



Toyota Material Handling Danmark A/S

Industrivej 3, DK-3550 Slangerup

**Annual Report for
1 April 2024 - 31 March 2025**

CVR No. 62 65 70 14

The Annual Report was presented and adopted at the
Annual General Meeting of the company on
15/09/2025

Thomas Vang Christensen
Chairman of the general meeting





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Management's statement

The Executive Board and Supervisory Boards have today considered and adopted the Annual Report of Toyota Material Handling Danmark A/S for the financial year 1 April 2024 - 31 March 2025.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 March 2025 of the Company and of the results of the Company operations for 2024/25.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Slangerup, 15 September 2025

Executive Board

Troels Christensen

Supervisory Board

Stefan Peter Gradenwitz
Chairman

Anders Helbo

Jan Henriksen

Tord Jonas Persson Hermann



Independent Auditor's report

To the shareholder of Toyota Material Handling Danmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2025 and of the results of the Company's operations for the financial year 1 April 2024 - 31 March 2025 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Toyota Material Handling Danmark A/S for the financial year 1 April 2024 - 31 March 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

Based on the work we have performed, in our view, 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 in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.



Independent Auditor's report

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 15 September 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Martin Lunden
State Authorised Public Accountant
mne32209

Gösta Gauffin
State Authorised Public Accountant
mne45821



Company information

The Company	Toyota Material Handling Danmark A/S Industrivej 3 DK-3550 Slangerup Telephone: + 45 70 22 02 60 Email: info@dk.toyota-industries.com Website: www.toyota-forklifts.dk CVR No: 62 65 70 14 Financial period: 1 April 2024 - 31 March 2025 Incorporated: 29 May 1964 Financial year: 62th financial year Municipality of reg. office: Frederikssund
Supervisory Board	Stefan Peter Gradenwitz, chairman Anders Helbo Jan Henriksen Tord Jonas Persson Hermann
Executive Board	Troels Christensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Lawyers	Ret & Råd Advokater Carlsbergvej 32 D DK-3400 Hillerød
Bankers	SEB Bank Danmark Bernstorffsgade 50 DK-København V 1577



Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

(TDKK)	2024/25	2023/24	2022/23	2021/22	2020/21
Key figures					
Profit/loss					
Revenue	895,719	881,710	753,635	708,741	695,810
Gross profit	369,050	343,545	325,724	289,203	265,728
Profit/loss of primary operations	34,295	35,878	42,419	32,563	26,670
Profit/loss of financial income and expenses	-8,602	-2,889	-195	1,682	4,646
Net profit/loss for the year	19,982	25,705	32,950	27,292	24,404
Balance sheet					
Balance sheet total	1,309,513	1,213,114	1,129,522	1,074,045	1,047,815
Investment in property, plant and equipment	204,537	217,521	157,201	140,724	85,868
Equity	253,651	233,669	237,964	230,014	227,722
Number of employees	339	329	321	308	306
Ratios					
Gross margin	41.2%	39.0%	43.2%	40.8%	38.2%
Profit margin	3.8%	4.1%	5.6%	4.6%	3.8%
Return on assets	2.6%	3.0%	3.8%	3.0%	2.5%
Solvency ratio	19.4%	19.3%	21.1%	21.4%	21.7%
Return on equity	8.2%	10.9%	14.1%	11.9%	11.3%



Management's review

Key activities

The Company deals in all aspects of stackers and forklifts and hires out and provides service support on these.

Development in the year

The income statement of the Company for 2024/25 shows a profit of TDKK 19,982, and at 31 March 2025 the balance sheet of the Company shows a positive equity of TDKK 253,651.

Toyota Material Handling Denmark A/S is a strong, market-leading enterprise within the forklift truck segment.

We offer our customers a full-range product portfolio in the forklift truck segment in addition to various forms of financing and hire. Moreover, our service organization is represented nationwide, which enables us to react quickly in all parts of Denmark when our customers need our assistance. We offer a high level of competencies within fleet management, automation products, logistics consulting and other related products.

