under finance leases with a carrying amount totalling	217.868	532	218.400

BMS
Heavy Cranes A/S

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

8 Other non-current assets

DKK'000	Group Equity investments in associa-tes	Parent Equity investments in subsidia-ries
Cost at 1 January	3.104	278
Additions	0	2.844
Disposals	0	0
Cost at 31 December	3.104	3.122
Value adjustments at 1 January	-1.678	-5.959
Foreign exchange adjustment	375	321
Profit/loss for the year	7.440	9.111
Other adjustments	0	-1.352
Value adjustments at 31 December	6.137	2.121
Carrying amount at 31 December	**9.241**	**5.243**
Equity investments are recognised in the balance sheet as follows:		
Other non-current assets	9.241	15.620
Current assets	0	-10.377
	9.241	**5.243**

Name and municipality	Voting rights and ownership
Subsidiaries	
BMS Krane GmbH, 24955 Harrislee, Germany	100%
BMS Heavy Cranes South Africa Ltd., 2052 Johannesburg, South Africa	90%
BMS Heavy Cranes Inc., North Carolina 28202, United States of America	100%
BMS Heavy Cranes Australia Pty. Ltd., New South Wales 2000, Australia	100%
BMS HCR ApS, 9400 Nørresundby, Denmark	100%
BMS Heavy Cranes Iberica, S. L., 28008 Madrid, Spain	100%
BMS Heavy Cranes Taiwan Co. Ltd., Taichung, Taiwan	100%
BMS Kran Sp. z.o.o., 66-400 Gorzow, Poland	100%

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

DKK'000	Group 2019	Group 2018	Parent 2019	Parent 2018
9 Deferred tax				
Deferred tax at 1 January	-556	1.607	1.581	1.458
Foreign exchange adjustment	-11	-150	0	0
Adjustment of the deferred tax charge for the year	-4.514	-2.013	-1.920	123
Deferred tax at 31 December	**-5.081**	**-556**	**-339**	**1.581**

At 31 December 2019, the Group recognised an asset totalling DKK 1.312 thousand consists of tax loss carry-forwards. Based on the budgets, Management considers it likely that there will be future taxable income against which non-utilised tax losses can be offset.

	Group 2019	Group 2018	Parent 2019	Parent 2018
Deferred tax is recognised in the balance sheet as follows:				
Deferred tax assets	-5.081	-556	-339	0
Deferred tax liabilities	0	0	0	1.581
	-5.081	**-556**	**-339**	**1.581**
The deferred tax charge relates to:				
Property, plant and equipment	2.973	2.834	2.898	2.834
Liabilities	-6.742	-1.254	-3.237	-1.253
Tax loss carry-forwards	-1.312	-2.136	0	0
	-5.081	**-556**	**-339**	**1.581**
Deferred tax are expected to be set off within:				
0-1 year	-1.689	842	-34	158
Over 1 year	-3.392	-1.398	-305	1.423
	-5.081	**-556**	**-339**	**1.581**

	Group 2019	Group 2018	Parent 2019	Parent 2018
10 Other provisions				
Provision at 1 January	7.050	5.900	5.700	5.900
Utilised during the year	-400	-500	-400	-500
Provision for the year	16.936	1.650	7.179	300
Deferred tax at 31 December	**23.586**	**7.050**	**12.479**	**5.700**

A provision has been recognised for demobilization costs related to rental equipment.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

DKK'000	Group 2019	Group 2018	Parent 2019	Parent 2018
11 Debt to mortgage credit institutions and lease liabilities				
Debt to mortgage credit institutions				
0-1 year	1.077	1.058	1.077	1.058
1-5 years	3.080	4.196	3.080	4.196
> 5 years	0	0	0	0
	4.157	**5.254**	**4.157**	**5.254**
Lease liabilities				
0-1 year	30.896	24.202	29.980	23.367
1-5 years	139.505	100.468	135.841	97.128
> 5 years	56.968	67.719	55.336	64.935
	227.369	**192.389**	**221.157**	**185.430**
The liabilities are recognised in the balance sheet as follows:				
Non-current liabilities	199.553	172.383	194.257	166.259
Current liabilities	31.973	25.260	31.057	24.425
	231.526	**197.643**	**225.314**	**190.684**
12 Staff costs				
Wages and salaries	106.670	75.908	64.442	60.516
Pensions	4.176	3.582	4.123	3.529
Other social security costs	5.946	2.761	198	170
	116.792	**82.251**	**68.763**	**64.215**
Average number of full-time employees	168	120	97	94

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B (3) of the Danish Financial Statements Act.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

13 Contractual obligations and contingencies, etc.

Contingent liabilities
The Danish Companies of the Group is jointly taxed with A. Enggaard Kraner A/S and its Danish subsidiaries. A. Enggaard Kraner A/S has joint and several unlimited liability, together with its subsidiaries, for all Danish income taxes and withholding taxes on dividend, interest and royalties within the group of jointly taxed entities. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc. could entail an increase in the entities' tax liability. The Group as a whole is not liable vis-à-vis any third parties

Operating lease liabilities
The group entities have entered into operating leases with an average annual lease payment of DKK 2.034 thousand. The leases have a remaining term of up to 60 months and a total, nominal residual lease liability of DKK 138.638 thousand. The leases from group entities have a total, nominal residual lease liabilities of DKK 20.304 thousand. The operating lease liability is equal at parent level.

