# BMS Heavy Cranes

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

# Annual report 2020

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

on 29 / 6 2021

Jesper Hedegaard

Chairman of the general meeting

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## 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 2020.

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 2020 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 2020.

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 26th 2021

**Executive Board**

Jens Enggaard
CEO

**Board of directors**

Jørgen Enggaard
Chairman

Jens Enggaard

Tage Thesbjerg

Morten Kammer

Søren Enggaard

John Mikkelsen

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# 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 2020, 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 2020 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 2020 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.

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## 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.

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## 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 26th 2021

**EY**
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

| | |
|---|---|
| Allan Terp | Henrik K. Andersen |
| State Authorized Public Accountant | State Authorized Public Accountant |
| mne33198 | mne36193 |

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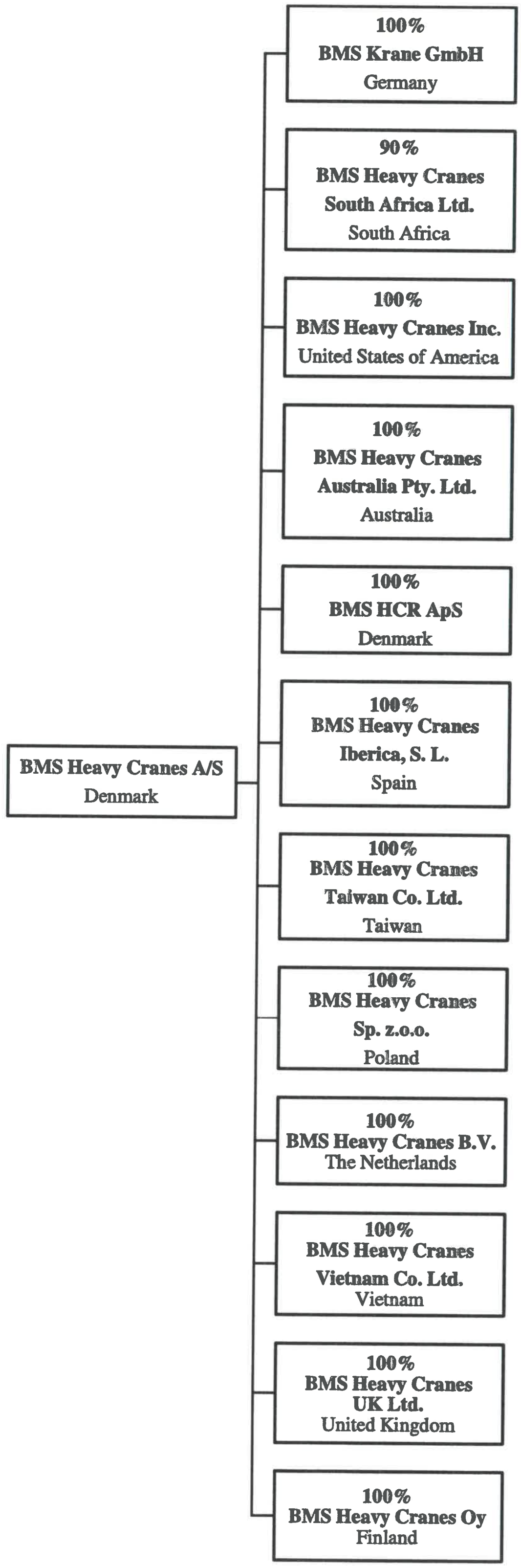
# Management's review

## Company Information

| | | |
|---|---|---|
| **Company** | BMS Heavy Cranes A/S<br>Troldholm 8<br>9400 Nørresundby<br>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)<br>Søren Enggaard<br>Jens Enggaard<br>John Mikkelsen<br>Tage Thesbjerg | |
| **Executive Board** | Jens Enggaard (CEO)<br>Morten Kammer | |
| **Auditor** | EY<br>Godkendt Revisionspartnerselskab<br>Vestre Havnepromenade 1A<br>9000 Aalborg | |

