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TBS Maskinpower ApS

Smedebakken 7
7200 Grindsted
Central Business Registration
No 39006979

Annual report 2019

The Annual General Meeting adopted the annual report on 20.05.2020

Chairman of the General Meeting

Name: Jan Garder

Contents

Entity details

Entity
TBS Maskinpower ApS
Smedebakken 7
7200 Grindsted

Central Business Registration No (CVR): 39006979
Registered in: Varde
Financial year: 01.01.2019 - 31.12.2019

Executive Board
Jens Bertram Gaarsvig Hansen
Mario Reinhold Soose
Jan Garder

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of TBS Maskinpower ApS for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Starup, 20.05.2020

Executive Board

Jens Bertram Gaarsvig Hansen	Mario Reinhold Soose	Jan Garder

Independent auditor's report

To the shareholders of TBS Maskinpower ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of TBS Maskinpower ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements

Independent auditor's report

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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’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 consolidated financial statements and the parent 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’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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

Independent auditor's report

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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 commentary.

Kolding, 20.05.2020

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Lars Ørum Nielsen
State Authorised Public Accountant
Identification No (MNE) mne26771

Management commentary

	2019 DKK'000	2018 DKK'000
Financial highlights		
Key figures		
Revenue	332.311	250.094
Gross profit/loss	44.964	35.175
Result of ordinary operations	8.374	7.261
Operating profit/loss	6.535	6.161
Net financials	(3.008)	(2.409)
Profit/loss for the year	2.456	2.733
Profit/loss excl minority interests	2.290	2.733
Total assets	292.188	163.913
Investments in property, plant and equipment	4.268	2.738
Equity	11.401	8.899
Equity excl minority interests	11.189	8.899
Average invested capital incl goodwill	12.466	5.575
Net interest-bearing debt	(88.795)	(44.137)
Cash flows from (used in) operating activities	(34.084)	2.031
Cash flows from (used in) investing activities	(9.119)	(30.923)
Cash flows from (used in) financing activities	32.035	22.282
Ratios		
Gross margin (%)	13,5	14,1
Net margin (%)	0,7	1,1
Return on invested capital incl goodwill (%)	58,3	120,0
Revenue/Invested capital incl goodwill	26,7	44,9
Financial gearing (%)	(7,8)	(5,0)
Return on equity (%)	22,8	30,7
Equity ratio (%)	3,8	5,4

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

Management commentary

Ratios	Calculation formula	Calculation formula reflects
Gross margin (%)	Gross profit/loss x 100 / Revenue	The entity's operating gearing.
Net margin (%)	Profit/loss for the year x 100 / Revenue	The entity's operating profitability.
Return on invested capital incl goodwill (%)	EBITA x 100 / Average invested capital incl goodwill	The return generated by the entity on the investors' funds.
Revenue/Invested capital incl goodwill	Revenue / Average invested capital incl goodwill	Turnover rate of capital employed by the entity.
Financial gearing	Net interest-bearing debt / Equity	The entity's financial gearing.
Return on equity (%)	Profit/loss excl minority interests x 100 / Average equity excl minority interests	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	Equity excl minority interests x 100 / Total assets	The financial strength of the entity.

EBITA (Earnings Before Interest, Tax and Amortisation) is defined as operating profit plus the year's amortisation and the impairment losses for intangible assets including goodwill.

Invested capital including goodwill is defined as net working capital plus the carrying amount of property, plant and equipment and intangible assets as well as accumulated amortisation of intangible assets including goodwill, and less other provisions and long-term operating liabilities. Accumulated impairment losses for goodwill are not added.

Net working capital is defined as inventories, receivables and other operating current assets net of trade payables and other short-term operating liabilities. Income taxes receivable and payable as well as cash are not included in net working capital.

Net interest-bearing debt is defined as interest-bearing liabilities, including income tax payable, net of interest-bearing assets, including cash and income tax receivable.

Management commentary

Primary activities
The Group’s activity consist in sale, service and repair of agricultural machinery, as well as the sale of spare parts for agricultural machinery.

Development in activities and finances
The Group´s revenue amounted to DKK 332.311k against a revenue of DKK 250.094k last year. The profit after tax for the year amounted to DKK 2.456k against a profit of DKK 2.733k last year. The equity represent DKK 11.189k as of 31.12.2019.

