

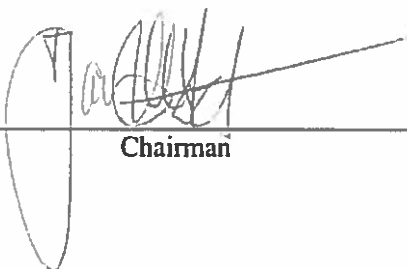
Pon Power A/S

Øresundsvej 9

CVR no. 13 71 14 88

Annual report for the period 1 January to 31 December 2015

**The annual report was presented and
adopted at the annual general meeting of
the Company on 31 May 2016**



Chairman

Contents

	Page
Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's Review	
Company details	5
Financial highlights	6
Management's Review	7
Financial Statements	
Accounting policies	10
Income statement	14
Balance sheet	15
Statement of Changes in Equity	17
Notes	18

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Pon Power A/S for the financial year 1 January - 31 December 2015.

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

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the result of the Company's operations for the financial year 1 January - 31 December 2015.

In our opinion, the Management's review includes a fair review of the development in the Company's operations and financial conditions, the results for the year and the Company's financial position.

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

Esbjerg, 31 May 2016

Executive Board

Kim Holdrup
CEO

Supervisory Board

Patrick Petrus Johannes Dorothea van Alem
Chairman

Lammert Landman
Deputy Chairman

Kim Holdrup

Jan Ullstad



KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Telephone 70707760
www.kpmg.dk
CVR no. 25578198

Independent auditor's report

To the Shareholder of Pon Power A/S

Independent auditor's report on the financial statements

We have audited the financial statements of Pon Power A/S for the financial year 1 January - 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish 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 Danish 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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 assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

København, 31 May 2016

KPMG

Statsautoriseret Revisionspartnerselskab
CVR-No. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'Per Ejsing Olsen'.

Per Ejsing Olsen
State Authorised Public Accountant

Management's Review

Company details

Company

Pon Power A/S
Øresundsvej 9
6715 Esbjerg N
Denmark

Telephone: 76146400
Website: www.pon-cat.com

CVR no.: 13 71 14 88
Financial year: 1 January - 31 December
Incorporated: 1 December 1989
Registered office: Esbjerg

Supervisory Board

Patrick Petrus Johannes Dorothea van Alem, Chairman
Lammert Landman, Deputy Chairman
Kim Holdrup
Jan Ullstad

Executive Board

Kim Holdrup
CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

General meeting

The annual general meeting is held on 31 May 2016 at the Company's address.

Management's Review

Financial highlights

The Company's development in the last five years can be described as follows::

	2015	2014	2013	2012	2011
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Revenue	482,680	425,517	506,024	495,569	460,834
Gross profit/loss	135,620	114,830	155,349	148,848	135,741
Profit/loss before financial income and expenses	33,876	-1,555	22,815	26,017	21,899
Net financials	-899	-2,859	-283	-280	236
Net profit/loss for the year	24,966	-3,683	16,622	19,289	16,450
Current assets	177,461	179,308	258,016	227,221	182,327
Balance sheet total	195,096	199,440	279,067	248,408	203,918
Investment in property, plant and equipment	281	1,795	2,322	1,796	3,921
Equity	97,931	72,965	76,648	160,026	140,737
Ratios					
Profit margin	7.0%	NEG	4.5%	5.2%	4.8%
Return on invested capital	34.6%	NEG	8.7%	11.5%	16.5%
Gross margin	28.1%	27.0%	30.7%	30.0%	29.5%
Current ratio	180.4%	152.1%	128.0%	269.8%	292.3%
Solvency ratio	50.2%	36.6%	27.5%	64.4%	69.0%
Return on equity	29.2%	NEG	14.0%	12.8%	12.4%
Average number of full-time employees	139	172	182	165	148

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Core activity

The primary activity of the Company is sale and servicing of Caterpillar's engine range within Caterpillar and MAK for the shipping and gas markets in Denmark and for Danish ships engaged in foreign trade. The Company's Danish operations are conducted from Esbjerg and Copenhagen. Operations at the Norwegian continental shelf are conducted by the Company's Norwegian branch.

Pon Power A/S is wholly owned by Pon Holding Denmark A/S which is part of the Pon Group.

Development in the year

The market for engines in general has improved in 2015 compared to 2014. Total revenue has increased by 13.4 pct. in 2015 compared to 2014.

In the same period however the contribution margin has decreased.

The operating profit for the year less other external costs, staff costs and amortisation or depreciation is DKK 33.876 thousands against a loss of DKK 1.555 thousands in 2014.