# Management's review

## Group chart



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# Management's review

## Financial Highlights for the Group

| In DKK millions | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| **Key figures** | | | | | |
| Revenue | 1.193,0 | 867,6 | 542,7 | 505,1 | 402,9 |
| Gross profit/loss | 308,5 | 79,2 | 65,5 | 61,0 | 44,0 |
| Profit/loss from ordinary activities | 151,8 | 30,3 | 20,1 | 30,7 | 17,6 |
| Profit/loss from net financials | -1,8 | 0,8 | -3,9 | -8,8 | -4,7 |
| Profit/loss before tax | 150,0 | 31,0 | 16,3 | 21,9 | 12,9 |
| Profit/loss for the year | 109,2 | 24,7 | 12,4 | 16,8 | 9,8 |
| | | | | | |
| Non-current assets | 303,3 | 275,6 | 226,2 | 198,0 | 197,7 |
| Current assents | 401,9 | 334,8 | 241,5 | 216,6 | 179,1 |
| Total assets | 705,3 | 610,4 | 467,7 | 414,6 | 376,9 |
| Equity | 263,0 | 153,8 | 128,8 | 115,9 | 95,4 |
| Non-current liabilities | 237,5 | 223,1 | 172,4 | 141,3 | 149,0 |
| Current liabilities | 204,8 | 233,5 | 166,4 | 155,8 | 132,1 |
| | | | | | |
| Cash flows from operating activities | 110,9 | 89,1 | 0,1 | 33,4 | 17,5 |
| Cash flow from investing activities | -70,4 | -73,3 | -55,4 | -25,8 | -68,0 |
| Portion relating to investments in items of property, plant and equipment | -79,8 | -70,7 | -63,9 | -25,4 | -68,0 |
| Cash flows from financing activities | 16,3 | 6,7 | 50,8 | -2,8 | 50,9 |
| Total Cash flows | 56,8 | 22,6 | -4,5 | 4,8 | 0,4 |
| | | | | | |
| **Key figures in %:** | | | | | |
| Gross margin | 25,9 | 9,1 | 12,1 | 12,1 | 10,9 |
| Profit margin | 12,7 | 3,5 | 3,7 | 6,1 | 4,4 |
| Current ratio | 196,2 | 143,4 | 145,1 | 139,0 | 135,6 |
| Return on assets | 23,1 | 5,6 | 4,6 | 7,9 | 5,2 |
| Return on invested capital | 33,9 | 8,2 | 6,2 | 11,3 | 7,2 |
| Cash conversion ratio | 119,4 | 536,0 | 466,2 | 192,8 | 485,8 |
| Solvency ratio | 37,3 | 25,2 | 27,7 | 28,0 | 25,3 |
| Return on equity | 52,4 | 17,5 | 10,1 | 15,9 | 10,6 |
| | | | | | |
| Average number of full-time employees | 283 | 168 | 120 | 105 | 90 |

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.

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# Management's review

**Principial 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 2020 of the Group and the results of the activities of the Group for the financial year for 2020 have not been affected by any unusual events.

**Development in the financial year**
The income statement of the Group for 2020 shows a profit of DKK 109.197 thousand, and at 31 December 2020 the balance sheet of the Group shows equity of DKK 262.980 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 lower level compared to this year.

**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.

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# Management's review

**Corporate Social Responsibility**
The Group's financial statements are part of the group financial statements for BMS Capital A/S. In accordance with the Danish financial statement act section 99a, part 6, the Group refers to the Annual Report for 2020 for BMS Capital 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 2020, no female was represented as board member of the Group.

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. During the past year, no changes have been made to the Board of Directors, which is why the target has not been achieved yet.

**COVID-19**
As a consequence of the COVID-19 pandamic, the Group has put much effort in protecting our employees by introducing guidelines of behavoir and provided employees with equipment and items for personnel protection.

