

ProTruck A/S

Jernaldervej 100, 8300 Odder

CVR no. 33 96 80 35

Annual report 2020

Approved at the Company's annual general meeting on 12 May 2021

Chair of the meeting:

.....
Michael Brigsted Laursen





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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of ProTruck A/S for the financial year 1 January - 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Odder, 12 May 2021
Executive Board:

.....
Michael Brigsted Laursen

Board of Directors:

.....
Gitte Laursen
Chair

.....
Jesper Munkø Rossing

.....
Michael Brigsted Laursen

Independent auditor's report

To the shareholders of ProTruck A/S

Opinion

We have audited the financial statements of ProTruck A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations as well as the 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 (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Aarhus, 12 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter U. Faurischou
State Authorised Public Accountant
mne34502

Nikolai Holm Pedersen
State Authorised Public Accountant
mne45896



Management's review

Company details

Name	ProTruck A/S
Address, Postal code, City	Jernaldervej 100, 8300 Odder
CVR no.	33 96 80 35
Established	23 October 2011
Registered office	Odder
Financial year	1 January - 31 December
Website	www.protruck.dk
E-mail	info@protruck.dk
Telephone	+45 69 66 34 56
Board of Directors	Gitte Laursen, Chair Jesper Munkø Rossing Michael Brigsted Laursen
Executive Board	Michael Brigsted Laursen
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Financial highlights

DKK'000	2020	2019	2018	2017	2016
Key figures					
Gross profit	93,962	87,939	83,889	67,119	52,063
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	53,047	47,298	47,599	36,636	2,732
Operating profit/loss	-2,123	7,089	13,335	13,581	9,451
Net financials	-5,680	-5,981	-5,591	-5,965	-4,133
Profit for the year	387	882	4,071	5,337	3,698
Financial ratios					
Total assets	468,942	446,082	409,965	246,430	197,420
Equity	52,143	51,757	22,375	19,900	14,634
Return on assets	-0.5%	1.7%	4.1%	6.1%	8.0%
Equity ratio	11.1%	11.6%	5.5%	8.1%	7.4%
Average number of employees	75	73	67	65	60

The financial ratios stated under "Financial highlights" have been calculated as follows:

Ordinary operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$

ProTruck A/S merged with UnikTruck on 1 January 2017. Financial highlights for 2016 were restated in that connection.

In 2019, material misstatements were identified in respect of recognition and measurement of leased assets which required restatement of comparative figures. The financial highlights for 2018 were restated in that connection, but not for the years 2016-2017.

Management's review

Business review

ProTruck is the exclusive importer and distributor of Hyster products and services in Denmark, Greenland and the Faroe Islands. In addition, ProTruck is importer and distributor of a large number of important, complementary brands such as MOL terminal tractors, Carer electric high-capacity forklifts, Cometto SPMT units, Combilift sideloaders and 4-way forklifts, Dulevo sweepers, FIMAP cleaning machines as well as JLG access-platform equipment.

The Company's most important activities are thus purchase, sales, rental activities, service and repair of materials-handling equipment and other related equipment for internal horizontal and vertical transportation.

Moreover, the Company's vision is to be the preferred full-service partner for its customers, irrespective of the customer's preferences in respect of brand and product type. Therefore, the Company also has significant activities within purchase, sales, rental- and repair of pre-owned machines of various and foreign brands.

Financial review

In the operating year 2020, the Company designed and scaled its salesforce and internal organization for general growth. Partly due to the Covid-19 pandemic these growth plans were not fulfilled to the full, as markets were apprehensive for a long period of time. Therefore, the expenditure on sales in correlation to revenue was slightly off balance in 2020.

With the outbreak of the Corona pandemic, the company temporarily suspended close to 70% of the workforce, with the aim of analyzing the situation and regrouping the operation. During this period, the company was able to use the support measures put in place by the Danish Government, which partly offset the negative impact and allowed us to plan the future carefully.

The company voluntarily lifted the temporary suspension of the workforce at the end of June 2020, and we were able to re-start business from the start of August 2020. Subsequently 10% of the workforce was laid-off due to the general economic impact of the pandemic.

