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TPS Holding ll A/S

Vemmetofte Alle 24, 2800 Gentofte

Company reg. no. 30 90 38 70

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 25 May 2021.

Jesper Baagøe-Kronborg
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that EUR 146.940 corresponds to the English amount of EUR 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of TPS Holding ll A/S for the financial year 1 January - 31 December 2020 of TPS Holding ll A/S.

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

We consider the accounting policies appropriate and, in our opinion, the consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2020, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Gentofte, 25 May 2021

Managing Director

Christian Assam Taarnhøj

Board of directors

Thorleif Nohr Blok

Jens Taarnhøj

Kim Gulstad

Independent auditor's report

To the shareholders of TPS Holding ll A/S

Opinion

We have audited the consolidated financial statements and the financial statements of TPS Holding ll A/S for the financial year 1 January to 31 December 2020, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies, consolidated and of the company, respectively and consolidated statement af cash flows. The consolidated financial statements and the financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements present a fair view of the assets, equity and liabilities, and financial position, consolidated and of the company, respectively, at 31 December 2020 and of the results of the company's activities, consolidated and of the company, respectivelyand of consolidated cash flows , for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the consolidated financial statements and the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the consolidated financial statements and the financial statements

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

In preparing the consolidated financial statements and the financial statements, management is responsible for assessing the group's and 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 unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated annual accounts and the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 consolidated financial statements and financial statements.

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 the 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 group's and 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 preparation of the consolidated financial statements and the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the group's and 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 consolidated financial statements and 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 group and the company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure, and contents of the consolidated financial statements and the financial statements, including disclosures in notes, and whether the consolidated financial statements and the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the consolidated financial statements and the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the consolidated financial statements or the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management commentary is consistent with the consolidated financial statements and the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 25 May 2021

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

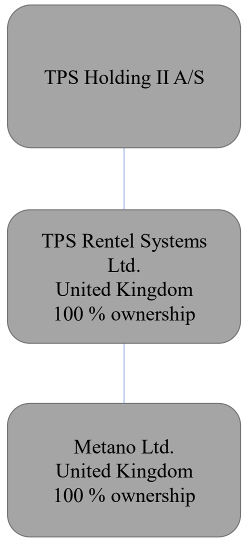
Claus Carlsen
State Authorised Public Accountant
mne23451

Ronnie Lund Jensen
State Authorised Public Accountant
mne41308

Company information

The company	TPS Holding ll A/S Vemmetofte Alle 24 2800 Gentofte	
	Company reg. no.	30 90 38 70
	Financial year:	1 January - 31 December
Board of directors	Thorleif Nohr Blok Jens Taarnhøj Kim Gulstad	
Managing Director	Christian Assam Taarnhøj	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	

Koncernoversigt



Consolidated financial highlights

EUR in thousands.	2020	2019	2018
Income statement:			
Gross profit	12.023	7.817	6.946
Profit from operating activities	3.724	2.943	2.855
Net financials	-1.206	-75	-200
Net profit or loss for the year	1.673	2.341	2.100
Statement of financial position:			
Balance sheet total	34.288	14.901	12.243
Investments in property, plant and equip-ment	20.752	5.466	2.449
Equity	5.329	5.828	7.773
Cash flows:			
Operating activities	4.107	3.702	3.725
Investing activities	-14.787	-4.617	-3.540
Financing activities	-6.977	-5.122	723
Total cash flows	-17.657	-6.038	909
Employees:			
Average number of full-time employees	79	41	37
Key figures in %:			
Acid test ratio	30,5	51,3	137,0
Solvency ratio	15,5	39,1	63,5

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Acid test ratio

$$\frac{\text{Current assets x 100}}{\text{Short term liabilities other than provisions}}$$

Solvency ratio

$$\frac{\text{Equity, closing balance x 100}}{\text{Total assets, closing balance}}$$

Management commentary

The principal activities of the group

The principal activities of the group and of TPS Holding ll A/S continued to be that of the hire of intermediate bulk containers and the sale of liquid liner bag and accessory products.