The company has by the end of June 2019 acquired 80% of Askildrup Agro A/S in Randers and by the end of October 2019 the activities from Skanderborg Maskinforretning A/S. By the end of 2019 TBS Maskinpower covers most of the Mid- and South Jutland market from five locations.

The general market conditions taken in to consideration the Management considers the profit for the year in accordance with the plan for 2019.

Outlook
The management expects a profit after tax in line with 2019. The Group will still seek to increase market shares in Denmark in 2020 and the managements expects to invest in new locations.

Particular risks
No special risks are deemed to exist, but the Group sells and repairs agricultural machinery to farmers in Denmark. Therefore the Group is dependant of the economic development of the agricultural industry in Denmark.

The majority of both sales and purchases are made in DKK which minimizes the risk for fluctuation.

Intellectual capital resources
The Entity’s most critical resources include the skills and knowledge of the employees. Thus, the Entity continually invest in development of the employees.

Environmental performance
The company takes its social responsibility seriously. It is reflected in all decision-making within the company. Policies and actions in relation to CSR issues are described in more detail elsewhere in this report.

Statutory report on corporate social responsibility
Business model
The primary activities of TBS consist of sales and repair of agricultural machinery as well as the sale of spare parts for agricultural machinery. The stores are placed across Midtjylland in Denmark.

As part of the statutory reporting, we will report on risks and activities in relation to social responsibility concerning employee conditions, environment and climate, human rights and corruption and bribery. This will be described in the following.

Management commentary

Employee conditions

The primary risk in relation to employee conditions could arise in relation to the health and safety of our employees. If such a risk would occur, this could impact our ability to attract and retain employees. We strive to ensure that our employees are motivated and that we live up to regulations regarding health and safety. We have an employee handbook, which employees receive when joining the company. The handbook covers working hours, holiday, time registration, insurance and other employee-related matters. We also offer apprenticeships; our number of apprenticeships in 2019 was 66% higher than that prescribed by AU (Arbejdsgivernes Uddannelsesbidrag). During 2019, employees have attended training courses in relation to their areas of expertise in order to ensure that they are always able to complete their daily work tasks in a safe and consistent manner. In the financial year, we have reviewed our health and safety activities for potential opportunities for improvement and for sharing good practice among our staff. We have initiated a project to expand the size of our repair workshop and warehouse facilities, including focus on safe access to equipment and general health and safety for employees. We believe that our activities in 2019 have contributed to maintaining a good workplace environment in TBS.

Environment and climate

Concerning environment and climate, the primary risk could arise if we use materials or inputs in our repair workshop, which would not be compliant with applicable regulations and standards. In case such a risk would occur, this could cause a negative impact on the local environment by potentially contributing to pollution downstream when the equipment is used by customers. We follow the regulations and restrictions in Denmark concerning environment and climate. For example, we ensure that we only use products in our repair workshop facilities, which live up to applicable regulations. This focus was also part of our health and safety assessment in the year, as mentioned in the above section. We believe that our activities in 2019 have contributed to minimizing our negative impact on the environment and climate.

Human rights

The primary risk concerning human rights could be if discrimination against an employee occurs that is in breach of universal human rights standards and principles and applicable Danish regulation. We do not have a stand-alone formalized human rights policy, but our employee handbook sets out our expectations around mutual respect, non-discrimination, trust, well-being and safety. By promoting mutual respect and teamwork in our workplace we ensure that we treat each other with respect for human rights during our daily work. Our employee handbook also confirms our respect for trade unions and the agreements they negotiate. We hold regular employee development dialogues to ensure that we address their well-being and career goals. We have zero-tolerance towards breaching human rights. We have policies for handling personal data for customers, business partners and employees as required by the General Data Protection regulation. We are not aware of any breaches historically concerning human rights, including the current financial year.

Corruption and bribery

The primary risk concerning corruption and bribery could be if an employee uses illegal means to obtain an

Management commentary

advantage from a business partner, customer or other stakeholder or vice versa. If the risk would occur this could lead to breach of regulation and fines. We have a zero-tolerance policy in relation to corruption and bribery. We have a special focus on guidelines concerning anti-money laundering, which restrict us from accepting cash payments of 50,000 DKK and above. These guidelines are shared and enforced with all employees. We are not aware of any breaches concerning bribery and corruption in TBS in 2019.