The Company's income statement shows a profit of DKK 386,515 in 2020 against a profit of DKK 881,846 last year, and the Company's balance sheet at 31 December 2020 shows equity of DKK 52,143,265.

The Company's management made a Covid-19 budget in March 2020, and was expecting a decrease in sales and results in comparison to the annual report for the previous year. Under these circumstances, the management therefore considers the profit for the year satisfactory, especially taking into consideration that the effects of the pandemic have been absorbed in the above figures.

Financial risks and use of financial instruments

Currency risks

The Company's transactions in foreign currency is mainly in EUR, which only in a limited extent is exposed to changes in currency. Therefore, no currency positions are hedged by credit derivatives.

Price risks

The Company's use of equipment and spare parts causes that the Company will be affected by any potential increase in prices, since price increases cannot fully be recognized in the price of finished goods.

Interest rate risks

Since the Company's net bearing debt mainly consists of debt with fixed interest rates any moderate changes in the interest rate are not expected to affect the Company's income in any significant way. Therefore, no interest rate positions are hedged by credit derivatives.

Management's review

Impact on the external environment

The Company is environmentally conscious and has a formalized CSR strategy. We continuously work on maximizing sustainability and strive to reduce the environmental impact from the Company's operations.

Research and development activities

The Company is not engaged in any research activities.

Foreign branches

The Company operates a sales entity, workshop and stocking facility in Hamburg, Germany. Furthermore, the Company also established a subsidiary in Malmö, Sweden in 2020. This proactive move was done despite of the Covid-19 Pandemic and is expected to significantly improve our market position in the Nordic markets in the coming years.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

The Management has used the outbreak of COVID-19 to optimize all areas of the business, and despite the uncertainty of the situation, we have invested in value-adding projects which will substantiate future business.

Key investments which will support future growth and profitability are, among other things:

- 1) A new machinery and equipment-rental dedicated ERP system
- 2) A fully automated spare-parts storage & retrieval system
- 3) An electro-hydraulic warehouse-units elevator to replace manual order picking

After an initial and very sudden impact on business due to COVID-19, activities and revenue have remained fairly stable during the remainder of the pandemic. At the same time, the company is approaching a state of maturity in terms of its substantial rental activities. Due to the perpetual optimization and the maturity of the business model, the Management expects a substantial rise in activity and revenue in the years to come. Management has made detailed business budgets for 2021-2023, which substantiate a solid increase in activity and profitability.

While sales and services have remained and still remain stable during the Covid-19 pandemic, the Company is presently facing general supply-chain issues on sold products. Many of our suppliers are taking Force Majeure clauses in use. Hence, there is a risk that units sold cannot be delivered and invoiced in due time, thus resulting in a delayed effect on activity and revenue. Up until now we have been able to control this problem without any major difficulties, but a continuation of the issue can potentially impact the growth expectations.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2020	2019
	Gross profit	93,961,715	87,938,688
3	Staff costs	-40,914,728	-40,640,426
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-46,589,587	-40,209,042
	Profit before net financials	6,457,400	7,089,220
	Income from investments in group enterprises	17,162	91,490
4	Financial income	729,855	707,566
	Financial expenses	-6,409,911	-6,688,941
	Profit before tax	794,506	1,199,335
5	Tax for the year	-407,991	-317,489
	Profit for the year	386,515	881,846