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

## Income statement

| DKK'000 | Note | Group 2020 | Group 2019 | Parent 2020 | Parent 2019 |
|---|---|---|---|---|---|
| **Revenue** | | **1.193.043** | **867.579** | **733.364** | **691.108** |
| Production costs | 2 | -884.579 | -788.342 | -595.878 | -623.522 |
| **Gross profit/loss** | | **308.464** | **79.237** | **137.486** | **67.586** |
| Administrative expenses | 2-3 | -156.622 | -48.984 | -54.165 | -40.126 |
| **Profit/loss from ordinary activities** | | **151.842** | **30.253** | **83.321** | **27.460** |
| Share of net result after tax in subsidiaries | 8 | 0 | 0 | 51.451 | 7.759 |
| Share of net result after tax in associates | 8 | 6.048 | 7.440 | 0 | 0 |
| Financial income | 4 | 1.842 | 82 | 728 | 761 |
| Financial expenses | 5 | -9.684 | -6.761 | -9.171 | -5.925 |
| **Profit/loss before tax** | | **150.048** | **31.014** | **126.329** | **30.055** |
| Tax on profit/loss for the year | 6 | -40.851 | -6.352 | -17.093 | -5.336 |
| **Net profit/loss for the year** | | **109.197** | **24.662** | **109.236** | **24.719** |

| | 2020 | 2019 |
|---|---|---|
| **Breakdown of the consolidated results of operations:** | | |
| Shareholders, BMS Heavy Cranes A/S | 109.236 | 24.719 |
| Non-controlling interests | -39 | -57 |
| | **109.197** | **24.662** |

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

## Balance sheet

| Assets | Note | Group | | Parent | |
|---|---|---|---|---|---|
| DKK'000 | | 2020 | 2019 | 2020 | 2019 |
| Plant and machinery | | 279.882 | 257.269 | 266.528 | 248.556 |
| Fixtures and fittings, plant and equipment | | 10.483 | 4.016 | 4.961 | 1.736 |
| **Property, plant and equipment** | 7 | **290.365** | **261.285** | **271.489** | **250.292** |
| Equity investments in subsidiaries | 8 | 0 | 0 | 55.829 | 15.620 |
| Equity investments in associates | 8 | 11.375 | 9.241 | 0 | 0 |
| Deferred tax asset | 9 | 1.571 | 5.081 | 0 | 339 |
| **Other non-current assets** | | **12.946** | **14.322** | **55.829** | **15.959** |
| **Non-current assets** | | **303.311** | **275.607** | **327.318** | **266.251** |
| Goods for resale | | 190 | 255 | 0 | 0 |
| **Inventories** | | **190** | **255** | **0** | **0** |
| Trade receivables | | 313.190 | 300.567 | 169.166 | 215.680 |
| Receivables from group entities | | 295 | 451 | 66.370 | 40.289 |
| Receivables from associates | | 1.510 | 3.422 | 1.510 | 3.422 |
| Other receivables | | 2.848 | 3.969 | 799 | 2.015 |
| Prepayments | 10 | 1.361 | 426 | 1.269 | 75 |
| **Receivables** | | **319.204** | **308.835** | **239.114** | **261.481** |
| **Cash** | | **82.546** | **25.717** | **27.602** | **13.931** |
| **Current assets** | | **401.940** | **334.807** | **266.716** | **275.412** |
| **Total assets** | | **705.251** | **610.414** | **594.034** | **541.663** |

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

## Balance sheet

| Liabilities and equity | Note | Group | | Parent | |
|---|---|---|---|---|---|
| DKK'000 | | 2020 | 2019 | 2020 | 2019 |
| Share capital | | 12.500 | 12.500 | 12.500 | 12.500 |
| Reserve of equity investments | | 0 | 0 | 35.627 | 2.121 |
| Hedging reserve | | -1.694 | -1.893 | -1.694 | -1.893 |
| Translation reserve | | -245 | 0 | 0 | 0 |
| Retained earnings | | 252.627 | 143.391 | 216.755 | 141.270 |
| **Equity holders' share of equity, BMS Heavy Cranes A/S** | | **263.188** | **153.998** | **263.188** | **153.998** |
| Non-controlling interests | | -208 | -193 | 0 | 0 |
| **Total equity** | | **262.980** | **153.805** | **263.188** | **153.998** |
| Deferred tax | 9 | 0 | 0 | 645 | 0 |
| Other provisions | 11 | 24.556 | 23.586 | 14.030 | 12.479 |
| Debt to mortgage credit institutions | 12 | 0 | 3.080 | 0 | 3.080 |
| Lease obligations | 12 | 212.947 | 196.473 | 208.662 | 191.177 |
| **Non-current liabilities** | | **237.503** | **223.139** | **223.337** | **206.736** |
| Debt to mortgage credit institutions | 12 | 0 | 1.077 | 0 | 1.077 |
| Lease obligations | 12 | 34.690 | 30.896 | 33.711 | 29.980 |
| Debt to credit institutions | | 0 | 408 | 0 | 0 |
| Trade payables | | 83.012 | 104.363 | 24.998 | 67.703 |
| Payables to group entities | | 20.616 | 55.659 | 19.133 | 56.928 |
| Income tax | | 21.744 | 5.947 | 6.165 | 2.641 |
| Other payables | | 44.706 | 35.120 | 23.502 | 22.600 |
| **Current liabilities** | | **204.768** | **233.470** | **107.509** | **180.929** |
| **Liabilities** | | **442.271** | **456.609** | **330.846** | **387.665** |
| **Total liabilities and equity** | | **705.251** | **610.414** | **594.034** | **541.663** |

