

# NF Techfleet

## NF Techfleet Denmark ApS

Central Business Registration No

37535583


Frode Jakobsens Plads 4, sal 5

2720 Vanløse

Denmark

## Annual Report for 1 February 2016 - 30 June 2017

The Annual Report was presented and  
adopted at the Annual General Meeting  
of the Company on 13 October 2017



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Michael H Stilp  
Chairman

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## 1 - Company Information

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### **The Company**

NF Techfleet Denmark ApS  
Frode Jakobsens Plads 4  
2720 Vanløse  
Denmark

CVR No: 37535583

Financial period: 1 February 2016 - 30 June 2017

Incorporated: 1 February 2016

Financial year: 1st financial year

Registered in: Copenhagen

### **Executive Board**

Michael Stilp  
Espen Ludvigsen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK 2900 Hellerup  
Denmark

## 2 - Management's Statement

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The Executive Board has today considered and adopted the Annual Report of NF Techfleet Denmark ApS for the financial period 1 February 2016 - 30 June 2017.

The Annual Report is prepared in accordance with the Danish Financial Statement Act.

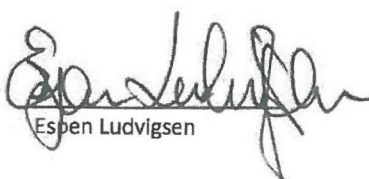
In our opinion the Financial Statements give a true and fair view of the financial position at 30 June 2017 of the Company and of the results of the Company's operations for the financial period ended 30 June 2017.

Further, in our opinion, the management's review gives a fair review of the matters discussed in the Management's Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 13 October 2017

### Executive Board

  
\_\_\_\_\_  
Michael Stimp  
\_\_\_\_\_  
Espen Ludvigsen

# ***Independent Practitioner's Report on the Financial Statements***

To the Shareholders of NF Techfleet Denmark ApS

We have performed an extended review of the Financial Statements of NF Techfleet Denmark ApS for the financial year 1 February 2016 - 30 June 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

## **Management's Responsibility for the Financial Statements**

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

## **Practitioner's Responsibility**

Our responsibility is to express a conclusion on the Financial Statements. We conducted our extended review in accordance with the Danish Business Authority's assurance standard for small enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared under the Danish Financial Statements Act.

This requires that we comply with the Danish Act on Approved Auditors and Audit Firms and FSR – Danish Auditors' Code of Ethics and that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

## **Conclusion**

Based on the extended review, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2017 and of the results of the Company operations for the financial year 1 February 2016 - 30 June 2017 in accordance with the Danish Financial Statements Act.

### **Statement on Management's Review**

Management is responsible for Management's Review.

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

In connection with our extended review of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Hellerup, 13 October 2017

**PricewaterhouseCoopers**

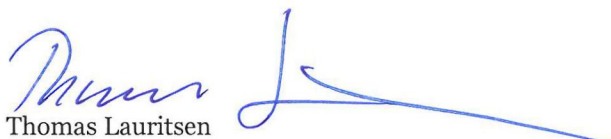
Statsautoriseret Revisionspartnerselskab

CVR No. 33 77 12 31



Jan Wright

State Authorised Public Accountant



Thomas Lauritsen

State Authorised Public Accountant

## 4 - Management's Review

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This Annual Report is the first annual report prepared since the incorporation of the Company and reflects the results of operations for the financial period 1 February 2016 - 30 June 2017.

The Company was incorporated as a Danish entity on 1 February 2016 as part of a group restructure of NF Techfleet AB (the Company's parent entity). The assets and liabilities of the NF Techfleet AB - Danish branch were transferred at carrying value to the Company. No gain or loss was recognised as part of the transaction.

### **Primary Activities**

The Company offers Technology Fleet Management services to its customers and partners. These services include the provision of residual value guarantees and the management of leased and non-leased assets.

### **Financial Review**

The income statement of the Company for the financial period shows a profit after tax of DKK 323,740 and at 30 June 2017 the balance sheet of the Company shows net assets of DKK 373,740.

### **Future Developments**

The Company will continue to carry out the core activities of providing technology fleet management solutions.

Management consider the Company is well placed to meet future demands of the business. Management do not foresee any future changes in the principal activities of the business.

### **Significant events after the balance sheet date**

No events have occurred after the balance sheet date which would influence the evaluation of this annual report.



