

Loxam Denmark Holding A/S

Fabriksparken 30
2600 Glostrup

CVR no. 30 70 52 97

Annual report 2023

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

on 26 June 2024

Carsten Lausen Hoeck
chairman of the annual general meeting

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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 Loxam Denmark Holding A/S for the financial year 1 January – 31 December 2023.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's activities for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

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.

Glostrup, 26 June 2024
Executive Board:

Gérard George Déprez

Board of Directors:

Stéphane Jean Hénon
Chairman

Patrick Hervé Bourmaud

Gérard George Déprez



Independent auditor's report

To the shareholders of Loxam Denmark Holding A/S

Opinion

We have audited the financial statements of Loxam Denmark Holding A/S for the financial year 1 January – 31 December 2023 comprising income statement, balance sheet, statement of changes in equity and notes. The financial statements have 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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 in accordance with the rules of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

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

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.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Independent auditor's report

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

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

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.



Independent auditor's report

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 26 June 2024

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Jon Beck
State Authorised
Public Accountant
mne32169

Karsten Bøgel
State Authorised
Public Accountant
mne27849

Loxam Denmark Holding A/S
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Management's review

Company details

Loxam Denmark Holding A/S
Fabriksparken 30
2600 Glostrup

Telephone:	+45 46155600
Website:	www.loxam.dk
CVR no.:	30 70 52 97
Established:	4 July 2007
Registered office:	Glostrup
Financial year:	1 January – 31 December

Board of Directors

Stéphane Jean Hénon
Patrick Hervé Bourmaud
Gérard George Déprez

Executive Board

Gérard George Deprez

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark
CVR no.: 25 57 81 98

Management's review

Operating review

Principal activities

Loxam Denmark Holding A/S is the holding company for the Danish activities of the Loxam Group.

Uncertainty regarding valuation of shares in subsidiary

The recoverable amount is determined using the "Discounted Cash Flow" method. The cash flow forecasts of Loxam A/S and JM Trykluft A/S used for the calculations are based on amounts from the following year's budget approved by management, and forecasts for the next four years.

The cash flow forecasts covering a five-year period are based on Management experience and development forecasts for the markets in which the Loxam Denmark operates.

It is Management's opinion that the recoverable amount of the shares in the subsidiary is equivalent to the current book value, and that the impairment test is based on reasonable assumptions.

If the revenue growth and EBIT margin in Loxam A/S does not materialise as expected, there is a risk that the investment in the subsidiary will be further impaired or that impairments made in previous years will be reversed.

Moreover, reference is made to note 8, in which key assumptions are described in further detail.

Correction of error

In previous years (2017) the received dividends was recognised as a reduction of the book value of investments in subsidiaries, instead the amount should have been recognised as an impairment write down. The correction has not had any impact on the results for the year or equity. Please refer to further description in accounting policies.

Financial resources

The operations of the company is financed by loans from its parent company. Management find the Company's financial resources adequate.

The company's equity at 31 December 2023 is positive with an amount of DKK 229,900 thousand.

Events after the balance sheet date

On the 29 March 2024 Loxam A/S and JM Trykluft, was merged with Loxam A/S as the continuing company. The merger has retroactive active effect from 1 January 2024.

Moreover, reference is made to note 3, in which the matter is described in further detail.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2023	2022
Other operating costs		-201	-631
Operating loss		-201	-631
Dividends from subsidiaries		117,000	63,000
Financial income	5	11,666	9,495
Financial expenses	6	-50,189	-38,691
Profit before tax		78,276	33,173
Tax on profit for the year	7	1,845	5,037
Profit for the year		<u>80,121</u>	<u>38,210</u>
Proposed distribution of loss			
Retained earnings		<u>80,121</u>	<u>38,210</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2023	2022
ASSETS			
Non-current assets			
Investments			
Investments in subsidiary	8	1,152,636	1,152,636
Total non-current assets		<u>1,152,636</u>	<u>1,152,636</u>
Current assets			
Receivables			
Loans to subsidiary		317,840	264,900
Other tax receivables		0	4,804
Receivables from group entities		23,991	14,538
Deferred tax asset		0	5,922
		<u>341,831</u>	<u>290,164</u>
Cash at bank and in hand		<u>71</u>	<u>214</u>
Total current assets		<u>341,902</u>	<u>290,378</u>
TOTAL ASSETS		<u>1,494,538</u>	<u>1,443,014</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	9	31,000	31,000
Retained earnings		198,900	118,779
Total equity		<u>229,900</u>	<u>149,779</u>
Liabilities			
Long-term liabilities			
Loans from parent company	10	1,221,391	700,000
Current liabilities			
Loans from parent company	10	35,000	549,404
Loans from subsidiaries		0	35,000
Tax payables		8,224	8,439
Other payables		23	392
		<u>43,247</u>	<u>593,235</u>
Total liabilities		<u>1,263,638</u>	<u>1,293,235</u>
TOTAL EQUITY AND LIABILITIES		<u>1,494,538</u>	<u>1,443,014</u>
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Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2023	31,000	118,779	149,779
Transferred; see distribution of income	0	80,121	80,121
Equity at 31 December 2023	31,000	198,900	229,900

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Loxam Denmark Holding A/S for 2023 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

Correction of error

In previous years (2017) the received dividends of DKK 313,112 thousand was recognised as a reduction of the book value of investments in subsidiaries, instead the amount should have been recognised as an impairment write down. This has been reclassified in note 8 to the financial statements 2023 compared to 2022. The correction has not had any impact on the results for the year or equity.