| | |
|---|---|
| Accounting policies | 1 |
| Staff costs | 13 |
| Contractual obligations and contingencies | 14 |
| Mortgages and collateral | 15 |
| Currency and interest rate risks and use of derivative financial instruments | 16 |
| Related parties | 17 |
| Appropriation of profit/loss | 18 |

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

## Statement of changes in equity

| | Group | | | | | | |
|---|---|---|---|---|---|---|---|
| DKK'000 | Share capital | Hedging reserve | Translation reserve | Retained earnings | Total | Non-controlling interests | Total equity |
| Equity 1 January | 12.500 | -1.893 | 0 | 143.391 | **153.998** | -193 | **153.805** |
| Distribution of profit/loss | 0 | 0 | 0 | 109.236 | **109.236** | -39 | **109.197** |
| Foreign exchange adjustments, foreign subsidiary | 0 | 0 | -245 | 0 | **-245** | 24 | **-221** |
| Value adjustment of hedging instruments, year-end | 0 | 256 | 0 | 0 | **256** | 0 | **246** |
| Tax on equity transactions | 0 | -57 | 0 | 0 | **-57** | 0 | **-57** |
| **Equity 31 December** | **12.500** | **-1.694** | **-245** | **252.627** | **263.188** | **-208** | **262.980** |

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

## Statement of changes in equity

| DKK'000 | Parent | | | | |
|---|---|---|---|---|---|
| | **Share capital** | **Reserve for net revaluation according to the equity method** | **Hedging reserve** | **Retained earnings** | **Total** |
| Equity 1 January | 12.500 | 2.121 | -1.893 | 141.270 | **153.998** |
| Distribution of profit/loss | 0 | 33.751 | 0 | 75.485 | **109.236** |
| Foreign exchange adjustments, foreign subsidiary | 0 | -245 | 0 | 0 | **-245** |
| Value adjustment of hedging instruments, year-end | 0 | 0 | 256 | 0 | **256** |
| Tax on equity transactions | 0 | 0 | -57 | 0 | **-57** |
| **Equity 31 December** | **12.500** | **35.627** | **-1.694** | **216.755** | **263.188** |

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.