Uncertainties about recognition or measurement

In the application of the groups accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. Management are of the opinion that there are no significant estimate uncertainties affecting the group.

The annual depreciation charge is sensitive to any changes in the estimated useful life and residual values of tangible assets. The useful economic lives and residual value is assessed on an annual basis and are amended only when evidence shows a change in the estimated economic lives or residual life. Criteria used to assess the economic life and residual value includes technological advancement, economic utilization, physical condition of the asset and future investments..

The Company amended its depreciation policy on the fleet from 5-7 years to 10 years. This decision was made in order to better align the useful life based on historic experience and align it with the Metano business. The change in accounting estimates has been applied prospectively to those held within tangible fixed assets. The impact on annual depreciation charged for the year is reduced charge to the profit and loss and tangible assets by t.EUR 103.

The depreciation of the container fleet is particularly sensitive to the estimate of useful economic life. A charge of EUR 2.704.914 has been recognized. Any changes to useful economic life could result in changes to the annual depreciation charge.

Development in activities and financial matters

For the parent company the gross profit for the year totals EUR 6.682 against EUR -13.449 last year. Income or loss from ordinary activities after tax totals EUR 1.826.844 against EUR 2.228.359 last year. Management considers the net profit or loss for the year satisfactory.

Management commentary

The financial performance of the Group for the current year is considered satisfactory. The acquisition of Metano Limited in February 2020 and the subsequent transfer of the Metano business into TPS Rental Systems Limited has been very positive. Whilst COVID-19 has had an impact on business – particularly the ability to travel and visit customers and prospects - the financial impact on the Group has not been significant. Rental income and liners sales both continued a positive growth trend in 2020 with overall turnover and EBITDA both increasing despite the difficult conditions. Looking forward into 2021, the Group anticipates a challenging year but also further growth in both turnover and EBITDA and will continue to invest in new rental equipment, technology and business infrastructure improvements as and when required.

Business review

In February 2020, the group purchased 100% of the share capital of Metano Limited (Metano). Metano was very similar in nature to TPS Rental Systems Ltd (TPS) and had a strong history in the bag-in-box marketplace as a lessor, with a rental fleet of over 22,000 folding boxes, and as a liner bag manufacturer. In addition to this, Metano had a fleet of approximately 5,500 rigid, stainless steel IBCs predominantly hired out in the hazardous goods market for products such as inks, paints, resins and chemicals. This is a new market for TPS and is a welcome addition to the rental side of the business.

The purchase of Metano was funded through the extension of the existing Danske Bank overdraft facility to €30m. The directors believe that this allows the group the greatest flexibility and simplicity in managing funding. Metano was highly geared and purchased most of its rental equipment on hire purchase or lease purchase. Immediately following the acquisition, the directors made the decision to repay all the external debt finance within Metano using the existing overdraft facility within TPS.

Throughout 2020 the business completed the hive-up of the trade, assets, and employees of the Metano business into TPS. Metano is now dormant and the trading business is continuing in TPS. There has also been a process of integration of the two business. This process has been well received and the business is now looking to further integrate the systems to one consolidated ERP in 2021/22.

The group continues to focus on driving top line turnover growth through a combination of building on existing level of activity with customers and sourcing new business. The growth in consolidated turnover of 45% reflects a successful performance in this respect. This also includes the consolidation of the business of Metano post acquisition. Bottom line growth (EBITDA) has also remained strong despite the challenging year.

Activity within our traditional liquid ‘bag-in-box’ system has been buoyant, and the business has seen growth in both container hire volumes and liner bag sales across all main regions.

Management commentary

The group continues to achieve a high utilization rate on hire of its container fleet through the careful management of acquisition of new containers specifically for hire against the competing demand from customers who wish to buy their own fleet of containers.

