Grant Thornton
Statsautoriseret
Revisionspartnerselskab

Stockholmsgade 45
2100 København Ø
CVR-nr. 34209936

T (+45) 33 110 220

www.grantthornton.dk

TPS Holding ll A/S

Vemmetofte Alle 24, 2800 Gentofte

Company reg. no. 30 90 38 70

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 13 May 2020.

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 British 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 2019 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 2019, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January – 31 December 2019.

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, 13 May 2020

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 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes, 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 2019 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 2019 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.

Emphasis of matter

We draw attention to Note 1 in the Financial Statements stating that non-adjusting post balance sheet events has occurred in form of COVID-19. This has raised inherent material uncertainty concerning a significant subsidiary's ability to continue as a going concern. However management has looked at "crisis scenarios" factoring in material impact on cash flows and is satisfied that the company is able to meet its liabilities as they fall due, and subsequently is confident that the annual report can be presented as going concern. In the coming years this matter can have an effect on measurement and recognition on the parent company's shareholding in group enterprises and other values concerning the specific subsidiary.

Our opinion is not modified in respect of this matter.

Independent auditor's report

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.

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.

Independent auditor's report

- 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.

- 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.

Independent auditor's report

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, 13 May 2020

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

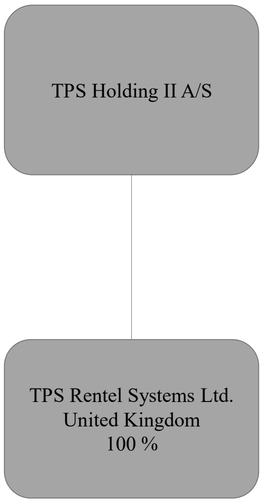
Claus Carlsen
State Authorised Public Accountant
mne23451

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	
Subsidiary	TPS Rental Systems Ltd, United Kingdom	

Koncernoversigt



Consolidated financial highlights

EUR in thousands.	2019	2018
Income statement:		
Gross profit	7.817	6.946
Profit from ordinary operating activities	2.943	2.855
Net financials	-75	-200
Net profit or loss for the year	2.341	2.100
Statement of financial position:		
Balance sheet total	14.901	12.243
Investments in property, plant and equip-ment	5.466	2.449
Equity	5.828	7.773
Cash flows:		
Operating activities	3.702	3.725
Investing activities	-4.617	-3.540
Financing activities	-5.122	723
Total cash flows	-6.038	909
Employees:		
Average number of full-time employees	41	37
Key figures in %:		
Acid test ratio	51,3	137,0
Solvency ratio	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 depreciation of the container fleet is particularly sensitive to the estimate of useful economic life. The fleet is currently depreciated over 5-7 years and in the year a charge of EUR 2.089.628 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 loss for the year totals EUR -13.449 against EUR -81.493 last year. Income or loss from ordinary activities after tax totals EUR 2.228.359 against EUR -88.943 last year. Management considers the net profit or loss for the year satisfactory.

The financial performance of the Group for the current year is considered satisfactory and is at the level of consciousness. As expected in 2018 the company has continued to increase both activity and EBITDA in 2019. Furthermore the company was successful in relocating the German activities to a larger location and installing a fully automated container washing facility. The trading environment remains competitive and whilst the general election outcome in the winter of 2019 provided certainty of the direction of Brexit deliberations, there will inevitably be uncertainty in the marketplace as trade negotiations between the UK and the EU progress. However, at this point we have not experienced any noticeable negative influence form this on-going issue and we continue to follow our plans and take advantage of business opportunities as they arise throughout the remainder of 2020.

Management commentary

In the Autumn of 2019, the company became aware of a potential acquisition which would significantly enhance in its long-term strategic aims. Following a satisfactory due diligence process the acquisition was successfully completed in February 2020 and financed out of an extension to the borrowing facility with its bankers.

Business review

The Company continues to focus on driving top line turnover growth through a combination of building on existing level of activity with customers and sourcing new organic business. The growth in turnover of 10% reflects a successful performance in this respect.