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

## Cash flow statement

| DKK'000 | Group 2020 | Group 2019 | Parent 2020 | Parent 2019 |
|---|---|---|---|---|
| Profit/loss before tax | 150.048 | 31.014 | 126.329 | 30.055 |
| Amortisation/depreciation charges | 44.080 | 36.596 | 38.951 | 34.632 |
| Profit/loss on disposal of property, plant and equipment | -1.042 | 89 | -1.042 | 48 |
| Income taxes | -20.211 | -9.597 | -12.641 | -9.243 |
| Share of net profit/loss in subsidiaries and associates | -6.048 | -7.440 | -51.451 | -9.111 |
| **Cash flows from primary activities** | **166.827** | **50.662** | **100.146** | **46.381** |
| Change in inventories | 65 | -144 | 0 | 0 |
| Change in receivables | -10.369 | -59.812 | 16.017 | -28.529 |
| Change in provisions | 970 | 16.536 | 1.551 | 6.779 |
| Change in trade payables | -21.351 | 42.906 | -42.705 | 15.166 |
| Change in other payables | -25.457 | 39.006 | -36.893 | 38.121 |
| Fair value adjustments of hedging instruments recognised in equity | 256 | -23 | 256 | -23 |
| **Cash flows from operating activities** | **110.942** | **89.131** | **38.372** | **77.895** |
| Acquisition of property, plant and equipment | -79.840 | -70.711 | -66.668 | -68.401 |
| Disposal of property, plant and equipment | 7.566 | 150 | 7.562 | 51 |
| Acquisition of subsidiaries, associates and activities | 0 | -2.713 | -353 | -2.844 |
| Received dividend | 1.850 | 0 | 17.699 | 0 |
| **Cash flows from investing activities** | **-70.424** | **-73.274** | **-41.760** | **-71.194** |
| Unrealised value adjustments in the year etc. | 544 | 261 | 0 | 0 |
| Increase in debt to credit institutions | 57.436 | 62.069 | 57.436 | 62.069 |
| Repayment of non-current liabilities | -41.261 | -28.598 | -40.377 | -27.440 |
| Changes in overdraft facilities | -408 | -27.003 | 0 | -27.411 |
| **Cash flows from financing activities** | **16.311** | **6.729** | **17.059** | **7.218** |
| **Total changes in cash flow** | **56.829** | **22.586** | **13.671** | **13.919** |
| Cash and cash equivalents at 1 January | 25.717 | 2.523 | 13.931 | 12 |
| Net adjustments from new group entities | 0 | 608 | 0 | 0 |
| **Cash and cash equivalents at 31 December** | **82.546** | **25.717** | **27.602** | **13.931** |

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 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed new and amended presentation and disclosure requirements.

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.

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# 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 Jens Enggaard Holding ApS 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.

Jens Enggaard Holding ApS 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.

## 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.

*Translation reserve*

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

*Hedging reserve*

The hedging reserve comprises the cumulative net change after tax in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

### 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.

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

## Notes

### 1 Accounting policies (continued)

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.

### 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.

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

### Notes

**1 Accounting policies (continued)**

**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.

## Key figures

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

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

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

## Notes

| DKK'000 | Group | | Parent | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| **2 Amortisation, depreciation and impairment losses** | | | | |
| Plant and machinery | 41.103 | 34.119 | 38.304 | 32.815 |
| Fixtures and fittings, plant and equipment | 2.976 | 1.125 | 647 | 465 |
| Investment in subsidiaries | 0 | 1.352 | 0 | 1.352 |
| | **44.080** | **36.596** | **38.951** | **34.632** |
| Amortisation/depreciation charges and impairment losses are recognised under the following line items: | | | | |
| Production costs | 44.080 | 36.596 | 38.951 | 34.632 |
| | **44.080** | **36.596** | **38.951** | **34.632** |
| **3 Fees paid to auditors appointed at the annual general meeting** | | | | |
| Fee for statutory audit | 370 | 153 | 350 | 150 |
| Fees for tax advisory services | 25 | 5 | 25 | 5 |
| Assurance engagements | 0 | 0 | 0 | 0 |
| Other assistance | 3 | 3 | 3 | 3 |
| | **398** | **161** | **378** | **158** |
| **4 Financial income** | | | | |
| Interest income from subsidiaries | 0 | 0 | 655 | 737 |
| Other interest income | 1.842 | 82 | 73 | 24 |
| | **1.842** | **82** | **728** | **761** |
| **5 Financial expenses** | | | | |
| Interest expenses to subsidiaries | 721 | 476 | 733 | 476 |
| Other interest expenses | 8.963 | 6.285 | 8.438 | 5.449 |
| | **9.684** | **6.761** | **9.171** | **5.925** |

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

## Notes

| DKK'000 | Group | | Parent | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| **6 Tax for the year** | | | | |
| Current tax charge for the year | 37.444 | 10.861 | 16.166 | 7.251 |
| Adjustment of the deferred tax charge for the year | 3.464 | -4.514 | 984 | -1.920 |
| | **40.908** | **6.347** | **17.150** | **5.331** |
| Analysed as follows: | | | | |
| Tax for the year | 40.851 | 6.352 | 17.093 | 5.336 |
| Tax on changes in equity | 57 | -5 | 57 | -5 |
| | **40.908** | **6.347** | **17.150** | **5.331** |