The profit for the year is DKK 24,966 thousands after tax against a loss of DKK 3,683 thousands in 2014.

Equity, including the profit for the year at 31 December 2015, amounts to DKK 97,931 thousands (2014: DKK 72,965 thousands) corresponding to an equity ratio of 50.2% (2013: 46.6%).

Special risks - operating risks and financial risks

The risk profile of the Company is sound and well-balanced emphasizing long-term customer relations and service agreements.

The Company's earnings have been steadily good through the years based on a high aftersales portfolio and sensibility towards market and cyclical fluctuations is thereby reduced.

The shipping activities are primarily ruled by market terms and less by political agendas.

Energy systems are to a higher extent depending on environment and energy political agendas as part of market terms.

The Company has functioned as an agent for Caterpillar through more than 40 years – and naturally our principal is therefore an important supplier and partner in the continued development of the business.

The risk profile of the Company is conservative – in the best sense of the word – accept calculated risks on core activities within sale and servicing of Caterpillar's complete engine program.

Management's Review

Financial risks

The Company's exposure to currency and interest risks is modest and covered to the greatest possible extent.

The Company's exposure to credit risks is normal in this line of industry.

Corporate social responsibility

The Company has a Code of Conduct which states the policies and ethical guidelines regarding corporate social responsibilities within the Company. We have not yet developed a policy regarding human rights. Code of conduct is to be followed by all employees to ensure that the Company complies with existing laws and regulations. Being an ISO 14001 and OHSAS 18001 certified company, compliance with environmental legislation as well as compliance with occupational health and safety legislation is a part of the Company's policies.

As a dealer of engines and generator sets, Pon Power A/S operates in a business, which has a substantial impact on the environment. This is recognised in the Company and underlines the necessity of having an environmental focus in the daily business. The Company's activities are all ISO 14001 certified, and the Company plays an active role in our customers' compliance with legislation, especially when it comes to emissions standards.

The Company's environmental policy focuses on development, marketing and sale of energy-efficient solutions as well as influencing suppliers to focus on environment. Compliance with current environmental legislation is also an important part of the policy.

Climate impact

Energy consumption is monitored and trends in consumption are analyzed on a regular basis. Waste management is in place and development in waste fractions is also followed. Pon Power A/S also holds an environmental approval and environmental operational control is performed according to requirements in this approval and according to internal requirements. Every year goals are set for our environmental performance, and annual reports presenting status on our environmental performance are published at our website (www.pon-cat.com).

As a consequence of our continued effort we have seen energy consumption reduced by 4-16% during 2015, which is in line with our goal to reduce energy consumption for electricity, heating and water as well as waste.

Working environment

The company have large focus on the internal working environment. The goal is to achieve an employee satisfaction of 20 in 2018, which we aim to achieve through focus on continuous feedback from employee surveys we will strive to meet the goal. In 2015 we achieved a employee satisfaction level of -2.

Management's Review

Statement on diversity on corporate boards

The gender quotation on the Board of Directors reflects the underlying ownership structure, whereas the management team is selected locally. In 2015 we achieved that 15% of the underrepresented gender is represented in local management. In future recruitments we will strive to further increase the level on local management to 25%, this we will do by focusing on ensuring the both men and women are amongst the candidates. In case of changes to the Board of Directors we will ensure the focus on underrepresented gender in dialog with the shareholders to increase the share to 25%.

Intellectual capital

The Company's ability to create value for customers and cooperators goes hand in hand with a continued development of our core values.

Sale and servicing of Caterpillar's complete engine program place heavy demands on both technical and personal skills.

The systematising of staff development meetings and the acquisition of new knowledge through training and practice is the key to preserve or strengthen the present competitiveness.

Outlook for 2016

For 2016 Management expect an increase in turnover and a positive net result.

Subsequent events

No events have occurred since the balance sheet date, which materially affects the Company's financial position.

Financial statements 1 January - 31 December

Accounting policies

The annual report of Pon Power A/S for 2015 has been prepared in accordance with the provisions applying to reporting class C (large) enterprises under the Danish Financial Statements Act.

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

Foreign currency translation

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from goods are recognised when the transfer of risk takes place. Revenue are recognised net of VAT, discounts, etc.

Revenue from service contracts are recognised over the contractual period.

Revenue is measured at fair value of the agreed remuneration excluding VAT, taxes and discounts in relation to sale.

Staff costs

Staff costs comprise wages and salaries, pensions, other social contribution and other payroll expenses.