We believe that our customers' needs in this area are developing these years and, therefore, we consider it one of our key areas which we want to maintain and where our product development will take place. The size of the truck market has remained stable in 2024/25 compared to last year.

Toyota Material Handling Denmark A/S is continuously improving sustainable processes adjusting costs and resources to ensure the optimal level for any given level of activity. Toyota Material Handling A/S has launched several projects based on TPS and its concepts of Lean with the aim of reducing costs, strengthening delivery on time, and improving quality and productivity in 2025. It is the absolute commitment of Toyota Material Handling Denmark A/S to further its capabilities and competences within this area in the coming years.

Compared to last year, our revenue has increased from DKK 881,710k in 2023/24 to DKK 895,719k in 2024/25, while our net profit has decreased from DKK 25,705k in 2023/24 to DKK 19,982k in 2024/25.

The result for the year is satisfactory and in line with the expectations included in last year's Annual Report.

Operating risks

Like most markets, the forklift truck market is seeing increased focus on prices. Only through continued consolidation of the Company's high-quality level, continued improvement of our service level and continued focus on the direction of changes in the customers' needs as well as constant focus on the development in costs, will it be possible to maintain a satisfactory price level. We still need to be able to anticipate our customers' needs and deliver solutions for sufficient material handling.

Foreign exchange risks

Toyota Material Handling Danmark A/S is not exposed to any significant foreign exchange or interest rate risks.

Raw material prices

Raw material prices have stabilized, and the present level is under control. However, if significant increases are seen, it may affect the result for the coming years.

Bad debts

We have continuous focus on bad debts. We will continue maintaining a strong focus on the development of our processes in this area to ensure that losses on debtors will remain at a low level.

Environmental issues

Toyota Material Handling Danmark A/S is environmentally conscious and makes continuous efforts to reduce environmental impact from the Company's operations. In this connection, it should be noted that most of the Company's products consist of electric-powered forklift trucks, which are the optimum kind of engines for environmental purposes. Most of our range is available with lithium-ion and fuel cell technology for low carbon solutions. Sustainability has been a high-priority area, and projects have been conducted both internally and together with our customers to optimize the effort and minimize environmental impact.



Management's review

Moreover, it should be noted that Toyota Material Handling's production companies have obtained ISO 14001 environmental certification and that Toyota Material Handling Danmark A/S has a Gold Ecovadis certification. The Ecovadis gold level ranking reflects our commitment to sustainable development and our ambition to contribute to societies and the environment in which we operate.

In line with the Paris Agreements on combatting climate change, Toyota Materiel Handling Europe (including Toyota Material Handling Danmark A/S), has signed up for the Business Ambition for 1.5 C. The company commits to reach net-zero greenhouse gas emissions across the value chain by FY2041. The company also commits to reduce absolute scope 1 and 2 GHG emissions 50% and absolute scope 3 GHG emissions 25% by FY2031 from a FY2023 base year. Finally the company commits to reduce absolute scope 1, 2 and 3 GHG emissions 90% by FY2041 from a FY2023 base year.

Intellectual capital resources

It is material to the continued growth of Toyota Material Handling Danmark A/S that the Company can continue attracting and retaining qualified employees.

The Company offers a comprehensive course program which ensures and maintains a high knowledge level. This is moreover maintained and developed through our TLLP program, ISO 9001 and Ecovadis certifications.

Corporate social responsibility

For a statement on corporate social responsibility, we refer to Toyota Industries Europe AB (Swedish organisation number 556588-3534), which prepares consolidated sustainability report, see.

https://media.toyota-forklifts.eu/published/41096_Original%20document_toyota%20mh.pdf

Data Ethics

The company has last year implemented a written policy around data ethics.

The purpose of this policy is to establish guidelines for how the company collects, processes and uses data. The policy must ensure that the company complies with applicable legislation and follows developments in good data ethics.

In the financial year, we have continued on anchoring the policy within the organization. In the coming years, we will focus on developing and implementing controls related to data ethics.

Expected development

Our main strategic initiatives will be focused on our strategy "Quality in everything we do" and a selected number of strategic Hoshin areas.