Container daily hire rates remained consistent across the divisions whilst liner bag and consumable product prices continued at level sufficient to generate satisfactory margins

Brexit

To mitigate trading risks following Brexit at the end of 2020, the business has restructured in order to be able to continue to trade most effectively and efficiently in its European operations. A 100% subsidiary of TPS Rental Systems Ltd was created – TPS Rental Systems Management GmbH (resident in Germany). The two companies have also formed a partnership – TPS Rental Systems GmbH & Co. KG which will act as the trading arm of the group for most of the European operations

Treasury shares

The enterprise’s holding of treasury shares is 9.470 shares at EUR 1 each, corresponding to 9,24 % of the contributed capital.

Special risks

Principal risk and uncertainties

As for many businesses operating across Europe the principal risk continues to be the general economic environment, although operating in a relatively niche market does compensate for this to some extent. We are aware that our plans for future development of the business may be subject to unforeseen events outside of our control.

Management commentary

Financial risk management
The company's operations expose it to a variety of financial risks as follows:

Price risk – The group is exposed to general market price risk on its supplies as a result of its operations. Exposure to adverse movements in prices is managed by ensuring suppliers are held to fixed pricing for as long as commercially possible. Equally, a regular review of the impact of price cost movement is considered in line with customer pricing.

Credit risk – The group has in place policies that require appropriate credit checks on potential customers. And on an on-going basis a tight credit control policy is in place to mitigate against late or non-payment of debts, as well as complementing the management of working capital.

Liquidity/cash flow risk – The group continues to enjoy the full support of its bankers in the provision of adequate and enough funds both for current operations and planned future expenditure. The current level of operating headroom in the operating credit facility is considered enough.

Foreign exchange risk – trading operations are exposed to risk of changes in foreign currency exchange rates, particularly that of GBP and Euro which are the main currencies in which the company operates. Where possible the group adopts a policy of buying and selling products in the same currency to mitigate this risk. There is also an added element of natural hedging in the group where the revenue currency is the same as the cost currency. The Board regularly considers the impact of foreign exchange risk and there are no current plans to adopt formal hedging products given that the cost would outweigh any potential benefit.

Interest rate risk – the interest rates on operating credit are set at competitive market rates. The group reviews its future exposure at Board level and will, if necessary, enter into negotiations with its bankers in order to achieve as competitive level of charge as possible.

Environmental issues
The group is aware of its impact and responsibilities in terms of the environment. The company does not significantly impact the environment as it has no production. The company's plastic and steel containers are all reusable. Containers have long useful lives and are either repaired for re-use or dismantled and scrap is sold for recycle when no longer useful.

Know how resources
The group relies on recruiting and retaining personnel with experience in sales and personnel with technical education and skills to support future earnings. This is relevant to the operation of the containers and liner bags provided to existing customer base and the ability to 'sell' the TPS bag-in-box system to new customers.

Management commentary

Research and development activities

There are no pure or applied research activities. Development activities are mostly undertaken in conjunction with container and liner bag suppliers to make improvements to the design and operation of containers or develop new liner bag designs to enable penetration into new markets.

Expected developments

As described under "Development in activities and financial matters" are the group expecting to continue our plans and take advantage of business opportunities as they arise throughout the remainder of 2020. We do however forsee growth for the next 3 to 6 months to be slow do to the below mentioned Covid-19. With this in mind we are aware that our plans for future development of the business may be subject to further unforseen events outside our control.

Events occurring after the end of the financial year

In January 2020 the group incorporated a new subsidiary in Germany. The group intends to transfer the business of its existing German branch into the new subsidiary during 2021.

Branches abroad

The Group operates branches in Germany and Sweden in order to better serve the needs of customers throughout mainland Europe.

Income statement 1 January - 31 December

All amounts in EUR.