DKK'000	Group		Parent	
	2019	2018	2019	2018
14 Mortgages and collateral				
The following assets have been placed as security for the Group's debt to credit institutions:				
Plant and machinery with a carrying amount of	5.236	6.076	5.236	6.076
The following assets have been placed as security for the Group's lease obligations:				
Plant and machinery with a carrying amount of	225.511	190.014	218.400	182.385

The Parent Company has moreover provided a guarantee for a subsidiary's overdraft facilities, amounting to maximally DKK 1.863 thousand and a subsidiary's customer guarantee, amounting to maximally DKK 6.002.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

15 Currency and interest rate risks and use of derivative financial instruments

The Group uses hedging instruments such as forward exchange contracts and interest and currency swaps to hedge recognised and non-recognised transactions.

Recognised transactions
Hedging of recognised transactions primarily includes receivables and payables.

Currency risks

	Group			
Currency (DKK'000)	Payment/ maturity	Receiv-ables	Payables	Net position
AUD	< 1 år	28.304	-20.957	7.347
EUR	< 1 år	251.748	-101.394	150.354
EUR	> 1 år	0	-176.192	-176.192
GBP	< 1 år	0	-3.656	-3.656
NOK	< 1 år	1.692	-9.130	-7.438
PLN	< 1 år	1.168	-5.838	-4.670
RUB	< 1 år	3.422	0	3.422
SEK	< 1 år	1.476	-12.851	-11.375
TWD	< 1 år	16.453	-6.430	10.023
USD	< 1 år	0	-465	-465
ZAR	< 1 år	214	-17	197
				-32.453

	Parent			
Currency (DKK'000)	Payment/ maturity	Receiva-bles	Payables	Net position
AUD	< 1 år	4.453	-45	4.408
EUR	< 1 år	240.134	-65.991	174.143
EUR	> 1 år	0	-175.058	-175.058
GBP	< 1 år	0	-3.656	-3.656
NOK	< 1 år	1.692	-9.130	-7.438
PLN	< 1 år	0	-6.101	-6.101
RUB	< 1 år	3.422	0	3.422
SEK	< 1 år	1.476	-12.851	-11.375
TWD	< 1 år	8.495	0	8.495
USD	< 1 år	4.797	-47	4.750
ZAR	< 1 år	3.038	0	3.038
				-5.372

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

15 Currency and interest rate risks and use of derivative financial instruments (continued)

Forecast transactions
The Group uses forward exchange contracts to hedge expected currency risks relating to sale and purchase of goods in the coming year.

DKK'000	Period (months)	Contractual value 2019	Contractual value 2018	Gains and losses recognised in equity 2019	Gains and losses recognised in equity 2018
Forward exchange contracts (AUD)	0	0	51.948	0	248

Interest rate risks
The Group uses interest rate swaps to hedge interest rate risks, whereby floating interest payments are re-scheduled into fixed interest payments.

	2019				2018			
DKK'000	Notional principal	Value ad-justment recognised in equity	Fair value	Term to maturity (months)	Notional principal	Value ad-justment recognised in equity	Fair value	Term to maturity (months)
Interest rate swaps	53.619	-2.427	51.192	53 - 63	61.855	-2.651	64.506	66 - 76

The hedged cash flows are expected to be realised and will affect results of operations over the term to maturity of the interest rate swap.

16 Related parties

BMS Heavy Cranes A/S' related parties comprise the following:

Parties exercising control
A. Enggaard Kraner A/S holds the majority of the share capital in BMS Heavy Cranes A/S.

BMS Heavy Cranes A/S is included in the Group Annual Report of A. Enggaard Kraner A/S, Troldholm 8, 9400 Nørresundby, Denmark.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes

16 Related parties (continued)

Related party transactions

DKK'000	2019	2018
Group		
Sale of services	9.492	35.575
Sale of assets	181	1.101
Interest income	0	361
Purchase of services	-112.823	-83.784
Administrative expenses	-600	-1.200
Interest expenses	-476	-320
	-104.226	**-48.267**
Parent		
Sale of services	40.903	60.803
Sale of assets	117	0
Interest income	733	585
Purchase of services	-169.520	-100.783
Administrative expenses	-600	-1.200
Interest expenses	-476	-437
	-128.843	**-41.032**

17 Appropriation of profit/loss

Recommended appropriation of profit/loss	**Parent**	
	2019	2018
Reserve for net revaluation according to the equity method	2.121	0
Retained earnings	22.598	12.454
	24.719	**12.454**