Activity within our traditional liquid ‘bag-in-box’ system has been buoyant; growth in both container hire volumes and liner bag sales was predominantly driven by activity in our continental European markets, complemented by a steady growth in the UK/Eire market.

The company 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 whilst liner bag and consumable product prices continues at level sufficient to generate satisfactory margins.

The financial position of the Group at the year-end date was healthy. Strong cashflow enabled the management to continue to invest heavily in the container hire fleet as well as financing the acquisition of a major new container washing plant at its new depot in Germany, which is now operational.

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 February 2020 the group completed the acquisition of 100% of the issued share capital of Metano Ltd. The purchase price was £12.5m, financed by an extension to the overdraft borrowing facility with the group’s bankers, Danske Bank. In addition to the acquisition cost, the intention is to utilize the extended borrowing facility to repay all interest-bearing debt of the acquired company, which is approximately £5 million.

Despite the back-drop of the worsening worldwide situation caused by the spread of Covid-19, at the time of writing, the group and its significant subsidiary has not been significantly impacted by the pandemic. However events are changing on a daily basis and this creates a considerable amount of uncertainty. We continue to monitor developments both internally, and in the marketplace generally and will take whatever actions are necessary to secure the welfare of the group and that of its employees.

Given the uncertainty concerning COVID-19, the management of a significant subsidiary has assessed that there is a inherent significant uncertainty in the subsidiary’s ability to continue as a going concern. However management has looked at "crisis scenarios" factoring in material impact on cash flows and is satisfied that the subsidiary is able to meet its liabilities as they fall due, and subsequently is confident that the annual report for the subsidiary can be presented as going concern.

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.

		Group		Parent	
Note		2019	2018	2019	2018
	Gross profit	**7.816.748**	**6.946.143**	**-13.449**	**-81.493**
2	Staff costs	-2.583.922	-2.306.134	-10.789	-4.370
	Depreciation and impairment of property, land, and equipment	-2.290.209	-1.785.035	0	0
	Operating profit	**2.942.617**	**2.854.974**	**-24.238**	**-85.863**
	Income from equity investments in group enterprises	0	0	2.250.000	0
	Other financial income from group enterprises	0	0	6.930	9.220
	Other financial income	117.448	42.743	0	5.239
3	Other financial costs	-192.454	-242.960	-4.333	-17.539
	Pre-tax net profit or loss	**2.867.611**	**2.654.757**	**2.228.359**	**-88.943**
	Tax on net profit or loss for the year	-527.011	-555.058	0	0
4	**Net profit or loss for the year**	**2.340.600**	**2.099.699**	**2.228.359**	**-88.943**

Statement of financial position at 31 December

All amounts in EUR.

Assets

Note		Group 2019	Group 2018	Parent 2019	Parent 2018
	Non-current assets				
5	Other fixtures and fittings, tools and equipment	10.246.110	6.675.406	0	0
6	Property, plant, and equipment under construction including pre-payments for property, plant, and equipment	0	91.413	0	0
	Total property, plant, and equipment	10.246.110	6.766.819	0	0
7	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	**10.246.110**	**6.766.819**	**4.448.785**	**4.448.785**
	Current assets				
	Assets held for sale	821.053	619.161	0	0
	Total inventories	821.053	619.161	0	0
	Trade receivables	2.443.093	2.096.421	0	0
	Receivables from group enterprises	0	0	32.983	915.279
8	Deferred tax assets	84.972	55.387	0	0
	Other receivables	22.139	26.299	0	0
	Receivables from owners and management	0	848.961	0	848.961
9	Prepayments and accrued income	502.149	116.936	0	0
	Total receivables	3.052.353	3.144.004	32.983	1.764.240
	Cash on hand and demand deposits	780.996	1.713.137	24.013	703.795
	Total current assets	**4.654.402**	**5.476.302**	**56.996**	**2.468.035**
	Total assets	**14.900.512**	**12.243.121**	**4.505.781**	**6.916.820**

Statement of financial position at 31 December

All amounts in EUR.