Note		Group 2020	Group 2019	Parent 2020	Parent 2019
	Gross profit	**12.023.100**	**7.816.748**	**6.682**	**-13.449**
2	Staff costs	-3.962.327	-2.583.922	-37.817	-10.789
	Depreciation, amortisation, and impairment	-4.337.071	-2.290.209	0	0
	Operating profit	**3.723.702**	**2.942.617**	**-31.135**	**-24.238**
	Income from equity investments in group enterprises	0	0	1.860.000	2.250.000
	Other financial income from group enterprises	0	0	0	6.930
	Other financial income	148.122	117.448	0	0
3	Other financial costs	-1.354.445	-192.454	-2.021	-4.333
	Pre-tax net profit or loss	**2.517.379**	**2.867.611**	**1.826.844**	**2.228.359**
	Tax on net profit or loss for the year	-844.516	-527.011	0	0
4	**Net profit or loss for the year**	**1.672.863**	**2.340.600**	**1.826.844**	**2.228.359**

Statement of financial position at 31 December

All amounts in EUR.

Assets

Note		Group 2020	Group 2019	Parent 2020	Parent 2019
	Non-current assets				
5	Goodwill	9.372.742	0	0	0
6	Development projects in progress and prepayments for intangible assets	0	0	0	0
	Total intangible assets	9.372.742	0	0	0
7	Property	1.398.266	0	0	0
8	Other fixtures and fittings, tools and equipment	14.895.050	10.246.110	0	0
	Total property, plant, and equipment	16.293.316	10.246.110	0	0
9	Equity investments in group enterprises	0	0	4.448.785	4.448.785
	Total investments	0	0	4.448.785	4.448.785
	Total non-current assets	**25.666.058**	**10.246.110**	**4.448.785**	**4.448.785**

Statement of financial position at 31 December

All amounts in EUR.

Assets

Note		Group 2020	Group 2019	Parent 2020	Parent 2019
	Current assets				
	Assets held for sale	1.172.243	821.053	0	0
	Total inventories	1.172.243	821.053	0	0
	Trade receivables	4.458.921	2.443.093	0	0
	Receivables from group enterprises	0	0	671	32.983
10	Deferred tax assets	0	84.972	0	0
	Other receivables	13.239	22.139	13.237	0
11	Prepayments and accrued income	1.005.806	502.149	0	0
	Total receivables	5.477.966	3.052.353	13.908	32.983
	Cash on hand and demand deposits	1.971.678	780.996	4.998	24.013
	Total current assets	**8.621.887**	**4.654.402**	**18.906**	**56.996**
	Total assets	**34.287.945**	**14.900.512**	**4.467.691**	**4.505.781**

Statement of financial position at 31 December

All amounts in EUR.

Equity and liabilities

Note		Group 2020	Group 2019	Parent 2020	Parent 2019
	Equity				
12	Contributed capital	102.470	102.470	102.470	102.470
	Reserve for foreign currency translation	-311.389	0	0	0
	Retained earnings	2.976.202	3.675.690	1.783.354	2.328.860
	Proposed dividend for the financial year	2.561.750	2.049.400	2.561.750	2.049.400
	Total equity	**5.329.033**	**5.827.560**	**4.447.574**	**4.480.730**
	Provisions				
13	Provisions for deferred tax	593.493	0	0	0
	Total provisions	**593.493**	**0**	**0**	**0**

Statement of financial position at 31 December

All amounts in EUR.

Note	Equity and liabilities	Group 2020	Group 2019	Parent 2020	Parent 2019
	Liabilities other than provisions				
14	Accruals and deferred income	71.312	0	0	0
	Total long term liabilities other than provisions	71.312	0	0	0
	Bank loans	25.594.490	6.747.023	0	0
	Trade payables	1.624.497	1.576.198	18.646	18.131
	Income tax payable	212.473	164.861	0	0
	Other payables	370.432	184.173	1.471	6.920
15	Accruals and deferred income	492.215	400.697	0	0
	Total short term liabilities other than provisions	28.294.107	9.072.952	20.117	25.051
	Total liabilities other than provisions	**28.365.419**	**9.072.952**	**20.117**	**25.051**
	Total equity and liabilities	**34.287.945**	**14.900.512**	**4.467.691**	**4.505.781**

1 Subsequent events
16 Charges and security
17 Contingencies

Consolidated statement of changes in equity

All amounts in EUR.