## 5 - Financial Statements

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### Income Statement

for the financial period 1 February 2016 to 30 June 2017

	Note	1 February 2016 to 30 June 2017 DKK
Gross profit		9,650,535
Employee expenses	2	( 8,700,122)
Depreciation and amortisation	3	( 317,116)
Other operating expenses		( 7,990)
Operating profit		625,307
Other financial income	4	28,576
Other financial expenses	5	( 133,275)
Profit from ordinary activities before tax		520,608
Tax on profit from ordinary activities	6	( 196,868)
Profit for the year		323,740
Proposed distribution of profit		-
Retained earnings		323,740
Settlement of distribution total		323,740



## 5 - Financial Statements

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### Balance Sheet

as at 30 June 2017

	Note	30 June 2017 DKK
<b>Assets</b>		
Fixed assets		
Intangible assets		
Rights to future income		523,237
Total intangible assets		523,237
Property, plant and equipment		
Furniture and fittings		167,716
Office equipment		3,076
Total property, plant and equipment		170,792
Investments		
Security deposits		124,273
Total investments		124,273
Total fixed assets		818,302
Current assets		
Inventories		
Assets in depot		13,739
Assets on rental whereby the Company has purchased legal title		1,955,840
Total inventories		1,969,579
Receivables		
Trade receivables		3,278,816
Receivables from group enterprises		5,709,860
Other receivables		1,146,730
Prepayments		114,882
Total receivables		10,250,288
Cash		9,958,715
Total current assets		22,178,582
Total assets		22,996,884

## 5 - Financial Statements

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### Balance Sheet

as at 30 June 2017

	Note	<u>30 June 2017</u> DKK
<b>Liabilities and Equity</b>		
Equity		
Share Capital		50,000
Retained earnings		<u>323,740</u>
Total Equity		<u>373,740</u>
Provisions		
Provision for deferred tax		<u>406,922</u>
Total provisions		<u>406,922</u>
Current liabilities other than provisions		
Trade and other payables		12,196,990
Other liabilities		1,148,918
Payables to group enterprises		8,688,491
Income taxes payable		<u>181,823</u>
Total current liabilities other than provisions		<u>22,216,222</u>
Total liabilities		<u>22,623,144</u>
Total equity and liabilities		<u>22,996,884</u>
Accounting policies	1	
Unrecognised rental and lease commitments	7	
Contingent liabilities	8	
Assets charged and collateral	9	
Related parties and ownership	10	

## 5 - Financial Statements

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### Statement of Changes in Equity

for the financial period 1 February 2016 to 30 June 2017

	Contributed equity DKK	Retained earnings DKK	Total DKK
Balance at 1 February 2016	50,000	-	50,000
Comprehensive income for the year Profit from continuing operations	-	323,740	323,740
Balance at 30 June 2017	50,000	323,740	373,740

## 6 - Notes to the Financial Statements

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### 1. Accounting policies

#### **Basis of preparation**

The Annual Report of NF Techfleet Denmark ApS (the "Company") for the financial period has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Financial statements for the financial period are presented in DKK.

#### *Going concern*

The financial statements have been prepared on a going concern basis that reflects the continued support of the parent company, NF Techfleet AB. The Executive Board has received confirmation of the ongoing support by NF Techfleet AB to provide sufficient financial support as and when it is needed to enable the Company to continue its operations and fulfil all of its financial obligations until at least 31 December 2020.

#### *Recognition and measurement*

Revenues are recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of prior event, it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are measured at cost on initial recognition. Assets and liabilities are subsequently measured as described for each item below.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

#### *Foreign currency translation*

Transactions in foreign currencies are translated at the exchange rates at the date of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised as financial income and expenses in the income statement.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Any difference between the exchange rates at the balance sheet date and the rates at the time when the receivable or debt arose are recognised as financial income and expenses in the income statement.

Property, plant and equipment, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

## 6 - Notes to the Financial Statements

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### **Income Statement**

#### *Gross profit/loss*

With reference to section 32 of the Danish Financial Statement Act, revenue has not been disclosed in the Annual Report.

Gross profit or loss comprises revenue and other external expenses.

#### *Revenue*

Revenue from the sale of services is recognised in the income statement.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company based its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific nature of each arrangement.

Revenue is recognised for the major business activities as follows:

- Operational revenue relates to that rendering of a service to the customer in connection to the management of the lease through its life. Additional operational revenue is generated from the recognition of income attributed to post term rentals and the asset proceeds from the disposal of assets, less the residual value of the underlying asset. Income is recognised upon delivery of the service to the customer on an accrual basis, whilst cash proceeds in connection to the sale of the asset are recognised on a cash basis.
- Interest income is recognised using the effective interest rate method taking into account the interest rates applicable to the financial assets.

All revenue is stated net of Value Added Tax (VAT).

#### *Other external expenses*

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

#### *Employee expenses*

Employee expenses comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff.