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# 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 | 397.315 | 11.778 | 409.093 |
| Exchange rate adjustment relating to foreign entities | -152 | -213 | -365 |
| Additions | 69.894 | 9.947 | 79.840 |
| Disposals | -13.112 | -1.007 | -14.118 |
| **Cost at 31 December** | 453.945 | 20.505 | 474.450 |
| Depreciation and impairment losses at 1 January | 140.046 | 7.762 | 147.809 |
| Exchange rate adjustment relating to foreign entities | -24 | -184 | -208 |
| Depreciation for the year | 41.103 | 2.976 | 44.080 |
| Reversal of impairment and depreciation of sold assets | -7.062 | -532 | -7.594 |
| **Depreciation and impairment losses at 31 December** | 174.063 | 10.022 | 184.086 |
| **Carrying amount at 31 December** | **279.882** | **10.483** | **290.365** |
| Items of property, plant and equipment include assets held under finance leases with a carrying amount totalling | 249.017 | 601 | 249.618 |

| Parent | Plant and machinery | Fixtures and fittings, plant and equipment | Total |
|---|---|---|---|
| Cost at 1 January | 386.305 | 6.882 | 393.187 |
| Additions | 62.325 | 4.342 | 66.668 |
| Disposals | -13.112 | -843 | -13.955 |
| **Cost at 31 December** | 435.518 | 10.381 | 445.901 |
| Depreciation and impairment losses at 1 January | 137.750 | 5.146 | 142.896 |
| Depreciation for the year | 38.304 | 647 | 38.951 |
| Reversal of impairment and depreciation of sold assets | -7.063 | -373 | -7.435 |
| **Depreciation and impairment losses at 31 December** | 168.991 | 5.420 | 174.412 |
| **Carrying amount at 31 December** | **266.528** | **4.961** | **271.489** |
| Items of property, plant and equipment include assets held under finance leases with a carrying amount totalling | 244.270 | 601 | 244.871 |

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

## Notes

### 8 Other non-current assets

| DKK'000 | Group<br>Equity investments in associates | Parent<br>Equity investments in subsidiaries |
|---|---|---|
| Cost at 1 January | 3.340 | 3.122 |
| Additions | 0 | 353 |
| Disposals | -3.104 | 0 |
| **Cost at 31 December** | 236 | 3.475 |
| Value adjustments at 1 January | 5.900 | 2.120 |
| Foreign exchange adjustment | -2.063 | -245 |
| Profit/loss for the year | 6.048 | 51.451 |
| Distributed dividend | -1.850 | -17.699 |
| Reversal of value adjustments | 3.104 | 0 |
| **Value adjustments at 31 December** | 11.139 | 35.627 |
| **Carrying amount at 31 December** | **11.375** | **39.102** |
| Equity investments are recognised in the balance sheet as follows: | | |
| Other non-current assets | 11.375 | 55.829 |
| Current assets | 0 | -16.727 |
| | **11.375** | **39.102** |

| 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 Heavy Cranes Poland Sp. z.o.o., 66-400 Gorzow, Poland | 100% |
| BMS Heavy Cranes B.V., Einhoven, The Netherlands | 100% |
| BMS Heavy Cranes UK Ltd., Huntingdon, United Kingdom | 100% |
| BMS Heavy Cranes Oy, Ulvila, Finland | 100% |
| BMS Heavy Cranes Vietnam Co. Ltd., Hanoi City, Vietnam | 100% |

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

## Notes

| DKK'000 | Group | | Parent | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| **9 Deferred tax** | | | | |
| Deferred tax at 1 January | -5.081 | -556 | -339 | 1.581 |
| Foreign exchange adjustment | 46 | -11 | 0 | 0 |
| Adjustment of the deferred tax charge for the year | 3.464 | -4.514 | 984 | -1.920 |
| **Deferred tax at 31 December** | **-1.571** | **-5.081** | **645** | **-339** |

At 31 December 2020, the Group recognised an asset totalling DKK 21 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.