	Contributed capital not paid	Reserve for outstanding loans and collateral	Reserve for foreign currency translation	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2019	102.470	848.961	0	1.698.555	5.123.500	7.773.486
Translation by use of the exchange rate valid on balance sheet date 31 December 2019	0	0	0	363.474	0	363.474
Dividend from treasury shares	0	0	0	473.500	0	473.500
Distributed dividend	0	0	0	0	-5.123.500	-5.123.500
Profit or loss for the year brought forward	0	0	0	291.200	2.049.400	2.340.600
Transferred to/from other reserves	0	-848.961	0	848.961	0	0
Equity 1 2020	102.470	0	0	3.675.690	2.049.400	5.827.560
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	0	0	-311.389	0	0	-311.389
Dividend from treasury shares	0	0	0	189.400	0	189.400
Distributed dividend	0	0	0	0	-2.049.400	-2.049.400
Profit or loss for the year brought forward	0	0	0	-888.888	2.561.750	1.672.862
	102.470	**0**	**-311.389**	**2.976.202**	**2.561.750**	**5.329.033**

Statement of changes in equity of the parent

All amounts in EUR.

	Contributed capital	Reserve for outstanding loans and collateral	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2019	102.470	848.961	827.440	5.123.500	6.902.371
Dividend from treasury shares	0	0	473.500	0	473.500
Distributed dividend	0	0	0	-5.123.500	-5.123.500
Profit or loss for the year brought forward	0	0	178.959	2.049.400	2.228.359
Transferred to/from other reserves	0	-848.961	848.961	0	0
Equity 1 January 2020	102.470	0	2.328.860	2.049.400	4.480.730
Dividend from treasury shares	0	0	189.400	0	189.400
Distributed dividend	0	0	0	-2.049.400	-2.049.400
Profit or loss for the year brought forward	0	0	-734.906	2.561.750	1.826.844
	102.470	**0**	**1.783.354**	**2.561.750**	**4.447.574**

Statement of cash flows 1 January - 31 December

All amounts in EUR.

Note		Group 2020	2019
	Results for the year	1.672.863	2.340.600
18	Adjustments	4.663.979	2.759.626
19	Change in working capital	-2.229.790	-1.398.019
	Cash flows from operating activities	4.107.052	3.702.207
	Cash flows from operating activities	**4.107.052**	**3.702.207**
	Purchase of property, plant, and equipment	-2.359.138	-5.466.178
	Sale of property, plant, and equipment	1.082.097	0
20	Acquisition of enterprises and activities	-13.509.793	0
	Outstanding loans	0	848.691
	Cash flows from investment activities	**-14.786.834**	**-4.617.487**
	Repayments of long-term payables	-5.117.003	-472.489
	Dividends from treasury shares	189.400	473.500
	Dividend paid	-2.049.400	-5.123.500
	Cash flow from financing activities	**-6.977.003**	**-5.122.489**
	Change in cash and cash equivalents	**-17.656.785**	**-6.037.769**
	Cash and cash equivalents at 1 January 2020	-5.966.027	71.742
	Cash and cash equivalents at 31 December 2020	**-23.622.812**	**-5.966.027**

Cash and cash equivalents		
Cash on hand and demand deposits	1.971.678	780.996
Short-term bank loans	-25.594.490	-6.747.023
Cash and cash equivalents at 31 December 2020	**-23.622.812**	**-5.966.027**

Notes

All amounts in EUR.

1. Subsequent events

In January 2020 the group incorporated a new subsidiary in Germany. The group intends to transfer the business of its existing German branch into the new subsidiary during 2021.