Statutory report on the underrepresented gender

Due to our new accounting class status this year, we are aware that we are required to report on the underrepresented gender in the board and other management levels. In the board, there are currently three members, who are all male. We have a target of one female member of the board by 2023. The target was not achieved in the current financial year, as there was no election for the board.

Due to our recent change in accounting class status, we are still in the process of formalizing a policy for the underrepresented gender in other management levels. Currently we have an equal distribution of men and women in our upper management level, while we have 14 middle managers, who are all male. We welcome applications from women at all times. Whenever it is possible, we strive to ensure that both women and men are considered for interviews for management positions.

Events after the balance sheet date

See note 1.

Consolidated income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue	2	332.310.892	250.093.578
Other operating income		39.183	0
Cost of sales		(270.858.987)	(202.691.888)
Other external expenses	3	(16.526.752)	(12.227.152)
Gross profit/loss		**44.964.336**	**35.174.538**
Staff costs	4	(36.589.984)	(27.913.920)
Depreciation, amortisation and impairment losses	5	(1.838.853)	(1.088.619)
Other operating expenses		0	(10.580)
Operating profit/loss		**6.535.499**	**6.161.419**
Other financial income	6	283.547	228.612
Other financial expenses	7	(3.291.958)	(2.637.901)
Profit/loss before tax		**3.527.088**	**3.752.130**
Tax on profit/loss for the year	8	(1.070.682)	(1.019.089)
Profit/loss for the year	9	**2.456.406**	**2.733.041**

Consolidated balance sheet at 31.12.2019

	Notes	2019 DKK	2018 DKK
Goodwill		8.220.416	5.331.749
Intangible assets	10	**8.220.416**	**5.331.749**
Other fixtures and fittings, tools and equipment		4.111.363	3.098.001
Leasehold improvements		463.296	0
Property, plant and equipment	11	**4.574.659**	**3.098.001**
Deposits		1.735.000	1.400.000
Fixed asset investments	12	**1.735.000**	**1.400.000**
Fixed assets		**14.530.075**	**9.829.750**
Manufactured goods and goods for resale		178.464.817	95.631.527
Inventories		**178.464.817**	**95.631.527**
Trade receivables		78.512.437	42.214.907
Contract work in progress		3.202.514	2.654.537
Other receivables		15.346.858	8.538.862
Prepayments	13	370.499	841.619
Receivables		**97.432.308**	**54.249.925**
Cash		**1.761.092**	**4.201.780**
Current assets		**277.658.217**	**154.083.232**
Assets		**292.188.292**	**163.912.982**

Consolidated balance sheet at 31.12.2019

	Notes	2019 DKK	2018 DKK
Contributed capital		7.050.000	7.050.000
Retained earnings		4.138.715	1.848.967
Equity attributable to the Parent's owners		**11.188.715**	**8.898.967**
Share of equity attributable to minority interests		**212.629**	**0**
Equity		**11.401.344**	**8.898.967**
Deferred tax	14	84.585	581.000
Provisions		**84.585**	**581.000**
Finance lease liabilities		305.396	0
Debt to other credit institutions		2.543.879	0
Other payables		1.174.980	0
Non-current liabilities other than provisions	15	**4.024.255**	**0**
Current portion of long-term liabilities other than provisions	15	547.482	0
Bank loans		8.737.812	10.116
Prepayments received from customers		3.610.341	4.933.349
Trade payables		177.441.909	93.174.368
Payables to group enterprises		79.388.371	48.537.449
Income tax payable		965.700	208.089
Other payables		5.986.493	7.569.645
Current liabilities other than provisions		**276.678.108**	**154.433.016**
Liabilities other than provisions		**280.702.363**	**154.433.016**
Equity and liabilities		**292.188.292**	**163.912.983**
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Assets charged and collateral	19		
Transactions with related parties	20		
Group relations	21		
Subsidiaries	22		

Consolidated statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Share of equity attributable to minority interests DKK	Total DKK
Equity beginning of year	7.050.000	1.848.967	0	8.898.967
Effect of mergers and business combinations	0	0	45.971	45.971
Profit/loss for the year	0	2.289.748	166.658	2.456.406
Equity end of year	**7.050.000**	**4.138.715**	**212.629**	**11.401.344**

