



NEFF A/S

Blovstrød Teglværksvej 3
3450 Allerød
CVR No. 13645205

Annual report 2019

The Annual General Meeting adopted the
annual report on 21.08.2020

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

Registered office: Allerød

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Noel Lambert Maria Cornelius Essers, Chairman

Hilde Anna G Essers

Ann Marie L. Essers

Executive Board

Lars Stub

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

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 01.01.2019 - 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 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.

Allerød, 21.08.2020

Executive Board

Lars Stub

Board of Directors

Noel Lambert Maria Cornelius Essers
Chairman

Hilde Anna G Essers

Ann Marie L. Essers

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 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 31.12.2019 and of the results of its operations 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 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, 21.08.2020

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 6,850 DKK thousand and total assets amount to 78,079 DKK thousand kroner.

The Company's equity amounts to 33,048 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 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		30,380,140	32,736,021
Staff costs	1	(17,534,205)	(18,533,525)
Depreciation, amortisation and impairment losses	2	(3,203,341)	(3,180,077)
Operating profit/loss		9,642,594	11,022,419
Other financial income		16,007	34,651
Other financial expenses	3	(657,323)	(2,306,516)
Profit/loss before tax		9,001,278	8,750,554
Tax on profit/loss for the year	4	(2,151,501)	(1,902,064)
Profit/loss for the year		6,849,777	6,848,490
Proposed distribution of profit and loss			
Extraordinary dividend distributed in the financial year		0	20,000,000
Retained earnings		6,849,777	(13,151,510)
Proposed distribution of profit and loss		6,849,777	6,848,490

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Land and buildings		55,483,069	57,839,311
Other fixtures and fittings, tools and equipment		187,158	501,149
Property, plant and equipment	5	55,670,227	58,340,460
Other receivables		5,017,057	4,836,488
Other financial assets		5,017,057	4,836,488
Fixed assets		60,687,284	63,176,948
Trade receivables		7,961,394	9,640,994
Prepayments		935,438	1,584,012
Receivables		8,896,832	11,225,006
Cash		8,495,278	5,044,917
Current assets		17,392,110	16,269,923
Assets		78,079,394	79,446,871

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital	6	15,000,000	15,000,000
Retained earnings		18,047,877	11,007,272
Equity		33,047,877	26,007,272
Deferred tax		4,456,245	4,289,864
Provisions		4,456,245	4,289,864
Mortgage debt		27,579,397	30,249,981
Other payables		440,789	630,932
Non-current liabilities other than provisions	7	28,020,186	30,880,913
Current portion of non-current liabilities other than provisions	7	2,661,044	2,621,205
Trade payables		1,945,505	2,951,018
Payables to group enterprises		3,824,312	5,124,113
Joint taxation contribution payable		1,855,897	3,599,757
Other payables	8	2,266,192	3,089,409
Deferred income		2,136	883,320
Current liabilities other than provisions		12,555,086	18,268,822
Liabilities other than provisions		40,575,272	49,149,735
Equity and liabilities		78,079,394	79,446,871
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Assets charged and collateral	11		
Group relations	12		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	15,000,000	11,007,272	26,007,272
Value adjustments	0	190,828	190,828
Profit/loss for the year	0	6,849,777	6,849,777
Equity end of year	15,000,000	18,047,877	33,047,877

Notes

1 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	15,752,024	16,880,692
Other social security costs	1,129,356	1,253,530
Other staff costs	652,825	399,303
	17,534,205	18,533,525
Average number of full-time employees	30	33

2 Depreciation, amortisation and impairment losses

	2019	2018
	DKK	DKK
Depreciation of property, plant and equipment	3,203,341	3,180,077
	3,203,341	3,180,077

3 Other financial expenses

	2019	2018
	DKK	DKK
Financial expenses from group enterprises	56,360	40,791
Other interest expenses	557,755	2,222,756
Exchange rate adjustments	9,530	11,511
Other financial expenses	33,678	31,458
	657,323	2,306,516

4 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	1,855,897	1,730,228
Change in deferred tax	166,381	171,836
Adjustment concerning previous years	129,223	0
	2,151,501	1,902,064

5 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	76,853,285	6,671,973
Additions	426,063	140,881
Disposals	(33,837)	0
Cost end of year	77,245,511	6,812,854
Depreciation and impairment losses beginning of year	(19,013,974)	(6,170,824)
Depreciation for the year	(2,748,468)	(454,872)
Depreciation and impairment losses end of year	(21,762,442)	(6,625,696)
Carrying amount end of year	55,483,069	187,158

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 2019 DKK	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK	Outstanding after 5 years 2019 DKK
Mortgage debt	2,661,044	2,621,205	27,579,397	17,720,170
Other payables	0	0	440,789	0
	2,661,044	2,621,205	28,020,186	17,720,170

8 Other payables

	2019 DKK	2018 DKK
VAT and duties	352,169	1,123,071
Wages and salaries, personal income taxes, social security costs, etc payable	1,443,041	1,496,758
Other costs payable	470,982	469,580
	2,266,192	3,089,409

9 Unrecognised rental and lease commitments

	2019	2018
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	3,202,482	8,633,992

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 55.483.

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.