Consolidated annual report

The annual report of Loxam Denmark Holding A/S is a part of Loxam S.A.S. Pursuant to section 112 of the Danish Financial Statements Act, consolidated financial statements for Loxam Holding A/S have not been prepared. The consolidated financial statements for Loxam S.A.S, which include Loxam Denmark Holding A/S and its subsidiaries, are filed with these financial statements.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, 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

Other operating costs

Other operating costs comprise items secondary to the activities of the Company, including costs for advisers and auditors.

Dividends from subsidiary

Dividends from subsidiaries are recognized in the income statement for that accounting year in which the dividend is received.

Financial income

Financial income comprise interest income in relation to loans as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial expenses

Financial expenses comprise interest expense in relation to loans as well as surcharges and refunds under the on-account tax scheme, etc.

Write-down on financial asset and reversal of prior write downs

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividends exceed profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

Tax on profit/loss for the year

Tax for the year comprises current 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 at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Investments

Equity investments in subsidiaries which are measured at cost are tested at least once a year and whenever indications of impairment arise. When the cost exceeds the recoverable amount, write-down is made to this lower value. When the recoverable amount exceeds the reduced cost price, reversal is made to the higher amount to original cost 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 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.

Equity

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to items where 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.

Liabilities

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. 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.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

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2 Uncertainty regarding valuation of shares in subsidiary

The recoverable amount is determined using the “Discounted Cash Flow” method. The cash flow forecasts of Loxam A/S and JM Trykluft A/S used for the calculations are based on amounts from the following year’s budget approved by management, and forecasts for the next four years.

The cash flow forecasts covering a five-year period are based on Management experience and development forecasts for the markets in which the Loxam Denmark operates.

It is Management’s opinion that the recoverable amount of the shares in the subsidiary is equivalent to the current book value, and that the impairment test is based on reasonable assumptions. If the revenue growth and EBIT margin in Loxam A/S does not materialise as expected, there is a risk that the investment in the subsidiary will be further impaired or that impairments made in previous years will be reversed.

Moreover, reference is made to note 8, in which key assumptions are described in further detail.

3 Events after the balance sheet date

On the 29 March 2024 Loxam A/S and JM Trykluft, was merged with Loxam A/S as the continuing company. The merger has retroactive active effect from 1 January 2024.

4 Average number of employees

There are no employees in the Company.

DKK'000	2023	2022
5 Financial income		
Interest income from group companies	11,666	7,474
Other interest income	0	2,021
	11,666	9,495
6 Financial expenses		
Interest expense to parent company	49,823	38,651
Other financial expenses	366	40
	50,189	38,691
7 Tax on profit/loss for the year		
Current tax	7,767	6,035
Adjustment to tax in prior years	0	2,847
Adjustment to deferred tax prior year	0	31
Change in deferred tax	-5,921	-3,876
	1,845	5,037

Financial statements 1 January – 31 December

Notes

8 Investments in subsidiary

DKK'000	2023	2022
Cost at 1 January	1,611,641	1,611,641
Additions	0	0
Cost at 31 December	1,611,641	1,611,641
Write-down at 1 January	-459,005	-459,005
Write-up for the year	0	0
Write-down at 31 December	-459,005	-459,005
Carrying amount at 31 December	1,152,636	1,152,636

Subsidiary	Ownership interest	Equity	Profit
		DKK'000	DKK'000
Loxam A/S, Glostrup, Denmark	100%	50,975	27,614
JM Trykluft A/S, Viby, Denmark	100%	102,612	26,721

The cash flow forecasts covering a five-year period are based on experience and development forecasts for the markets in which Loxam Denmark operates.

Cash flows are calculated net of tax and discounted to their present value with a discount rate reflecting the risks associated with the cash flows.

The discount rates correspond to the weighted average cost of capital (WACC), in line with the sector's financial structure and market data.

The following assumptions, considered to be key assumptions, were used to calculate the discounted value of cash flow forecasts for the investments in subsidiaries:

Period	Revenue growth	EBIT margin	WACC
Budget period	2%	11 - 13%	8%
Terminal period	1,5%	13%	8%

Following the result of this impairment test for the financial year ended December 31, 2023, Loxam holding A/S did not record any impairment or reversal of previously made write downs.

Financial statements 1 January – 31 December

Notes

9 Share capital

The share capital comprises 310,000 shares of DKK 100 each.

10 Loans from parent company

The loans fall due as follows:

DKK'000	2023	2022
0-1 year	35,000	549,404
1-5 year	1,221,391	700,000
> 5 year	0	0
	<u>1,256,391</u>	<u>1,249,404</u>

11 Contractual liabilities, contingencies, etc.

Contingent liabilities

The parent company is jointly taxed with Loxam A/S and JM Trykluft A/S. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes.

Any subsequent corrections of the taxable income subject to joint taxation may entail that the companies' liability will increase. The Group as a whole is not liable to others.

The Company has issued a letter of subordination to a creditor of its subsidiary Loxam A/S' regarding its receivable from the subsidiary. At the balance sheet date, the receivable amounts to DKK 317,840 thousand

12 Related party disclosures

Parties exercising control

Loxam S.A.S., 256 Rue Nicolas Coatanlem, 56850 Caudan, France.

The Company's annual report is included in the consolidated financial statements of the ultimate owner Loxam S.A.S, France. The Group's annual report is filed with this annual report.