Expenses for raw materials and consumables

Cost of sales comprise costs to engines, spare parts and consumables.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements 1 January - 31 December

Accounting policies

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and 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. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits..

Balance sheet

Property, plant and equipment

Land and buildings and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment. Depreciation is not provided on land.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets.

The estimated useful lives are as follows:

Buildings	40	years
Fixtures and fittings, tools and equipment	3-5	years

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as depreciation.

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

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.

Financial statements 1 January - 31 December

Accounting policies

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.

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, a write-down is made.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected 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.

Provisions

Provisions comprise anticipated costs related to warranties, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Warranties comprise obligations to make good any defects within the warranty period of one to five years. Provisions for warranties are measured at net realisable value and recognised based on past experience. Provisions expected to be maintained for more than one year from the balance sheet date are discounted at the average bond interest rate.

Deferred tax assets and liabilities

Current tax payable and receivable is recognised in the balance sheet as joint tax contribution 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.

Financial statements 1 January - 31 December

Accounting policies

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Debts

Liabilities are measured at net realisable value, which usually corresponds to the nominal value.

Leases

Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contingent liabilities, etc.

Financial Highlights overview

Explained key figures:

Profit margin	$\text{Profit before financials} \times 100 / \text{Revenue}$
Return on Invested Capital	$\text{EBITA} \times 100 / (\text{Working Capital} + \text{Fixed Assets})$
Gross margin	$\text{Gross Profit} \times 100 / \text{Revenue}$
Current ratio	$\text{Current assets} \times 100 / \text{Current liabilities}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$

Financial statements 1 January - 31 December

Income statement

	<u>Note</u>	<u>2015</u> DKK'000	<u>2014</u> DKK'000
Revenue	1	482,680	425,517
Expenses for raw materials and consumables		-319,381	-262,237
Other external costs		-27,679	-48,450
Gross profit		<u>135,620</u>	<u>114,830</u>
Staff costs	2	-99,075	-113,711
Depreciation of property, plant and equipment	5	-2,669	-2,674
Profit before financial income and expenses		<u>33,876</u>	<u>-1,555</u>
Financial income		111	30
Financial costs	3	-1,010	-2,889
Profit before tax		<u>32,977</u>	<u>-4,414</u>
Tax on profit/loss for the year	4	-8,011	731
Profit for the year		<u><u>24,966</u></u>	<u><u>-3,683</u></u>
Retained earnings		<u>24,966</u>	<u>-3,683</u>
		<u><u>24,966</u></u>	<u><u>-3,683</u></u>

Financial statements 1 January - 31 December

Balance sheet

	<u>Note</u>	<u>2015</u>	<u>2014</u>
Assets			
Land and buildings		13,232	13,749
Other fixtures and fittings, tools and equipment		<u>3,728</u>	<u>5,598</u>
Tangible assets	5	<u>16,960</u>	<u>19,347</u>
Other receivables		<u>675</u>	<u>785</u>
Finansielle anlægsaktiver		<u>675</u>	<u>785</u>
Non-current assets		<u>17,635</u>	<u>20,132</u>
Work in progress		5,749	15,216
Finished goods and goods for resale		<u>66,714</u>	<u>84,766</u>
Stocks		<u>72,463</u>	<u>99,982</u>
Trade receivables		85,288	60,347
Receivables from group enterprises		8,784	9,103
Other receivables		4,385	3,459
Deferred tax asset		<u>4,957</u>	<u>3,434</u>
Receivables		<u>103,414</u>	<u>76,343</u>
Cash at bank and in hand		<u>1,584</u>	<u>2,983</u>
Total current assets		<u>177,461</u>	<u>179,308</u>
Total assets		<u>195,096</u>	<u>199,440</u>

Financial statements 1 January - 31 December

Balance sheet

	<u>Note</u>	<u>2015</u>	<u>2014</u>
Equity and liabilities			
Share capital		5,000	5,000
Retained earnings		<u>92,931</u>	<u>67,965</u>
Total equity	6	<u>97,931</u>	<u>72,965</u>
Other provisions	7	<u>1,277</u>	<u>8,564</u>
Total provisions		<u>1,277</u>	<u>8,564</u>
Other credit institutions		254	0
Trade payables		19,635	32,024
Payables to subsidiaries		46,360	43,125
Corporation tax		9,465	1,356
Other payables		18,948	29,923
Deferred income		<u>1,226</u>	<u>11,483</u>
Short-term debt		<u>95,888</u>	<u>117,911</u>
Total debt		<u>95,888</u>	<u>117,911</u>
Total equity and liabilities		<u>195,096</u>	<u>199,440</u>
Rental agreements and lease commitments	8		
Related parties and ownership	9		