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	ASSETS		
	Fixed assets		
6	Property, plant and equipment		
	Lease equipment and machinery	300,333,758	272,168,385
	Fixtures and fittings, other plant and equipment	25,519,494	18,608,569
	Leasehold improvements	1,281,765	1,573,573
		<u>327,135,017</u>	<u>292,350,527</u>
7	Investments		
	Investments in group enterprises	148,415	114,149
	Deposits, investments	18,735	18,735
		<u>167,150</u>	<u>132,884</u>
	Total fixed assets	<u>327,302,167</u>	<u>292,483,411</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	105,503,582	118,769,281
	Prepayments for goods	1,142,555	551,493
		<u>106,646,137</u>	<u>119,320,774</u>
	Trade receivables	19,357,583	15,362,127
	Construction contracts	3,175,306	1,129,108
	Receivables from group enterprises	9,701,306	13,828,100
	Joint taxation contribution receivable	194,509	62,611
	Other receivables	630,447	426,562
8	Prepayments	1,931,275	3,464,408
		<u>34,990,426</u>	<u>34,272,916</u>
	Cash	<u>3,742</u>	<u>4,881</u>
	Total non-fixed assets	<u>141,640,305</u>	<u>153,598,571</u>
	TOTAL ASSETS	<u>468,942,472</u>	<u>446,081,982</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	5,001,000	5,001,000
	Net revaluation reserve according to the equity method	108,652	91,490
	Retained earnings	47,033,613	46,664,260
	Total equity	52,143,265	51,756,750
	Provisions		
10	Deferred tax	3,822,600	3,220,100
	Total provisions	3,822,600	3,220,100
	Liabilities other than provisions		
11	Non-current liabilities other than provisions		
	Lease liabilities	223,920,974	197,165,859
	Other credit institutions	0	10,885
	Other payables	3,160,934	1,181,330
	Deferred income	7,892,774	6,581,801
		234,974,682	204,939,875
	Current liabilities other than provisions		
11	Short-term part of long-term liabilities other than provisions	68,210,409	59,888,306
	Bank debt	86,040,313	82,958,610
	Prepayments received from customers	0	349,629
	Trade payables	15,381,082	36,354,418
	Other payables	8,370,121	6,614,294
		178,001,925	186,165,257
		412,976,607	391,105,132
	TOTAL EQUITY AND LIABILITIES	468,942,472	446,081,982

- 1 Accounting policies
- 2 Special items
- 12 Contractual obligations and contingencies, etc.
- 13 Collateral
- 14 Related parties
- 15 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 1 January 2020	5,001,000	91,490	46,664,260	51,756,750
15	Transfer, see "Appropriation of profit"	0	17,162	369,353	386,515
	Equity at 31 December 2020	5,001,000	108,652	47,033,613	52,143,265

Financial statements 1 January - 31 December

Cash flow statement

Note	DKK	2020	2019
	Profit for the year	386,515	881,846
16	Adjustments	52,660,472	46,187,523
	Cash generated from operations (operating activities)	53,046,987	47,069,369
17	Changes in working capital	-5,498,509	3,122,963
	Cash generated from operations (operating activities)	47,548,478	50,192,332
	Interest received, etc.	729,855	707,566
	Interest paid, etc.	-6,409,911	-6,688,941
	Income taxes received	62,611	443,624
	Cash flows from operating activities	41,931,033	44,654,581
	Additions of property, plant and equipment	-125,078,210	-107,346,048
	Disposals of property, plant and equipment	43,704,133	34,672,798
	Purchase of financial assets	-17,104	0
	Other cash flows from investing activities	0	21,660
	Cash flows to investing activities	-81,391,181	-72,651,590
	Proceeds, lease obligations	124,066,759	104,399,911
	Repayments, lease obligations (finance leases)	-89,493,209	-82,078,523
	Conversion of subordinate loan capital	0	-28,500,000
	Cash capital increase	0	28,500,000
	Adjustment of accrued profit	1,803,756	833,885
	Utilisation of credit facilities	3,081,703	4,842,590
	Cash flows from financing activities	39,459,009	27,997,863
	Net cash flow	-1,139	854
	Cash and cash equivalents at 1 January	4,881	4,027
18	Cash and cash equivalents at 31 December	3,742	4,881

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of ProTruck A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

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

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

Foreign group entities

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Profit from service contracts is recognised as revenue as production is performed whereby revenue corresponds to the sales value of the work performed in the year.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Recognition of revenue from the sale of goods where an option to repurchase the asset is concluded at the same time, is assessed according to the principles for classification of leases where the probability of exercising the repurchase option is included in the overall risk assessment. If the Company still holds the most significant risks and rewards in relation to the goods sold, the goods are considered a lease (operating lease) whereby revenue is accrued in the period up to the repurchase option is exercisable. Where assessed that the Company has transferred the most significant risks and rewards to the buyer, the goods are considered sold (finance lease), and revenue is thus recognised at the transfer of the risk.