	Group		Parent	
	2020	2019	2020	2019
2. Staff costs				
Salaries and wages	3.427.892	2.173.175	37.817	10.789
Pension costs	93.315	78.402	0	0
Other costs for social security	441.120	332.345	0	0
	3.962.327	**2.583.922**	**37.817**	**10.789**
Executive board and board of directors	37.817	0	37.817	0
Average number of employees	79	41	1	1

By reference to section 98b (3)(ii) of the Danish Financial statements Act, remuneration to Management is not disclosed for the comparative figures, hence the company used the exeption last year.

	Parent	
	2020	2019
3. Other financial costs		
Financial costs, group enterprises	0	947
Other financial costs	2.021	3.386
	2.021	**4.333**

Notes

All amounts in EUR.

		Parent 2020	2019
4.	**Proposed appropriation of net profit**		
	Dividend for the financial year	2.561.750	2.049.400
	Transferred to retained earnings	0	178.959
	Allocated from retained earnings	-734.906	0
	Total allocations and transfers	**1.826.844**	**2.228.359**

		Group 31/12 2020	31/12 2019
5.	**Goodwill**		
	Additions concerning company transfer	10.271.499	0
	Cost 31 December 2020	**10.271.499**	**0**
	Depreciation, amortisation and writedown for the year, assets disposed of	-898.757	0
	Amortisation and writedown 31 December 2020	**-898.757**	**0**
	Carrying amount, 31 December 2020	**9.372.742**	**0**

6.	**Development projects in progress and prepayments for intangible assets**		
	Additions concerning company transfer	37.967	0
	Cost 31 December 2020	**37.967**	**0**
	Amortisation/impairment loss of additions concerning company transfer	-37.967	0
	Amortisation and writedown 31 December 2020	**-37.967**	**0**
	Carrying amount, 31 December 2020	**0**	**0**

Notes

All amounts in EUR.

		Group	
		31/12 2020	31/12 2019
7.	**Property**		
	Additions concerning company transfer	2.044.226	0
	Cost 31 December 2020	**2.044.226**	**0**
	Amortisation/impairment loss of additions concerning company transfer	-605.518	0
	Depreciation for the year	-40.442	0
	Depreciation and writedown 31 December 2020	**-645.960**	**0**
	Carrying amount, 31 December 2020	**1.398.266**	**0**
	Lease assets are recognised at a carrying amount of	739.827	0
8.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2020	20.257.612	14.148.294
	Translation by use of the exchange rate valid on balance sheet date 31 December 2020	-1.096.197	807.900
	Additions concerning company transfer	21.835.691	0
	Additions during the year	2.359.138	5.466.153
	Disposals during the year	-1.219.887	-261.581
	Transfers	0	96.846
	Cost 31 December 2020	**42.136.357**	**20.257.612**
	Amortisation and writedown 1 January 2020	-10.011.502	-7.472.888
	Translation by use of the exchange rate valid on balance sheet date 31 December 2020	556.462	-436.904
	Amortisation/impairment loss of additions concerning company transfer	-15.152.123	0
	Depreciation for the year	-3.330.136	-2.358.219
	Reversal of depreciation, amortisation and writedown, assets disposed of	695.992	256.509
	Amortisation and writedown 31 December 2020	**-27.241.307**	**-10.011.502**
	Carrying amount, 31 December 2020	**14.895.050**	**10.246.110**

Notes

All amounts in EUR.

		Parent 31/12 2020	Parent 31/12 2019
9.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2020	4.448.785	4.448.785
	Carrying amount, 31 December 2020	**4.448.785**	**4.448.785**

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity EUR	Results for the year EUR	Carrying amount, TPS Holding ll A/S EUR
TPS Rental Systems Ltd, United Kingdom	100 %	5.330.244	1.706.018	4.448.785

		Group 31/12 2020	Group 31/12 2019
10.	**Deferred tax assets**		
	Deferred tax assets 1 January 2020	0	55.387
	Deferred tax of the results for the year	0	29.585
		0	**84.972**

11. Prepayments and accrued income

Prepayments recognised under assets comprise incurred costs concerning the next financial year, Primarily relating to advance payments for a delivery of plastic containers and spare parts.

12. Contributed capital

The share capital consists of 102.470 shares, each with a nominal value of EUR 1.