Consolidated cash flow statement for 2019

	Notes	2019 DKK	2018 DKK
Operating profit/loss		6.535.499	6.161.418
Amortisation, depreciation and impairment losses		1.817.895	1.099.199
Working capital changes	16	(39.219.183)	(2.820.263)
Cash flow from ordinary operating activities		**(30.865.789)**	**4.440.354**
Financial income received		283.547	228.612
Financial expenses paid		(3.291.958)	(2.637.901)
Income taxes refunded/(paid)		(210.032)	0
Cash flows from operating activities		**(34.084.232)**	**2.031.065**
Acquisition etc of intangible assets		(7.400)	0
Acquisition etc of property, plant and equipment		(1.509.877)	(820.713)
Sale of property, plant and equipment		101.125	40.800
Acquisition of fixed asset investments		(260.000)	(1.400.000)
Acquisition of enterprises		(2.782.040)	0
Acquisition of activities		(4.661.235)	(28.743.428)
Cash flows from investing activities		**(9.119.427)**	**(30.923.341)**
Repayments of loans etc		(248.340)	0
Incurrence of debt to group enterprises		30.850.922	22.282.154
Incurrence of lease obligations		376.970	0
Reduction of lease commitments		(19.257)	0
Other cash flows from financing activities		1.074.980	0
Cash flows from financing activities		**32.035.275**	**22.282.154**
Increase/decrease in cash and cash equivalents		**(11.168.384)**	**(6.610.122)**
Cash and cash equivalents beginning of year		4.191.664	10.801.786
Cash and cash equivalents end of year		**(6.976.720)**	**4.191.664**
Cash and cash equivalents at year-end are composed of:			
Cash		1.761.092	4.201.780
Short-term debt to banks		(8.737.812)	(10.116)
Cash and cash equivalents end of year		**(6.976.720)**	**4.191.664**

Notes to consolidated financial statements

1. Events after the balance sheet date

Management believes that the COVID-19 outbreak will not have a material adverse effect on the company's operations in the short term, as our customer base is considered to be a less affected industry. However, the medium-term business is expected to be adversely affected due to the likelihood of a long-term effect of COVID-19 on the overall economy of the community. No further events have occurred after the balance sheet date to this date, which would influens the evaluation of this annual report.

	2019 DKK	2018 DKK
2. Revenue		
Denmark	328.843.733	250.057.591
Other countries	3.467.159	35.987
	332.310.892	**250.093.578**

	2019 DKK	2018 DKK
3. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	192.000	69.098
Other services	100.000	116.707
	292.000	**185.805**

	2019 DKK	2018 DKK
4. Staff costs		
Wages and salaries	31.800.817	24.943.815
Pension costs	2.508.271	1.673.813
Other social security costs	508.199	391.822
Other staff costs	1.772.697	904.470
	36.589.984	**27.913.920**
Average number of employees	**85**	**56**

	Remunera-tion of manage-ment 2019 DKK	Remunera-tion of manage-ment 2018 DKK
Executive Board	1.879.534	1.460.218
	1.879.534	**1.460.218**

Notes to consolidated financial statements

Special incentive programmes

Management is subject to a bonus scheme where bonuses are triggered by the achievement of certain budgetary targets. Upon realization of the objectives, a bonus base amount and a percentage share of pre-tax profit exceeding the target figure are triggered. The calculated bonus for the financial year is expensed under staff costs and allocated under other debt in the annual report.

	2019 DKK	2018 DKK
5. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	738.409	528.691
Depreciation of property, plant and equipment	1.100.444	559.928
	1.838.853	**1.088.619**

	2019 DKK	2018 DKK
6. Other financial income		
Other interest income	283.547	194.659
Other financial income	0	33.953
	283.547	**228.612**

	2019 DKK	2018 DKK
7. Other financial expenses		
Financial expenses from group enterprises	2.343.684	2.215.173
Other interest expenses	594.501	419.748
Other financial expenses	353.773	2.980
	3.291.958	**2.637.901**

	2019 DKK	2018 DKK
8. Tax on profit/loss for the year		
Current tax	965.700	208.089
Change in deferred tax	173.263	811.000
Adjustment concerning previous years	(68.281)	0
	1.070.682	**1.019.089**

	2019 DKK	2018 DKK
9. Proposed distribution of profit/loss		
Retained earnings	2.289.748	2.733.040
Minority interests' share of profit/loss	166.658	0
	2.456.406	**2.733.040**