In the coming years, we will continue to develop our capabilities to deliver better and more customized logistic solution and consultancy services taking a step closer to the customer.

We are fully committed to building on our internal capabilities and competencies within TPS and its concepts of Lean making our processes even more cost-efficient, keeping our OPEX cost base constant, delivering on time, and providing better products and solutions to the market.

Throughout the coming year, we expect to realize a higher revenue and a slightly higher result in the range of DKK 20,0 – 25,0 mio.



Income statement 1 April 2024 - 31 March 2025

(TDKK)	Note	2024/25	2023/24
Revenue	1	895,719	881,710
Other operating income		20,300	19,176
Cost of goods sold		-461,575	-477,822
Other external expenses		-85,394	-79,519
Gross profit		369,050	343,545
Staff expenses	2	-243,845	-232,604
Depreciation and impairment losses of property, plant and equipment	3	-90,910	-75,063
Profit/loss before financial income and expenses		34,295	35,878
Financial income		24,067	21,092
Financial expenses	4	-32,669	-23,981
Profit/loss before tax		25,693	32,989
Tax on profit/loss for the year	5	-5,711	-7,284
Net profit/loss for the year	6	19,982	25,705



Balance sheet 31 March 2025

Assets

(TDKK)	Note	2024/25	2023/24
Land and buildings		25,791	26,492
Plant and machinery		408,474	364,510
Other fixtures and fittings, tools and equipment		35,788	28,292
Leasehold improvements		306	583
Property, plant and equipment	7	470,359	419,877
Other receivables	8	327,165	292,842
Fixed asset investments		327,165	292,842
Fixed assets		797,524	712,719
Finished goods and goods for resale		109,065	113,124
Inventories		109,065	113,124
Trade receivables		293,993	286,261
Contract work in progress	9	0	4,588
Receivables from group enterprises		65,236	42,065
Other receivables		1,160	1,201
Corporation tax		10,118	8,878
Prepayments	10	32,393	44,221
Receivables		402,900	387,214
Cash at bank and in hand		24	57
Current assets		511,989	500,395
Assets		1,309,513	1,213,114



Balance sheet 31 March 2025

Liabilities and equity

(TDKK)	Note	2024/25	2023/24
Share capital		2,500	2,500
Retained earnings		251,151	231,169
Equity		253,651	233,669
Provision for deferred tax	11	9,464	5,908
Other provisions	12	2,553	2,081
Provisions		12,017	7,989
Lease obligations		388,654	354,867
Payables to group enterprises		278,094	249,327
Long-term debt	13	666,748	604,194
Lease obligations	13	140,481	136,972
Prepayments received from customers		27,159	26,834
Trade payables		31,764	28,067
Contract work in progress	9	2,250	0
Payables to group enterprises	13	118,484	116,871
Other payables		50,019	50,804
Deferred income	14	6,940	7,714
Short-term debt		377,097	367,262
Debt		1,043,845	971,456
Liabilities and equity		1,309,513	1,213,114
Contingent assets, liabilities and other financial obligations	15		
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Statement of changes in equity

(TDKK)	Share capital	Retained earnings	Total
Equity at 1 April	2,500	231,169	233,669
Net profit/loss for the year	0	19,982	19,982
Equity at 31 March	2,500	251,151	253,651



Notes to the Financial Statements

1. Revenue

(TDKK)	2024/25	2023/24
Business segments		
Truck sales	334,250	345,663
After-sales market	302,975	290,302
Rental & Used	258,494	245,745
	895,719	881,710

Geographical segments

The Company operates on the markets for stackers and forklift trucks in Denmark.