Notes

All amounts in EUR.

		Group	
		31/12 2020	31/12 2019
13.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January 2020	-84.972	0
	Deferred tax of the results for the year	678.465	0
		593.493	**0**
14.	**Accruals and deferred income**		
	Grants	71.312	0
		71.312	**0**

15. Accruals and deferred income

The accruals are for bonuses, cost acruals for 2020 and the cost of containers supplied before the year end.

16. Charges and security

As collateral for bank facilities and subsidiaries' bank facilities the Parent company has provided securities with a nominal value of GPB 69k of shares in subsidiaries. Book value of subsidiaries amounts to EUR 4.449k.

As collateral for bank facilities the Parent company has provided securities with a nominal value of EUR 9k of treasury shares.

17. Contingencies

Contingent liabilities

	31/12 2020 EUR in thousands
Group leasing liabilities	643
Total contingent liabilities	**643**
Capital commitments	
Containers purchase	183

Notes

All amounts in EUR.

		Group 2020	2019
18.	**Adjustments**		
	Depreciation, amortisation, and impairment	4.377.665	2.290.209
	Profit from disposal of non-current assets	-558.202	-182.687
	Tax on net profit or loss for the year	844.516	542.663
	Other adjustments	0	109.441
		4.663.979	**2.759.626**

		Group 2020	2019
19.	**Change in working capital**		
	Change in inventories	-216.995	-165.089
	Change in receivables	-1.179.489	-593.656
	Change in trade payables and other payables	-333.524	-128.062
	Other changes in working capital	-499.782	-511.212
		-2.229.790	**-1.398.019**
20.	**Acquisition of enterprises and activities**		
	Property, plant, and equipment	8.122.277	0
	Inventories	180.550	0
	Receivables	1.485.390	0
	Borrowings	-5.117.003	0
	Trade payables	-831.392	0
	Other payables	-129.147	0
	Provisions for deferred tax	-404.420	0
	Goodwill	10.203.538	0
		13.509.793	**0**

Accounting policies

The annual report for TPS Holding ll A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The annual report is presented in euro (EUR). The annual report comprises the first financial year and hence comparative figures are not available.

Changes in accounting estimates
The group amended its depreciation policy on the fleet from 5-7 years to 10 years. This decision was made in order to better align the useful life based on historic experience and align it with the Metano business. The change in accounting estimates has been applied prospectively to those held within tangible fixed assets. The impact on annual depreciation charged for the year is reduced charge to the profit and loss and tangible assets by t.EUR 103.

Foreign currency translation
Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.
Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

Accounting policies

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

The consolidated financial statements

The consolidated income statements comprise the parent company TPS Holding ll A/S and those group enterprises of which TPS Holding ll A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

The consolidated financial statements incorporate those of TPS Holding II A/S and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

Accounting policies

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease and is recognised in turnover.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets. Furthermore, this item comprises received subsidies, damages, and compensation due to the coronavirus situation.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Accounting policies

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in group enterprises

Dividend from equity investments in group enterprises is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Goodwill

Goodwill arising on consolidation is amortised over a useful economic life of 10 years. The directors' estimate of useful economic life is a judgement based upon forecast performance of acquired operations, the strength of the management team acquired and the promotional, competitive and Economic environment of the business.

Accounting policies

Property, plant, and equipment

Buildings are measured at cost plus revaluations and less accrued depreciation and writedown for impairment.

Buildings are revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying mount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings (Freehold & leasehold, UK)	30-100 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the group holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Accounting policies

Investments

Equity investments in group enterprises

Equity investments in group enterprises are measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Accounting policies

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Treasury shares

Purchase prices and sales prices of own shares are recognised directly in equity. The capital reduction arising from the cancellation of own shares will reduce the share capital by an amount corresponding to the nominal value of the shares and increase the results brought forward, respectively.

The dividend of own shares is recognised directly in equity under retained earnings.

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Accounting policies

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.