

# Pon Equipment and Pon Power Greenland ApS

Pukuffik 16, PO Box 1920  
3905 Nussuaq  
Greenland

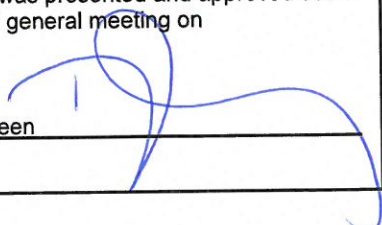
CVR no. 12 63 81 59

## **Annual report 2017**

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

22 May 2018

Daniel Bernard Green  
Chairman



## Contents

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

**Pon Equipment and Pon Power Greenland ApS**  
Annual report 2017  
CVR no. 12 63 81 59

## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Pon Equipment and Pon Power Greenland ApS for the financial year 1 January – 31 December 2017.

The annual report has been prepared in accordance with the Danish Financial Statements Act.


In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

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

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

Sermersooq, 22 May 2018  
Executive Board:

  
\_\_\_\_\_  
Annette Birgit Jacobsen

  
\_\_\_\_\_  
Daniel Bernard Green



## **Independent auditor's report**

### **To the shareholders of Pon Equipment and Pon Power Greenland ApS**

We have audited the financial statements of Pon Equipment and Pon Power Greenland ApS for the financial year 1 January – 31 December 2017, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Greenlandic Financial Statements Act.

### **Management's responsibility for the financial statements**

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

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

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

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable on Greenland. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable on Greenland, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 Greenland will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



## Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Greenland, we exercise professional judgment and maintain professional skepticism 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 conclusion is 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.
- Assess whether the information in the Management's review is relevant and reliable and whether the Management's review discloses the information which is necessary to give a true and fair view of the development in the Company's operations and financial matters.

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.

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

Our audit has not resulted in any qualification.



## Independent auditor's report

### Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of its operations and cash flows for the financial year 1 January 2017 - 31 December 2017 in accordance with the Greenlandic Financial Statements Act.

Copenhagen, 18 May 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

A handwritten signature in black ink, appearing to read 'ME', is written over a light blue horizontal line.

Martin Eiler  
State Authorised  
Public Accountant  
MNE no. 32271

**Pon Equipment and Pon Power Greenland ApS**  
Annual report 2017  
CVR no. 12 63 81 59

## Management's review

### Company details

Pon Equipment and Pon Power Greenland ApS  
Pukuffik 16, PO Box 1920  
3905 Nussuaq  
Greenland

Website: [www.pon-cat.com](http://www.pon-cat.com)

CVR no.: 12 63 81 59  
Established: 30 August 2011  
Registered office: Sermersooq  
Financial year: 1 January – 31 December

### Executive Board

Annette Birgit Jacobsen  
Daniel Bernard Green

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø  
Denmark

### Annual general meeting

The annual general meeting will be held on 22 May 2018.

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's activities comprise marketing and sales in Greenland of Caterpillar construction equipment as well as supplying spare parts and offering service in relation thereto. The Company is the sole trader of the entire Caterpillar product range. The machines are mainly sold to the Greenlandic construction industry. Pon Equipment and Pon Power Greenland ApS is based in Nuuk.

Pon Equipment and Pon Power Greenland ApS is wholly owned by Pon Holding Denmark A/S, which is included in the Pon Group. The Company is included in the consolidated financial statements of Pon Holdings B.V., which can be obtained from Pon Holdings B.V., Huis 'De Salentein', Putterstraatweg 5, NL-3862 RA Nijkerk.

#### **Loss for the year**

Loss for the year amounts to DKK 3,282 thousand compared to a loss of DKK 1,100 thousand in 2016.

#### **Capital resources**

At 31 December 2017, the Company's equity amounted to DKK 694 thousand. In 2017 the shareholder has provided a capital increase of DKK 3,800 thousand.

The Company's operations are financed through the parent company in the Netherlands, with whom credit lines have been set up. Management assesses that these are sufficient to cover the expected financing requirements for the coming year. Pon Holdings B.V. has issued a letter of support stating that financial support will be provided to Pon Equipment and Pon Power Greenland ApS at least until 31 December 2018.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date that may have a significant influence on the Company's financial statements for 2017.



## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2017	2016
<b>Gross profit/loss</b>		<u>-1,711</u>	<u>157</u>
Staff costs	2	-1,190	-900
Depreciation		<u>-319</u>	<u>-324</u>
<b>Operating loss</b>		<u>-3,220</u>	<u>-1,067</u>
Financial expenses		<u>-62</u>	<u>-33</u>
<b>Loss before tax</b>		<u>-3,282</u>	<u>-1,100</u>
Tax for the year	3	<u>0</u>	<u>0</u>
<b>Loss for the year</b>		<u><u>-3,282</u></u>	<u><u>-1,100</u></u>
<b>Proposed distribution of loss</b>			
Retained earnings		<u>-3,282</u>	<u>-1,100</u>
		<u><u>-3,282</u></u>	<u><u>-1,100</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2017	2016
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
Leasehold improvements	4	<u>345</u>	<u>689</u>
		<u>345</u>	<u>689</u>
<b>Total fixed assets</b>		<u>345</u>	<u>689</u>
<b>Current assets</b>			
<b>Inventories</b>			
Work in progress		<u>1,353</u>	<u>1,518</u>
		<u>1,353</u>	<u>1,518</u>
<b>Receivables</b>			
Trade receivables		393	583
Prepayments		<u>343</u>	<u>365</u>
		<u>736</u>	<u>948</u>
<b>Total current assets</b>		<u>2,089</u>	<u>2,466</u>
<b>TOTAL ASSETS</b>		<u>2,434</u>	<u>3,155</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2017	2016
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		263	225
Retained earnings		431	-49
<b>Total equity</b>	5	694	176
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		9	0
Payables to group entities		1,509	2,802
Other payables		179	147
Deferred income		43	30
		1,740	2,979
<b>Total liabilities other than provisions</b>		1,740	2,979
<b>TOTAL EQUITY AND LIABILITIES</b>		2,434	3,155
<b>Capital resources</b>	6		
<b>Contractual obligations, contingencies, etc.</b>	7		
<b>Related party disclosures</b>	8		

## Financial statements 1 January – 31 December

### Statement of changes in equity

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2017	225	-49	176
Capital increase	38	3,762	3,800
Transferred over the distribution of loss	0	-3,282	-3,282
<b>Equity at 31 December 2017</b>	<b>263</b>	<b>431</b>	<b>694</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Pon Equipment and Pon Power Greenland ApS for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

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

### Income statement

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report. Gross profit/loss comprises of revenue, costs of sale and other external costs.

#### Revenue

Revenue from the sale of goods for resale and finished good is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place and that the income may be reliably measured and is expected to be received. Revenue is measured excluding taxes and discounts in relation to the sale.

#### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

#### Staff costs

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

#### Depreciation and impairment losses

Depreciation and impairment losses comprise the year's depreciation and impairment losses on property, plant and equipment, as well as gains and losses from ongoing replacement of non-current assets.

#### Financial income and expenses

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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

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

##### Balance sheet

##### Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

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

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Leasehold improvements	5 years
------------------------	---------

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

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

##### Inventories

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

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

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

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

##### Prepayments

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

##### Corporation tax and deferred tax

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

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

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

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

##### Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

#### 2 Staff costs

DKK'000	2017	2016
Wages and salaries	884	802
Pensions	70	79
Other staff costs	236	19
	1,190	900
Average number of employees	2	1

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

A deferred tax asset of DKK 3,055 thousand has not been recognised at year ended 31 December 2017 as utilisation is uncertain.

#### 4 Property, plant and equipment

DKK'000	Leasehold improve- ments
Cost at 1 January 2017	1,972
Disposals for the year	-25
Cost at 31 December 2017	1,947
Depreciation and impairment losses at 1 January 2017	-1,283
Depreciation for the year	-319
Depreciation and impairment losses at 31 December 2017	-1,602
<b>Carrying amount at 31 December 2017</b>	<b>345</b>



## Financial statements 1 January – 31 December

### Notes

#### 5 Equity

The share capital consists of shares of DKK 100 each or multiple thereof.

Within the last five years, the share capital has been increased by DKK 100 thousand in 2015 and DKK 38 thousand in 2017.

#### 6 Capital resources

The Company's operations are financed through the parent company in the Netherlands, with whom credit lines have been set up. Management assesses that these are sufficient to cover the expected financing requirements for the coming year. Pon Holdings B.V. has issued a letter of support stating that financial support will be provided to Pon Equipment and Pon Power Greenland ApS at least until 31 December 2018.

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

Outstanding rent and lease payments amount to DKK 842 thousand and relate to rent of premises with a non-terminable period until the conclusion of 2018.

#### 8 Related party disclosures

Pon Equipment and Pon Power Greenland ApS' related parties comprise:

Controlling interest

Pon Holding Denmark A/S, immediate parent company  
Pon Holdings B.V., ultimate parent company

The Company's ultimate parent company, at 31 December 2017, which prepares the consolidated financial statements in which the Company is included as a subsidiary, is Pon Holdings B.V., the Netherlands.

The consolidated financial statements of the foreign parent company can be obtained at the following address:

Pon Holdings B.V., Putterstraatweg 5, 3862 RA Nijkerk, the Netherlands.

##### Other related parties

Pon Equipment and Pon Power Greenland ApS' related parties with controlling interest comprise companies in the Pon Holdings B.V. Group and the companies' Board of Directors and Executive Boards.

##### Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.