Income from operating leases are recognised on a straight-line basis over the term of the lease. One-of payments received on the conclusion of operating leases are also recognised on a straight-line basis over the term of the lease.

Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Lease equipment and machinery	5-8 years
Fixtures and fittings, other plant and equipment	3-7 years
Leasehold improvements	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Investments in subsidiaries

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Impairment of fixed assets

The carrying amount of property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired.

Construction contracts

Ongoing services are measured at the selling price of the work performed. The stage of completion is determined based on direct and indirect expenses incurred relative to the expected total expenses.

Deduction of losses is stated as total expected loss on the contract irrespective of the actual share performed.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred income

Deferred income includes accrued profits on assets sold to the leasing company where the Company has a considerable repurchase obligation and thus still assumes the risk on the asset. The profit is recognised as income in the period during which the leasing company leases the asset to third party.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Leasehold equipment where the Company solely assumes the risk of the repurchase obligation are treated similarly as other leasehold equipment where the Company assumes the risk of the full residual value of assets.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Special items

During the year, the company received salary compensation and compensation to cover fixed costs totaling DKK 8,380 thousand, which is recognized in the accounting item "other operating income", which is included in gross profit. The amount relates to compensation from the Danish State for repatriation of employees and to cover corporate fixed costs, in the period when Denmark was shut down due to COVID-19. The amount covers the period from mid-March until the end of June. In the corresponding period, there have been salary expenses for employees where compensation has been received, as well as corporate fixed costs, of 16,813 t.kr.

DKK	<u>2020</u>	<u>2019</u>
3 Staff costs		
Wages/salaries	37,477,343	37,285,078
Pensions	2,954,903	2,887,028
Other social security costs	357,033	390,710
Other staff costs	125,449	77,610
	<u>40,914,728</u>	<u>40,640,426</u>
	<u>2020</u>	<u>2019</u>
Average number of full-time employees	<u>75</u>	<u>73</u>

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

DKK	<u>2020</u>	<u>2019</u>
4 Financial income		
Interest receivable, group entities	304,742	254,969
Other financial income	425,113	452,597
	<u>729,855</u>	<u>707,566</u>
5 Tax for the year		
Estimated tax charge for the year	-194,509	-62,611
Deferred tax adjustments in the year	437,400	380,100
Tax adjustments, prior years	165,100	0
	<u>407,991</u>	<u>317,489</u>

Financial statements 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK	Lease equipment and machinery	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2020	335,936,025	39,013,248	3,473,732	378,423,005
Additions	107,323,018	17,450,658	304,534	125,078,210
Disposals	-58,246,732	-9,207,134	0	-67,453,866
Cost at 31 December 2020	385,012,311	47,256,772	3,778,266	436,047,349
Impairment losses and depreciation at 1 January 2020	63,767,640	20,404,679	1,900,159	86,072,478
Depreciation	38,494,794	7,498,451	596,342	46,589,587
Reversal of accumulated depreciation and impairment of assets disposed	-17,583,881	-6,165,852	0	-23,749,733
Impairment losses and depreciation at 31 December 2020	84,678,553	21,737,278	2,496,501	108,912,332
Carrying amount at 31 December 2020	300,333,758	25,519,494	1,281,765	327,135,017
Property, plant and equipment include finance leases with a carrying amount totalling	300,333,758	21,056,214	0	321,389,972

7 Investments

DKK	Investments in group enterprises	Deposits, investments	Total
Cost at 1 January 2020	22,659	18,735	41,394
Additions	17,104	0	17,104
Cost at 31 December 2020	39,763	18,735	58,498
Value adjustments at 1 January 2020	91,490	0	91,490
Profit/loss for the year	17,162	0	17,162
Value adjustments at 31 December 2020	108,652	0	108,652
Carrying amount at 31 December 2020	148,415	18,735	167,150

Name	Domicile	Interest
Subsidiaries		
ProTruck AS	Norge	100.00%
UnikTruck Scandinavia AB	Sverige	100.00%

Financial statements 1 January - 31 December

Notes to the financial statements

8 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

DKK	2020	2019
9 Share capital		
Analysis of the share capital:		
1 A shares of DKK 1,000.00 nominal value each	1,000	1,000
5,000 B shares of DKK 1,000.00 nominal value each	5,000,000	5,000,000
	<u>5,001,000</u>	<u>5,001,000</u>

Each A share with a nominal value of DKK 1,000 carries one voting right and each B share with a nominal value of DKK 1,000 also carries one voting right at the general meeting.