2. Staff expenses

(TDKK)	2024/25	2023/24
Wages and salaries	218,410	208,073
Pensions	19,822	18,198
Other staff expenses	5,613	6,333
	243,845	232,604
Average number of employees	339	329

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

3. Depreciation and impairment losses of property, plant and equipment

(TDKK)	2024/25	2023/24
Depreciation of property, plant and equipment	83,423	70,159
Impairment of tangible assets	7,487	4,904
	90,910	75,063

Which is specified as follows:

Depreciation - Leasehold improvements	58	113
Depreciation - Buildings	1,203	266
Depreciation - Plant and machinery	76,149	65,457
Depreciation - Other fixtures and fittings, tools and equipment	6,013	4,323
Impairment - Plant and machinery	7,487	4,904
	90,910	75,063



Notes to the Financial Statements

4. Financial expenses

(TDKK)	2024/25	2023/24
Interest to group enterprises	956	204
Other financial expenses	31,531	23,650
Exchange adjustments, expenses	182	127
	32,669	23,981

5. Income tax expense

(TDKK)	2024/25	2023/24
Current tax for the year	3,857	6,304
Deferred tax for the year	1,845	975
Adjustment of tax concerning previous years	-1,699	5
Adjustment of deferred tax concerning previous years	1,708	0
	5,711	7,284

6. Profit allocation

(TDKK)	2024/25	2023/24
Retained earnings	19,982	25,705
	19,982	25,705



Notes to the Financial Statements

7. Property, plant and equipment

(TDKK)	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 April	25,404	595,066	38,406	7,359
Additions for the year	503	190,528	13,506	0
Disposals for the year	0	-104,155	0	-2,581
Cost at 31 March	25,907	681,439	51,912	4,778
Impairment losses and depreciation at 1 April	-1,087	230,556	10,111	6,776
Impairment losses for the year	0	7,487	0	0
Depreciation for the year	1,203	76,149	6,013	58
Reversal of impairment and depreciation of sold assets	0	-41,227	0	-2,362
Impairment losses and depreciation at 31 March	116	272,965	16,124	4,472
Carrying amount at 31 March	25,791	408,474	35,788	306
Amortised over	20 years	3-6 years	3-5 years	6-10 years
Including assets under finance leases amounting to	0	88,817	0	0

8. Other fixed asset investments

(TDKK)	Other receivables
Cost at 1 April	292,842
Additions for the year	178,882
Disposals for the year	-144,559
Cost at 31 March	327,165
Carrying amount at 31 March	327,165

The total receivables relating to leases amount to DKK 445,253k, of which short-term receivables amount to DKK 118,008k, which are presented in trade receivables.



Notes to the Financial Statements

9. Contract work in progress

(TDKK)	2024/25	2023/24
Selling price of work in progress	11,681	9,125
Payments received on account	-13,931	-4,537
	-2,250	4,588
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	0	4,588
Prepayments received recognised in debt	-2,250	0
	-2,250	4,588

10. Prepayments

Prepayments consist of prepaid expenses concerning rent, leases, insurance premiums and subscriptions.

11. Provision for deferred tax

(TDKK)	2024/25	2023/24
Deferred tax liabilities at 1 April	5,908	4,933
Amounts recognised in the income statement concerning previous years	1,708	0
Other adjustments	3	0
Amounts recognised in the income statement for the year	1,845	975
Deferred tax liabilities at 31 March	9,464	5,908

12. Other provisions

(TDKK)	2024/25	2023/24
Other provisions contains provision for warranty, provision for leaseholds and provision for losses on LTR contracts.		
Other provisions	2,553	2,081
	2,553	2,081
The provisions are expected to mature as follows:		
Provisions falling due after 5 years	0	0
	0	0



Notes to the Financial Statements

13. Long-term debt

(TDKK)	2024/25	2023/24
Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt. The debt falls due for payment as specified below:		
Lease obligations		
After 5 years	0	0
Between 1 and 5 years	388,654	354,867
Long-term part	388,654	354,867
Within 1 year	140,481	136,972
	529,135	491,839
Payables to group enterprises		
After 5 years	0	0
Between 1 and 5 years	278,094	249,327
Long-term part	278,094	249,327
Within 1 year	118,484	116,871
	396,578	366,198

14. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

15. Contingent assets, liabilities and other financial obligations

(TDKK)	2024/25	2023/24
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	9,805	10,849
Between 1 and 5 years	6,773	9,498
After 5 years	0	12
	16,578	20,359
Rental liabilities, non-terminable until 31 March	5,572	5,047



Notes to the Financial Statements

15. Contingent assets, liabilities and other financial obligations (continued)

Other contingent liabilities

The Danish companies and branches of the Toyota Industries Corporation (TICO) group are jointly taxed and severally liable for the Danish joint taxation group's tax on jointly taxed income etc. Toyota Material Handling Denmark A/S is the administration company in relation to the joint taxation. Furthermore, the Danish separate taxable entities of the group are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the company's liability.