| | | | | |
|---|---|---|---|---|
| Deferred tax is recognised in the balance sheet as follows: | | | | |
| Deferred tax assets | -1.571 | -5.081 | 0 | -339 |
| Deferred tax liabilities | 0 | 0 | 645 | 0 |
| | **-1.571** | **-5.081** | **645** | **-339** |
| The deferred tax charge relates to: | | | | |
| Property, plant and equipment | 3.732 | 2.973 | 3.732 | 2.898 |
| Liabilities | -5.282 | -6.742 | -3.087 | -3.237 |
| Tax loss carry-forwards | -21 | -1.312 | 0 | 0 |
| | **-1.571** | **-5.081** | **645** | **-339** |
| Deferred tax are expected to be set off within: | | | | |
| 0-1 year | -176 | -1.689 | 64 | -34 |
| Over 1 year | -1.395 | -3.392 | 581 | -305 |
| | **-1.571** | **-5.081** | **645** | **-339** |

**10 Prepayments**

The prepayments recognized in the balance sheet are related to rental of equipment.

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

## Notes

| DKK'000 | Group | | Parent | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| **11 Other provisions** | | | | |
| Provision at 1 January | 23.586 | 7.050 | 12.479 | 5.700 |
| Utilised during the year | -3.500 | -400 | -3.500 | -400 |
| Provision for the year | 4.470 | 16.936 | 5.051 | 7.179 |
| **Provision at 31 December** | **24.556** | **23.586** | **14.030** | **12.479** |

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

| | Group 2020 | Group 2019 | Parent 2020 | Parent 2019 |
|---|---|---|---|---|
| **12 Debt to mortgage credit institutions and lease liabilities** | | | | |
| **Debt to mortgage credit institutions** | | | | |
| 0-1 year | 0 | 1.077 | 0 | 1.077 |
| 1-5 years | 0 | 3.080 | 0 | 3.080 |
| > 5 years | 0 | 0 | 0 | 0 |
| | **0** | **4.157** | **0** | **4.157** |
| **Lease liabilities** | | | | |
| 0-1 year | 34.690 | 30.896 | 33.711 | 29.980 |
| 1-5 years | 149.970 | 139.505 | 146.053 | 135.841 |
| > 5 years | 62.977 | 56.968 | 62.609 | 55.336 |
| | **247.637** | **227.369** | **242.373** | **221.157** |
| The liabilities are recognised in the balance sheet as follows: | | | | |
| Non-current liabilities | 212.947 | 199.553 | 208.662 | 194.257 |
| Current liabilities | 34.690 | 31.973 | 33.711 | 31.057 |
| | **247.637** | **231.526** | **242.373** | **225.314** |

| | Group 2020 | Group 2019 | Parent 2020 | Parent 2019 |
|---|---|---|---|---|
| **13 Staff costs** | | | | |
| Wages and salaries | 186.391 | 106.670 | 74.108 | 64.442 |
| Pensions | 4.481 | 4.176 | 4.404 | 4.123 |
| Other social security costs | 11.398 | 5.946 | 197 | 198 |
| | **202.270** | **116.792** | **78.709** | **68.763** |

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## Notes

| DKK'000 | Group | | Parent | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| **13 Staff costs (continued)** | | | | |
| Average number of full-time employees | 283 | 168 | 100 | 97 |

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B (3) of the Danish Financial Statements Act due to only one category of Management has received remuneration.

### 14 Contractual obligations and contingencies

**Contingent liabilities**
The Danish Companies of the Group is jointly taxed with Jens Enggaard Holding ApS and its Danish subsidiaries. Jens Enggaard Holding ApS 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 2.097 thousand. The leases have a remaining term of up to 114 months and a total, nominal residual lease liability of DKK 125.611 thousand. The leases from group entities have a total, nominal residual lease liabilities of DKK 60.922 thousand. The operating lease liability is equal at parent level.

### 15 Mortgages and collateral

| | Group 2020 | Group 2019 | Parent 2020 | Parent 2019 |
|---|---|---|---|---|
| The following assets have been placed as security for the Group's debt to credit institutions: | | | | |
| Plant and machinery with a carrying amount of | 0 | 5.236 | 0 | 5.236 |
| The following assets have been placed as security for the Group's lease obligations: | | | | |
| Plant and machinery with a carrying amount of | 249.618 | 225.511 | 244.871 | 218.400 |

The Parent Company has moreover provided a guarantee for a subsidiary's overdraft facilities, amounting to maximally DKK 4.181 thousand and a subsidiary's customer guarantees, amounting to maximally DKK 17.647 thousand.