Notes to consolidated financial statements

10. Intangible assets

	Goodwill DKK
Cost beginning of year	5.911.915
Additions	3.627.076
Cost end of year	**9.538.991**
Amortisation and impairment losses beginning of year	(580.166)
Amortisation for the year	(738.409)
Amortisation and impairment losses end of year	**(1.318.575)**
Carrying amount end of year	**8.220.416**

11. Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
Cost beginning of year	3.688.812	0
Addition through business combinations etc	1.561.894	674.750
Additions	1.711.275	320.450
Disposals	(100.000)	0
Cost end of year	**6.861.981**	**995.200**
Depreciation and impairment losses beginning of year	(590.811)	0
Addition through business combinations etc	(910.213)	(357.875)
Depreciation for the year	(1.269.427)	(174.029)
Reversal regarding disposals	19.833	0
Depreciation and impairment losses end of year	**(2.750.618)**	**(531.904)**
Carrying amount end of year	**4.111.363**	**463.296**

12. Fixed asset investments

	Deposits DKK
Cost beginning of year	1.400.000
Addition through business combinations etc	75.000
Additions	260.000
Cost end of year	**1.735.000**
Carrying amount end of year	**1.735.000**

Notes to consolidated financial statements

13. Prepayments

Prepayments relate to various prepaid items.

	2019 DKK	2018 DKK
14. Deferred tax		
Intangible assets	191.000	103.000
Property, plant and equipment	233.184	135.000
Receivables	61.000	343.000
Provisions	(70.296)	0
Liabilities other than provisions	8.861	0
Tax losses carried forward	(339.164)	0
	84.585	**581.000**

Changes during the year	
Beginning of year	581.000
Recognised in the income statement	(496.415)
End of year	**84.585**

	Due within 12 months 2019 DKK	Due after more than 12 months 2019 DKK	Outstanding after 5 years DKK
15. Liabilities other than provisions			
Finance lease liabilities	52.317	305.396	0
Debt to other credit institutions	495.165	2.543.879	166.540
Other payables	0	1.174.980	0
	547.482	**4.024.255**	**166.540**

	2019 DKK	2018 DKK
16. Change in working capital		
Increase/decrease in inventories	(64.379.157)	(33.147.280)
Increase/decrease in receivables	(38.489.610)	(33.123.456)
Increase/decrease in trade payables etc	63.649.584	63.450.473
	(39.219.183)	**(2.820.263)**

Notes to consolidated financial statements

	2019 DKK	2018 DKK
17. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**22.671.590**	**19.011.499**
Liabilities under rental agreements or leases with group enterprises until expiry	**7.564.246**	**8.404.655**

18. Contingent liabilities

The Group has guaranteed for customers residual value towards financing company who has financed the customers acquisition of machinery. The guarantees amount to DKK 1.985k.

19. Assets charged and collateral

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on assets of DKK 12.500k nominal.

The carrying amount of mortgaged assets is DKK 45.759k

Goods for resale with a booked value of DKK 149.823k is provided as collateral for trade payables.

Trade payables are secured by the way of mortgage deed of DKK 7.500k nomimal. The carrying amount of mortgaged assets is DKK 162.493K.

20. Transactions with related parties

The annual report discloses only transaktions with related parties that have not been conducted on arms length terms. No such transactions have been carried out during the financial year.

21. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Raiffeisen Waren GmbH, Kassel, Germany.

The consolidated financial statement for the above mentioned company can be requested at: www.raiwa.net

	Registered in	Corpo-rate form	Equity inte-rest %
22. Subsidiaries			
Askildrup Agro A/S	Randers	A/S	80,0

Parent income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue	2	305.206.561	250.090.578
Other operating income		39.183	3.000
Cost of sales		(251.352.716)	(202.691.888)
Other external expenses		(14.917.268)	(12.227.153)
Gross profit/loss		**38.975.760**	**35.174.537**
Staff costs	3	(32.192.806)	(27.913.920)
Depreciation, amortisation and impairment losses	4	(1.474.884)	(1.088.619)
Other operating expenses		0	(10.580)
Operating profit/loss		**5.308.070**	**6.161.418**
Income from investments in group enterprises		536.482	0
Other financial income	5	190.635	228.612
Other financial expenses	6	(2.919.796)	(2.637.901)
Profit/loss before tax		**3.115.391**	**3.752.129**
Tax on profit/loss for the year	7	(825.643)	(1.019.089)
Profit/loss for the year	8	**2.289.748**	**2.733.040**