Equity and liabilities

Note		Group 2019	Group 2018	Parent 2019	Parent 2018
	Equity				
10	Contributed capital	102.470	102.470	102.470	102.470
	Reserve for outstanding loans and collateral	0	848.961	0	848.961
	Retained earnings	3.675.690	1.698.555	2.328.860	827.440
	Proposed dividend for the financial year	2.049.400	5.123.500	2.049.400	5.123.500
	Total equity	**5.827.560**	**7.773.486**	**4.480.730**	**6.902.371**
	Liabilities other than provisions				
	Bank loans	0	472.489	0	0
	Total long term liabilities other than provisions	0	472.489	0	0
	Bank loans	6.747.023	1.641.395	0	1.000
	Trade payables	1.576.198	1.642.706	18.131	9.002
	Income tax payable	164.861	182.714	0	0
	Other payables	184.173	143.185	6.920	4.447
11	Accruals and deferred income	400.697	387.146	0	0
	Total short term liabilities other than provisions	9.072.952	3.997.146	25.051	14.449
	Total liabilities other than provisions	**9.072.952**	**4.469.635**	**25.051**	**14.449**
	Total equity and liabilities	**14.900.512**	**12.243.121**	**4.505.781**	**6.916.820**

1 Subsequent events

12 Charges and security

13 Contingencies

Consolidated statement of changes in equity

All amounts in EUR.

	Contributed capital not paid	Reserve for outstanding loans and collateral	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2019	102.470	848.961	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	363.474	0	363.474
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	291.200	2.049.400	2.340.600
Transfers to/from other reserves	0	-848.961	848.961	0	0
	102.470	**0**	**3.675.690**	**2.049.400**	**5.827.560**

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
Transfers to/from others reserves	0	-848.961	848.961	0	0
	102.470	**0**	**2.328.860**	**2.049.400**	**4.480.730**

Statement of cash flows 1 January - 31 December

All amounts in EUR.

Note		Group 2019	2018
	Results for the year	2.340.600	2.099.699
14	Adjustments	2.759.626	1.795.334
15	Change in working capital	-1.398.019	-169.938
	Cash flows from operating activities before net financials	3.702.207	3.725.095
	Cash flows from operating activities	**3.702.207**	**3.725.095**
	Purchase of property, plant, and equipment	-5.466.178	-2.691.024
	Outstanding loans	848.691	-848.691
	Cash flows from investment activities	**-4.617.487**	**-3.539.715**
	Repayments of long-term payables	-472.489	-3.624.763
	Sale of treasury shares	0	8.997.920
	Dividends from treasury shares	473.500	473.500
	Dividend paid	-5.123.500	-5.123.500
	Cash flows from investment activities	**-5.122.489**	**723.157**
	Change in cash and cash equivalents	**-6.037.769**	**908.537**
	Cash and cash equivalents at 1 January 2019	71.742	-836.795
	Cash and cash equivalents at 31 December 2019	**-5.966.027**	**71.742**

		2019	2018
	Cash and cash equivalents		
	Cash on hand and demand deposits	780.996	1.713.137
	Short-term bank loans	-6.747.023	-1.641.395
	Cash and cash equivalents at 31 December 2019	**-5.966.027**	**71.742**

Notes

All amounts in EUR.

1. Subsequent events

Acquisition

In February 2020 the group completed the acquisition of 100% of the issued share capital of Metano Ltd. The purchase price was £12.5m, financed by an extension to the overdraft borrowing facility with the group's bankers, Danske Bank. In addition to the acquisition cost, the intention is to utilize the extended borrowing facility to repay all interest-bearing debt of the acquired company, which is approximately £5 million.

Covid-19

In early 2020, the existence of the new coronavirus ("COVID-19") was confirmed which has since spread across a significant number of countries, leading to the disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets and wider economic uncertainty.