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### 16 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 | 18.543 | -21.381 | -2.838 |
| EUR | < 1 år | 193.964 | -59.896 | 134.068 |
| EUR | > 1 år | 0 | -196.240 | -196.240 |
| GBP | < 1 år | 14.986 | -8.954 | 6.032 |
| NOK | < 1 år | 2.788 | -3.861 | -1.073 |
| PLN | < 1 år | 11.223 | -10.111 | 1.223 |
| RUB | < 1 år | 1.510 | 0 | 1.510 |
| SEK | < 1 år | 381 | -963 | -582 |
| TWD | < 1 år | 60.723 | -39.967 | 20.756 |
| USD | < 1 år | 1.957 | -7.128 | -5.171 |
| VND | < 1 år | 4 | -34 | -30 |
| ZAR | < 1 år | 205 | -3 | 202 |
| | | | | **-42.143** |

| | Parent | | | |
|---|---|---|---|---|
| Currency (DKK'000) | Payment/ maturity | Receiva- bles | Payables | Net position |
| AUD | < 1 år | 260 | -45 | 215 |
| EUR | < 1 år | 176.262 | -42.572 | 133.690 |
| EUR | > 1 år | 0 | -195.317 | -195.317 |
| GBP | < 1 år | 10.699 | -5.876 | 4.823 |
| NOK | < 1 år | 2.788 | -3.861 | -1.073 |
| PLN | < 1 år | 0 | -1.401 | -1.401 |
| RUB | < 1 år | 1.510 | 0 | 1.510 |
| SEK | < 1 år | 381 | -963 | -582 |
| TWD | < 1 år | 20.594 | 0 | 20.594 |
| USD | < 1 år | 37.738 | -42 | 37.696 |
| VND | < 1 år | 64 | 0 | 64 |
| ZAR | < 1 år | 2.645 | 0 | 2.645 |
| | | | | **2.864** |

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## Notes

### 16 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 2020 | Contractual value 2019 | Gains and losses recognised in equity 2020 | Gains and losses recognised in equity 2019 |
|---|---|---|---|---|---|
| Forward exchange contracts (AUD) | 6 | 14.726 | 0 | -260 | 0 |

**Interest rate risks**
The Group uses interest rate swaps to hedge interest rate risks, whereby floating interest payments are rescheduled into fixed interest payments.

| DKK'000 | 2020 Notional principal | 2020 Value adjustment recognised in equity | 2020 Fair value | 2020 Term to maturity (months) | 2019 Notional principal | 2019 Value adjustment recognised in equity | 2019 Fair value | 2019 Term to maturity (months) |
|---|---|---|---|---|---|---|---|---|
| Interest rate swaps | 45.044 | -1.911 | 43.133 | 41 - 51 | 53.619 | -2.427 | 51.192 | 53 – 63 |

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.

### 17 Related parties

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

**Parties exercising control**
BMS Capital 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 BMS Capital A/S, Troldholm 8, 9400 Nørresundby, Denmark and Jens Enggaard Holding ApS, Troldholm 8, 9400 Nørresundby, Denmark.

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## Notes

### 17 Related parties (continued)

### Related party transactions

| DKK'000 | 2020 | 2019 |
|---|---|---|
| **Group** | | |
| Sale of services | 10.296 | 9.492 |
| Sale of assets | 0 | 181 |
| Interest income | 0 | 0 |
| Purchase of services | -124.748 | -112.823 |
| Administrative expenses | -600 | -600 |
| Interest expenses | -721 | -476 |
| | **-115.557** | **-104.226** |
| **Parent** | | |
| Sale of services | 83.418 | 40.903 |
| Sale of assets | 0 | 117 |
| Interest income | 657 | 733 |
| Purchase of services | -174.908 | -169.520 |
| Administrative expenses | -600 | -600 |
| Interest expenses | -734 | -476 |
| | **-92.167** | **-128.843** |

### 18 Appropriation of profit/loss

| Recommended appropriation of profit/loss | Parent | |
|---|---|---|
| | 2020 | 2019 |
| Transferred to equity reserves | 109.236 | 24.719 |
| | **109.236** | **24.719** |