Parent balance sheet at 31.12.2019

	Notes	2019 DKK	2018 DKK
Goodwill		5.747.550	5.331.749
Intangible assets	9	**5.747.550**	**5.331.749**
Other fixtures and fittings, tools and equipment		3.745.976	3.098.001
Leasehold improvements		315.109	0
Property, plant and equipment	10	**4.061.085**	**3.098.001**
Investments in group enterprises		3.323.382	0
Deposits		1.660.000	1.400.000
Fixed asset investments	11	**4.983.382**	**1.400.000**
Fixed assets		**14.792.017**	**9.829.750**
Manufactured goods and goods for resale		158.756.827	95.631.527
Inventories		**158.756.827**	**95.631.527**
Trade receivables		52.827.131	42.810.921
Contract work in progress		2.717.484	2.654.537
Receivables from group enterprises		21.623.644	0
Other receivables		15.300.620	7.942.849
Prepayments	12	330.222	841.619
Receivables		**92.799.101**	**54.249.926**
Cash		**1.745.906**	**4.201.780**
Current assets		**253.301.834**	**154.083.233**
Assets		**268.093.851**	**163.912.983**

Parent balance sheet at 31.12.2019

	Notes	2019 DKK	2018 DKK
Contributed capital		7.050.000	7.050.000
Retained earnings		4.138.715	1.848.967
Equity		**11.188.715**	**8.898.967**
Deferred tax	13	439.000	581.000
Provisions		**439.000**	**581.000**
Finance lease liabilities		305.396	0
Other payables		1.072.766	0
Non-current liabilities other than provisions		**1.378.162**	**0**
Bank loans		16.595	10.116
Finance lease liabilities		52.317	0
Prepayments received from customers		3.610.341	4.933.349
Trade payables		166.393.551	93.174.368
Payables to group enterprises		79.388.371	48.537.449
Income tax payable		965.700	208.089
Other payables		4.661.099	7.569.645
Current liabilities other than provisions		**255.087.974**	**154.433.016**
Liabilities other than provisions		**256.466.136**	**154.433.016**
Equity and liabilities		**268.093.851**	**163.912.983**
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Assets charged and collateral	16		
Related parties with controlling interest	17		
Transactions with related parties	18		

Parent statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	7.050.000	1.848.967	8.898.967
Profit/loss for the year	0	2.289.748	2.289.748
Equity end of year	**7.050.000**	**4.138.715**	**11.188.715**

Notes to parent financial statements

1. Events after the balance sheet date

Management believes that the COVID-19 outbreak will not have a material adverse effect on the company's operations in the short term, as our customer base is considered to be a less affected industry. However, the medium-term business is expected to be adversely affected due to the likelihood of a long-term effect of COVID-19 on the overall economy of the community. No further events have occurred after the balance sheet date to this date, which would influens the evaluation of this annual report.

	2019 DKK	2018 DKK
2. Revenue		
Denmark	301.739.402	250.054.591
Other countries	3.467.159	35.987
	305.206.561	**250.090.578**

	2019 DKK	2018 DKK
3. Staff costs		
Wages and salaries	27.922.014	24.943.815
Pension costs	2.266.622	1.673.813
Other social security costs	467.604	391.822
Other staff costs	1.536.566	904.470
	32.192.806	**27.913.920**
Average number of employees	**66**	**56**

	2019 DKK	2018 DKK
4. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	608.258	441.191
Depreciation of property, plant and equipment	866.626	647.428
	1.474.884	**1.088.619**

	2019 DKK	2018 DKK
5. Other financial income		
Other interest income	190.635	194.659
Other financial income	0	33.953
	190.635	**228.612**

Notes to parent financial statements

	2019 DKK	2018 DKK
6. Other financial expenses		
Financial expenses from group enterprises	2.343.684	2.215.173
Other interest expenses	576.112	419.748
Other financial expenses	0	2.980
	2.919.796	**2.637.901**

	2019 DKK	2018 DKK
7. Tax on profit/loss for the year		
Current tax	965.700	208.089
Change in deferred tax	(142.000)	811.000
Adjustment concerning previous years	1.943	0
	825.643	**1.019.089**