The Group considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 on the Group or to provide a quantitative estimate of this impact.

A shareholding of EUR 4,449k in group enterprises is presented in the parent company's balance sheet as at 31 December 2019. Given the uncertainty concerning COVID-19, the management of the subsidiary has assessed that there is a inherent significant uncertainty in the subsidiary's ability to continue as a going concern. However management has looked at "crisis scenarios" factoring in material impact on cash flows and is satisfied that the company is able to meet its liabilities as they fall due, and subsequently is confident that the annual report can be presented as going concern. The management informs that the auditor of the subsidiary has not modified its conclusion in respect of this matter. This matter has only been emphasized in the auditor's report with a referral to a note in the financial statement.

The matter does not give rise to uncertainty about going concern in the parent company. However, recognition and measurement of the shareholding in the parent company may be affected in the coming years, due to the mentioned issues relating to COVID-19 and going concern in the subsidiary. The subsidiary is presented in the consolidated financial statement and thus, there is an inherent uncertainty regarding recognition and measurement of assets and liabilities for this part of the group accounts as well.

Due to the above-mentioned inherent uncertainties regarding the effect of COVID-19, the company's management has not been able to determine the future effect on the parent company and the Group including the recognized values in the financial statement for the parent company and the consolidated accounts for the group.

Notes

All amounts in EUR.

		Group		Parent	
		2019	2018	2019	2018
2.	**Staff costs**				
	Salaries and wages	2.173.175	1.968.039	10.789	4.370
	Pension costs	78.402	47.297	0	0
	Other costs for social security	332.345	290.798	0	0
		2.583.922	**2.306.134**	**10.789**	**4.370**
	Average number of employees	41		1	

		Parent	
		2019	2018
3.	**Other financial costs**		
	Financial costs, group enterprises	947	15.890
	Other financial costs	3.386	1.649
		4.333	**17.539**

		Parent	
		2019	2018
4.	**Proposed appropriation of net profit**		
	Extraordinary dividend adopted during the financial year	0	5.123.500
	Dividend for the financial year	2.049.400	5.123.500
	Transferred to retained earnings	178.959	0
	Allocated from retained earnings	0	-10.335.943
	Total allocations and transfers	**2.228.359**	**-88.943**

Notes

All amounts in EUR.

		Group 31/12 2019	Group 31/12 2018
5.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2019	14.148.294	12.429.235
	Translation by use of the exchange rate valid on balance sheet date 31 December 2019	807.900	-210.773
	Additions during the year	5.466.153	2.448.619
	Disposals during the year	-261.581	-518.787
	Transfers	96.846	0
	Cost 31 December 2019	**20.257.612**	**14.148.294**
	Amortisation and writedown 1 January 2019	-7.472.888	-6.251.684
	Translation by use of the exchange rate valid on balance sheet date 31 December 2019	-436.904	106.593
	Depreciation for the year	-2.358.219	-1.749.401
	Reversal of depreciation, amortisation and writedown, assets disposed of	256.509	421.604
	Amortisation and writedown 31 December 2019	**-10.011.502**	**-7.472.888**
	Carrying amount, 31 December 2019	**10.246.110**	**6.675.406**

		Group 31/12 2019	Group 31/12 2018
6.	**Property, plant, and equipment under construction including pre-payments for property, plant, and equipment**		
	Cost 1 January 2019	91.413	0
	Translation by use of the exchange rate valid on balance sheet date 31 December 2019	5.433	0
	Additions during the year	0	91.413
	Transfers	-96.846	0
	Cost 31 December 2019	**0**	**91.413**
	Carrying amount, 31 December 2019	**0**	**91.413**

Notes

All amounts in EUR.

		Parent 31/12 2019	Parent 31/12 2018
7.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2019	4.448.785	4.448.785
	Carrying amount, 31 December 2019	**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 %	5.795.615	2.362.240	4.448.785

		Group 31/12 2019	Group 31/12 2018
8.	**Deferred tax assets**		
	Deferred tax assets 1 January 2019	55.387	0
	Deferred tax of the results for the year	29.585	55.387
		84.972	**55.387**
	The following items are subject to deferred tax:		
	Property, plant, and equipment	84.972	55.387
		84.972	**55.387**

9. 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.

