



NEFF A/S

Blovstrød Teglværksvej 3
3450 Allerød
CVR No. 13645205

Annual report 2020

The Annual General Meeting adopted the
annual report on 28.07.2021

Noel Lambert Maria Cornelius Essers
Chairman of the General Meeting

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Entity details

Entity

NEFF A/S

Blovstrød Teglværksvej 3

3450 Allerød

CVR No.: 13645205

Date of foundation: 01.11.1989

Registered office: Allerød

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Hilde Anna G Essers

Ann Marie L. Essers

Noel Lambert Maria Cornelius Essers, formand

Executive Board

Lars Stub

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of NEFF A/S for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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.

Copenhagen, 28.07.2021

Executive Board

Lars Stub

Board of Directors

Hilde Anna G Essers

Ann Marie L. Essers

Noel Lambert Maria Cornelius Essers

formand

Independent auditor's report

To the shareholders of NEFF A/S

Opinion

We have audited the financial statements of NEFF A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the 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 Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity 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 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 Entity'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 financial statements unless Management either intends to liquidate the Entity 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.

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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.

Copenhagen, 28.07.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jan Larsen

State Authorised Public Accountant
Identification No (MNE) mne16541

Management commentary

Primary activities

The object of the Company is to lease premises and to carry on warehousing and other commercial and manufacturing business.

Development in activities and finances

Profit for the year amounts to 8,585 DKK thousand and total assets amount to 86,842 DKK thousand kroner.

The Company's equity amounts to 41,818 DKK thousand at year-end.

Management considers the performance of the financial year satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		28,271,328	27,703,933
Staff costs	1	(13,665,005)	(14,857,998)
Depreciation, amortisation and impairment losses	2	(2,873,209)	(3,203,341)
Operating profit/loss		11,733,114	9,642,594
Other financial income		47,888	16,007
Other financial expenses	3	(563,696)	(657,323)
Profit/loss before tax		11,217,306	9,001,278
Tax on profit/loss for the year	4	(2,632,013)	(2,151,501)
Profit/loss for the year		8,585,293	6,849,777
Proposed distribution of profit and loss			
Retained earnings		8,585,293	6,849,777
Proposed distribution of profit and loss		8,585,293	6,849,777

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Land and buildings		53,096,306	55,483,072
Other fixtures and fittings, tools and equipment		221,489	187,158
Property, plant and equipment	5	53,317,795	55,670,230
Other receivables		3,087,029	5,017,057
Financial assets		3,087,029	5,017,057
Fixed assets		56,404,824	60,687,287
Trade receivables		18,936,689	7,961,391
Prepayments		775,659	1,308,657
Receivables		19,712,348	9,270,048
Cash		10,725,135	8,495,278
Current assets		30,437,483	17,765,326
Assets		86,842,307	78,452,613

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital	6	15,000,000	15,000,000
Retained earnings		26,817,595	18,047,877
Equity		41,817,595	33,047,877
Deferred tax		4,553,455	4,456,245
Provisions		4,553,455	4,456,245
Mortgage debt		24,907,329	27,579,397
Other payables		256,364	440,789
Non-current liabilities other than provisions	7	25,163,693	28,020,186
Current portion of non-current liabilities other than provisions	7	2,672,068	2,661,044
Trade payables		1,149,377	1,364,168
Payables to group enterprises		5,332,104	4,405,649
Joint taxation contribution payable		2,350,366	1,855,897
Other payables	8	3,428,294	2,266,192
Deferred income		375,355	375,355
Current liabilities other than provisions		15,307,564	12,928,305
Liabilities other than provisions		40,471,257	40,948,491
Equity and liabilities		86,842,307	78,452,613
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Assets charged and collateral	11		
Group relations	12		

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	15,000,000	18,047,877	33,047,877
Value adjustments	0	184,425	184,425
Profit/loss for the year	0	8,585,293	8,585,293
Equity end of year	15,000,000	26,817,595	41,817,595

Notes

1 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	12,454,124	13,075,817
Other social security costs	1,014,202	1,129,356
Other staff costs	196,679	652,825
	13,665,005	14,857,998
Average number of full-time employees	24	30

2 Depreciation, amortisation and impairment losses

	2020 DKK	2019 DKK
Depreciation of property, plant and equipment	2,873,209	3,203,341
	2,873,209	3,203,341

3 Other financial expenses

	2020 DKK	2019 DKK
Financial expenses from group enterprises	6,088	56,360
Other interest expenses	492,127	557,755
Exchange rate adjustments	32,392	9,530
Other financial expenses	33,089	33,678
	563,696	657,323

4 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	2,350,366	1,855,897
Change in deferred tax	97,210	166,381
Adjustment concerning previous years	184,437	129,223
	2,632,013	2,151,501

5 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	77,245,514	6,812,854
Additions	392,773	128,001
Cost end of year	77,638,287	6,940,855
Depreciation and impairment losses beginning of year	(21,762,442)	(6,625,696)
Depreciation for the year	(2,779,539)	(93,670)
Depreciation and impairment losses end of year	(24,541,981)	(6,719,366)
Carrying amount end of year	53,096,306	221,489

6 Share capital

	Number	Par value DKK	Nominal value DKK
Ordinary shares	15,000	1000	15,000,000
	15,000		15,000,000

7 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK	Due within 12 months 2019 DKK	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Mortgage debt	2,672,068	2,661,044	24,907,329	15,917,684
Other payables	0	0	256,364	0
	2,672,068	2,661,044	25,163,693	15,917,684

8 Other payables

	2020 DKK	2019 DKK
VAT and duties	480,360	352,169
Wages and salaries, personal income taxes, social security costs, etc payable	1,183,834	52,337
Holiday pay obligation	682,860	1,214,489
Other costs payable	1,081,240	647,197
	3,428,294	2,266,192

9 Unrecognised rental and lease commitments

	2020	2019
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	567,592	3,202,482

10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which H. Essers Danmark ApS serves as the administration company. 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 the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

11 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the property. The carrying amount of mortgaged properties amount to T.DKK 53.318.

12 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
H. Essers BV, Belgien

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
H. Essers BV, Belgien

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

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.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other external expenses and property costs.

Revenue

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.

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.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

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

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation 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 property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital 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 ex-penses, including interest expenses on payables to group enterprises, net capital 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**Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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. Straightline depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	30 years
Other fixtures and fittings, tools and equipment	3-10 years

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

Receivables

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

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 tax-based value of assets and liabilities, for which the tax based value of assets is calculated based on the planned use of each 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.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.