Analysis of changes in the share capital over the past 5 years:

DKK	2020	2019	2018	2017	2016
Opening balance	5,001,000	5,000,000	5,000,000	5,000,000	1,000,000
Capital increase	0	1,000	0	0	4,000,000
	<u>5,001,000</u>	<u>5,001,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>

DKK	2020	2019
10 Deferred tax		
Deferred tax at 1 January	3,220,100	2,840,000
Deferred tax via the income statement	602,500	380,100
Deferred tax at 31 December	<u>3,822,600</u>	<u>3,220,100</u>

Deferred tax relates to:

Intangible assets	-4,100	-6,300
Property, plant and equipment	70,365,300	62,267,300
Receivables	14,600	228,400
Liabilities	-66,005,400	-58,000,000
Tax loss	-547,800	-1,269,300
	<u>3,822,600</u>	<u>3,220,100</u>

11 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	289,376,631	65,455,657	223,920,974	18,945,001
Other payables	3,160,934	0	3,160,934	3,160,934
Deferred income	10,647,526	2,754,752	7,892,774	478,936
	<u>303,185,091</u>	<u>68,210,409</u>	<u>234,974,682</u>	<u>22,584,871</u>

Lease liabilities comprise the repurchase obligation which the Company has vis-a-vis the leasing company and where the Company still assumes the risk of the residual value of the assets.

Financial statements 1 January - 31 December

Notes to the financial statements

12 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company has issued an absolute guarantee for bank engagements in a group company. The recourse guarantee commitments are unlimited.

Other contingent liabilities

The Company is jointly taxed with MBL Holding 2020 ApS, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of corporation taxes as well as withholding taxes on interest, royalties and dividends.

13 Collateral

A company charge of DKK 60,000 thousand secured on the Company's assets at a total carrying amount of DKK 456,863 thousand at 31 December 2020 has been provided as collateral for payables to credit institutions totalling DKK 86,090 thousand.

Other hedging activities

The Company's lease equipment is financed through leasing companies. In that connection, a covenant against encumbrances has been filed by the lessor in the respective leased assets.

14 Related parties

ProTruck A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
GaffelTruck Holding A/S	Odder	Participating interest
MBL Holding 2020 ApS	Aarhus	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
GaffelTruck Holding A/S	Odder	At the Danish Business Authority
MBL Holding 2020 ApS	Aarhus	At the Danish Business Authority

Related party transactions

ProTruck A/S was engaged in the below related party transactions:

DKK	2020	2019
Rent	6,904,393	5,913,133
interest income	304,742	254,969
Receivables from group companies	9,701,306	13,828,100

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2020	2019
15 Appropriation of profit		
Recommended appropriation of profit		
Net revaluation reserve according to the equity method	17,162	91,490
Retained earnings	369,353	790,356
	<u>386,515</u>	<u>881,846</u>
16 Adjustments		
Amortisation/depreciation and impairment losses	46,589,587	39,980,149
Income from investments in group companies	-17,162	-832,664
Financial income	-729,855	-707,566
Financial expenses	6,409,911	6,688,941
Tax for the year	242,891	317,489
Tax adjustments, prior years	165,100	0
Impairment of intra-group debt	0	741,174
	<u>52,660,472</u>	<u>46,187,523</u>
17 Changes in working capital		
Change in inventories	12,674,637	-5,415,180
Change in receivables	-585,612	940,706
Change in trade and other payables	-17,587,534	7,597,437
	<u>-5,498,509</u>	<u>3,122,963</u>
18 Cash and cash equivalents at year-end		
Cash according to the balance sheet	3,742	4,881
	<u>3,742</u>	<u>4,881</u>

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Michael Brigsted Laursen

Executive Board

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Chair of the meeting

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Board of Directors

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Board of Directors

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Chair

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Nikolai Holm Pedersen

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

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NEM ID 

Peter Ulrik Faurschou

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

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