10. Contributed capital

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

11. Accruals and deferred income

The accruals are for bonuses, cost acruals for 2019 and the cost of containers supplied before the year end.

Notes

All amounts in EUR.

12. 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.

13. Contingencies

Contingent liabilities

	31/12 2019 EUR in thousands
Group leasing liabilities	938
Total contingent liabilities	**938**

Capital commitments	
Containers purchase	1.493

Lease liabilities

The parent company has concluded lease agreements with terms to maturity of 8 months and average lease payments of EUR 940, a total of EUR 7.520.

	Group	
	2019	2018
14. Adjustments		
Depreciation, amortisation, and impairment	2.290.209	1.749.400
Profit from disposal of non-current assets	-182.687	-305.006
Tax on net profit or loss for the year	542.663	543.977
Other adjustments	109.441	-193.037
	2.759.626	**1.795.334**

Notes

All amounts in EUR.

		Group 2019	2018
15.	**Change in working capital**		
	Change in inventories	-165.089	-64.810
	Change in receivables	-593.656	-198.350
	Change in trade payables and other payables	-128.062	166.995
	Other changes in working capital	-511.212	-73.773
		-1.398.019	**-169.938**

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 accounting policies are unchanged from the previous year, and the annual report is presented in euro (EUR).

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

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 and other nonmonetary assets acquired in foreign currency and not considered to be investment assets are measured using the exchange rate at the transaction date.

If the foreign group enterprises and associates meet the criteria for independent entities, their income statements are translated using an average exchange rate for the period in question and the balance sheet items are translated using the closing rate. Differences arising from translating the equity of foreign group enterprises at the beginning of the year using the closing rate are recognised directly in equity. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

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.

Translation adjustment of balances with foreign group enterprises considered part of the total investment in group enterprises are recognised directly in equity. Likewise, foreign exchange gains and losses on loans and derivatives for the currency hedging of independent foreign group enterprises are recognised directly in equity.

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. According to the group overview, enterprises in which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not dominant, control are considered associates.

Accounting policies

In the consolidation process, intercompany income and expenses, shareholding, intercompany balances and dividends, and realised and unrealised profit and loss derived from transactions among the consolidated enterprises will be eliminated.

Equity investments in group enterprises are eliminated by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

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.

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.

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.

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.

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 comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

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

Accounting policies

Interest and other costs concerning loans to finance the production of intangible assets and property, plant, and equipment, and relating to production periods are not recognised in the cost of non-current assets.

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

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Property is 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 when the useful lives of each individual components differ.

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

Accounting policies

	Useful life
Plant and machinery	5-10 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.

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.

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.

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 assets as well as equity investments in subsidiaries and associates 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 equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

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 on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

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.

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 face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

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 outstanding loans and collateral

The reserve for outstanding loans and collateral comprises amounts corresponding to loans or collateral used for the establishment of legal self-financing. An amount corresponding to the loan or collateral is reclassified from ”Retained earnings” to ”Reserve for outstanding loans and collateral”.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

Accounting policies

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

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.

Other liabilities other than provisions 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 statement of cash flows shows group cash flows for the year divided into cash flows derived from operating activities, investment activities, and financing activities, respectively, changes in cash and cash equivalents, and cash and cash equivalents at the beginning and 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 profit or loss for the year adjusted for noncash operating items, changes in the working capital, and income tax paid.

Accounting policies

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.

Cash flows from financing activities
Cash flows from financing activities comprise changes in the size or composition of the share capital and associated costs. Furthermore, cash flows comprise borrowings, repayments of interest-bearing payables, and payments of dividend to the shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits less shortterm bank loans and shortterm financial instruments with a term of less than 3 months which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.