16. Related parties and disclosure of consolidated financial statements

Transactions

(TDKK)

Toyota Material Handling Denmark A/S discloses all transactions with related parties during the year. In 2024/25, the following transactions have occurred:

Sale of goods to group companies of TDKK 24,985
Sale of services to group companies of TDKK 20,181

Purchase of goods from group companies of TDKK 416,676
Purchase of services from parent company of TDKK 12,543
Purchase of services from group companies of TDKK 128,857

Interest income from group companies of TDKK 1,401
Interest paid to group companies of TDKK 32,452

Receivables from group companies of TDKK 65,236
Payables to group companies of TDKK 44,846
Loans from group companies of TDKK 351,732
Lease obligations to group companies (finance leases) TDKK 529,135



Notes to the Financial Statements

16. Related parties and disclosure of consolidated financial statements (continued)

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Toyota Industries Corporation	2-1 Toyoda-cho Kariya-shi Aichi 448-8671 Japan

The Group Annual Report of Toyota Industries Corporation may be obtained at the following address:

Toyota Industries Europe AB
Svarvargatan 8
595 81 Mjölby
Sweden

The Group Annual Report of may be obtained at the following address:

Toyota Industries Corporation
2-1 Toyoda-cho
Kariya-shi
Aichi 448-8671
Japan

17. Fee to auditors appointed at the general meeting

(TDKK)	2024/25	2023/24
PricewaterhouseCoopers		
Audit fee	356	346
Non-audit services	91	68
	447	414

18. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



Notes to the Financial Statements

19. Accounting policies

The Annual Report of Toyota Material Handling Danmark A/S for 2024/25 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024/25 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Toyota Industries Europe AB, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Leases

The Company is applying IAS 17 as its base of interpretation for both recognition and classification of leases.

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.



Notes to the Financial Statements

19. Accounting policies (continued)

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Segment information on revenue

Segment information is presented in respect of business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments. In compliance with the Danish Executive Order on exemptions from the Danish Financial Statements Act, reporting on geographical segments comprises revenue only.

Income statement

Revenue

The Company is applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably, and it is probable that the economic benefits relating to the sale will flow to the Company.

When entering into finance lease agreements as lessor, the leased asset is deemed to have been sold to the lessee at the commencement of the lease term. Net revenue is recognised at the lower of the fair value of the leased asset and the net present value of the lease payments that the lessee is obliged to pay according to the agreement, computed at a market rate of interest.

Revenue from the sale for services is recognised when the services have been rendered. In the case of prepayments received for services, the allocated transaction price is recognised as prepayments received from customers at the date of the original sale transaction and recognized as revenue over the period of the service. In the case of long-term contracts for services and service guarantees, revenue is recognized on a straight-line basis over the term of the contract or, if services are not rendered on a straight-line basis, based on the stage of completion using the cost-to-cost method.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of goods sold

Cost of goods sold comprise the purchase price etc. for goods sold in the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.



Notes to the Financial Statements

19. Accounting policies (continued)

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings	20 years
Other buildings	20 years
Demo and rental trucks	3-6 years
Other buildings	3-5 years
Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	6-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.



Notes to the Financial Statements

19. Accounting policies (continued)

Other fixed asset investments

The Company is applying IAS 17 as its base of interpretation for both recognition and classification of leases.

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

When entering into finance lease agreements as lessor, a receivable is recognised in the balance sheet corresponding to the net present value of the minimum lease payments that the lessee is obliged to pay. Lease receivables are measured after initial recognition at amortised cost.

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.



Notes to the Financial Statements

19. Accounting policies (continued)

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$