Financial statements 1 January - 31 December

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2015	5,000	67,965	72,965
Profit for the year	0	24,966	24,966
Equity at 31 December 2015	<u>5,000</u>	<u>92,931</u>	<u>97,931</u>

Financial statements 1 January - 31 December

Notes

	<u>2015</u>	<u>2014</u>
	DKK'000	DKK'000
1 Revenue		
Sale of new engines	35,008	25,559
Sale of used engines	61,285	22,432
Other	636	1,733
Aftermarket sales	<u>385,751</u>	<u>375,793</u>
Revenue total	<u><u>482,680</u></u>	<u><u>425,517</u></u>

Revenue has generally been achieved in Denmark or on other markets which do not deviate from this.

2 Staff costs		
Wages and salaries	83,082	96,336
Other social security costs	8,526	9,720
Other staff costs	<u>7,467</u>	<u>7,655</u>
	<u><u>99,075</u></u>	<u><u>113,711</u></u>
 Average number of employees	 <u>139</u>	 <u>172</u>

According to section 98 B of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed. There has been no remuneration to the Supervisory Board

3 Financial costs		
Interest paid to affiliated companies	972	2,516
Other financial costs	38	56
Exchange loss	<u>0</u>	<u>317</u>
	<u><u>1,010</u></u>	<u><u>2,889</u></u>

Financial statements 1 January - 31 December

Notes

	2015 DKK'000	2014 DKK'000
4 Tax on profit/loss for the year		
Current tax for the year	9,397	1,355
Deferred tax for the year	-1,523	-2,103
Adjustment of tax concerning previous years	137	17
	<u>8,011</u>	<u>-731</u>

5 Tangible assets

	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2015	22,286	22,931	45,217
Additions for the year	0	281	281
Cost at 31 December 2015	<u>22,286</u>	<u>23,212</u>	<u>45,498</u>
Impairment losses and depreciation at 1 January 2015	8,536	17,333	25,869
Depreciation for the year	518	2,151	2,669
Impairment losses and depreciation at 31 December 2015	<u>9,054</u>	<u>19,484</u>	<u>28,538</u>
Carrying amount at 31 December 2015	<u>13,232</u>	<u>3,728</u>	<u>16,960</u>

6 Equity

The share capital consists of 50.000 shares of a nominal value of DKK 100 each. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Financial statements 1 January - 31 December

Notes

	<u>2015</u>	<u>2014</u>
7 Other provisions		
Balance at 1 January 2015	8,564	782
Provisions for the year	1,277	7,393
Utilised during the year	<u>-8,564</u>	<u>389</u>
Balance at 31 December 2015	<u>1,277</u>	<u>8,564</u>
8 Rental agreements and lease commitments		
Operating lease commitments.		
Total future lease payments:		
Within 1 year	6,683	6,782
Between 1 and 5 years	<u>13,927</u>	<u>19,312</u>
	<u>20,610</u>	<u>26,094</u>

Issued bank guarantees amounted to DKK 4,052 thousand at 31 December 2015 (2014: DKK 6,382 thousand).

The Company is jointly taxed with the other Danish consolidated enterprises. As a consolidated enterprise, together with the other consolidated enterprises included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties. The jointly taxed companies' total known net liability in respect of corporation taxes and holding with taxes payable on dividends, interest and royalties amounted to DKK 0 thousand at 31 December 2015. Any subsequent corrections of income subject to joint taxation and with holding taxes, etc., may entail that the Company's liability will increase.

Financial statements 1 January - 31 December

Notes

9 Related parties and ownership

Pon Power A/S' related parties comprise the following:

Controlling interest

Pon Holding Denmark A/S, immediate Parent Company

The Company's ultimate Parent Company at 31 December 2015 that prepares a Group annual report in which the Company is included as a subsidiary is Pon Holdings B.V., The Netherlands.

Pon Holdings B.V., ultimate Parent Company

The Group annual report 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 Power A/S' related parties with controlling interest comprise companies within the Pon Holdings B.V. Group and the companies' boards of directors, chief executive officer and executive employees and their family members.

Further, related parties comprise companies in which the above persons have substantial interests.

Ownership

According to the Company's register of shareholders, the following shareholders hold a minimum of 5% of the voting rights or a minimum of 5% of the share capital:

Pon Holding Denmark A/S, Øresundsvej 9, DK- 6715 Esbjerg N