	2019 DKK	2018 DKK
8. Proposed distribution of profit/loss		
Retained earnings	2.289.748	2.733.040
	2.289.748	**2.733.040**

	Goodwill DKK
9. Intangible assets	
Cost beginning of year	5.911.915
Additions	1.024.059
Cost end of year	**6.935.974**
Amortisation and impairment losses beginning of year	(580.166)
Amortisation for the year	(608.258)
Amortisation and impairment losses end of year	**(1.188.424)**
Carrying amount end of year	**5.747.550**

Notes to parent financial statements

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
10. Property, plant and equipment		
Cost beginning of year	3.688.812	0
Additions	1.589.427	320.450
Disposals	(100.000)	0
Cost end of year	**5.178.239**	**320.450**
Depreciation and impairment losses beginning of year	(590.811)	0
Depreciation for the year	(861.285)	(5.341)
Reversal regarding disposals	19.833	0
Depreciation and impairment losses end of year	**(1.432.263)**	**(5.341)**
Carrying amount end of year	**3.745.976**	**315.109**

	Investments in group enterprises DKK	Deposits DKK
11. Fixed asset investments		
Cost beginning of year	0	1.400.000
Addition through business combinations etc	2.786.900	0
Additions	0	260.000
Cost end of year	**2.786.900**	**1.660.000**
Amortisation of goodwill	(130.151)	0
Share of profit/loss for the year	666.633	0
Revaluations end of year	**536.482**	**0**
Carrying amount end of year	**3.323.382**	**1.660.000**

Residual value of group goodwill DKK 2.473k.

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

12. Prepayments

Prepayments relate to various prepaid items.

Notes to parent financial statements

	2019 DKK	2018 DKK
13. Deferred tax		
Intangible assets	191.000	103.000
Property, plant and equipment	187.000	135.000
Receivables	61.000	343.000
	439.000	**581.000**

Changes during the year	
Beginning of year	581.000
Recognised in the income statement	(142.000)
End of year	**439.000**

	2019 DKK	2018 DKK
14. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**16.712.795**	**19.011.499**
Liabilities under rental agreements or leases with group enterprises until expiry	**7.564.246**	**8.404.655**

15. Contingent liabilities

The Entity has guaranteed for customers residual value towards financing company who has financed the customers acquisition of machinery. The guarantees amount to DKK 1.985k.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

16. Assets charged and collateral

Goods for resale with a booked value of DKK 149.823k is provided as collateral for trade payables.

Certain other fixtures and fittings, tools and equipment have been financed by means of finance leases. The carrying amount of assets held under finance leases is DKK 347k.

Trade payables are secured by the way of mortgage deed of DKK 7.500k nomimal. The carrying amount of mortgaged assets is DKK 162.493K.

Notes to parent financial statements

Collateral provided for group enterprises

The Entity has guaranteed group enterprises' debt to bank. The maximum limit of the guarantee is DKK 1.000k. Bank loans of group enterprises amount to DKK 8.721k.

The Entity has guaranteed group enterprises' real estate lease. The guarantee is maximized to DKK 2.045k.

17. Related parties with controlling interest

Raiffeisen Waren GmbH, Kassel, Germany holds 80% of the shares in the Company.

18. Transactions with related parties

The annual report discloses only transactions with related parties that have not been conducted on arms length terms. No such transactions have been carried out during the financial year.

Accounting policies

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

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

2019 is the first year TBS Maskinpower ApS are presenting a consolidated financial statement as the Group has been established in 2019 by the acquisition of Askildrup Agro A/S. The comparative 2018-figures therefore comprises the figures from the parent-company.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group’s accounting policies.

Subsidiaries’ financial statement items are recognised in full in the consolidated financial statements. Minority

Accounting policies

interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement
Revenue
Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Fair value adjustments of investment property
Fair value adjustment of investment properties for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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

Accounting policies

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

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

Other operating expenses
Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income
Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet
Goodwill
Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Accounting policies

Property, plant and equipment
Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these en-terprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as

Accounting policies

separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

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

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

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

Cash
Cash comprises cash in hand and bank deposits.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each

Accounting policies

asset.

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

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Finance lease liabilities
Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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

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

Income tax receivable or payable
Current tax receivable or payable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing

Accounting policies

debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.