#### *Other operating income and expenses*

Other operating income and expenses comprise items of a secondary nature to the main activities of the Company.

## 6 - Notes to the Financial Statements

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### *Depreciation and amortisation expenses*

Depreciation and amortisation expenses comprise depreciation of property, plant and equipment and amortisation of intangible assets.

### *Financial income and expenses*

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Financial income and expenses comprises interest income and expense, and translation on payables and receivables on transaction in foreign currencies.

### *Income taxes*

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year, whereas tax attributable to equity transactions is recognised directly in equity.

### **Balance Sheet**

#### *Intangible assets*

Intangible assets includes rights to future income which are assets arising under the Commercial Agreement with Nordea Finance.

Rights to future income streams are initially recorded at cost and are amortised over a ten year period. The rights are tested annually for impairment and carried at cost less accumulated amortisation and impairment losses.

#### *Property, plant and equipment*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Furniture and fittings	5 years
Office equipment	3 years

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.



## 6 - Notes to the Financial Statements

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### *Inventories*

#### *Assets in depot*

These assets are held for resale in the ordinary course of business by the Company. Assets in depot are initially recognised at their net realisable value. If the net realisable value cannot be reliably estimated, the asset will be measured with a nil value.

At each subsequent reporting period the net realisable value is re-measured as a result of the asset getting closer to its defined useful or economic life. Any increase or decrease in the net realisable value of the assets will be recognised in the income statement.

#### *Assets on lease whereby the Company has purchased legal title*

These assets are held for resale in the ordinary course of business by the Company. The Company acquires the legal and any remaining equitable right title, interest and estate of the assets from Nordea Finance during secondary rental term. These assets remain on rental with the lessee until such time as they are returned for sale. The asset is initially recognised at their lower of cost or net realisable value. Cost of purchase comprises the residual value guarantee payment to Nordea Finance related to that individual asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to make the sale. If the net realisable value cannot be reliably estimated, the asset will be measured with a nil value.

At each subsequent reporting period the lower of cost or net realisable value is re-measured as a result of the asset getting closer to its defined useful or economic life. Any increase or decrease in the net realisable value of the assets will be recognised in the income statement.

### *Receivables*

Receivables are measured at amortised cost, usually the nominal value less write-downs for bad and doubtful debts.

### *Prepayments*

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### *Deferred tax assets and liabilities*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.



## 6 - Notes to the Financial Statements

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Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised directly in equity.

### *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

### *Equity*

#### *Proposed dividends*

Dividend proposed for the year is recognised as 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".

### *Other financial liabilities*

Other financial liabilities are measured at amortised cost which usually corresponds to nominal value.

### *Provisions*

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

### *Payables*

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### *Operating leases*

Lease payments on operating leases are recognised on straight-line basis in the income statement over the term of the lease.

## 7 - Notes to the Financial Statements

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1 February 2016

to

30 June 2017

DKK

### 2. Employee expenses

Wages and salaries	5,953,440
Bonus and incentives	634,998
Social security and pension	1,213,723
Contractors	325,276
Provisions for accrued leave	436,613
Staff amenities	136,072
Total employee Expenses	<u>8,700,122</u>
Average number of full time employees	<u>8</u>

### 3. Depreciation and amortisation expenses

Depreciation expenses	
Furniture and fittings	41,645
Office equipment	<u>51,227</u>
Total depreciation expenses	<u>92,872</u>
Amortisation of intangibles	<u>224,244</u>
Total depreciation expenses and amortisation	<u>317,116</u>

### 4. Other financial income

Foreign currency exchange gain	<u>28,576</u>
Total other financial income	<u>28,576</u>

## 7 - Notes to the Financial Statements

1 February 2016  
to  
30 June 2017  
DKK

### 5. Other financial expenses

Interest expenses	103,883
Bank guarantee fees	25,887
Other financial expenses	3,505
Total other financial expenses	133,275

### 6. Tax on profit on ordinary activities

Tax for the year	181,823
Deferred tax adjustments in the year	15,045
Total tax on profit on ordinary activities	196,868

30 June 2017  
DKK

### 7. Unrecognised rental and lease commitments

Commitments under rental agreements or leases until expiry	478,385
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### 8. Contingent liabilities

The Commonwealth Bank of Australia has in place a charge over the assets of NF Techfleet AB, NF Techfleet (UK) Limited, NF Techfleet Denmark ApS, equigroup Holdings Pty Limited, equigroup Pty Limited and equigroup Limited (registered in NZ), to support all debts and monetary liabilities under the Assumption and Indemnity Deeds dated 27 June 2014.

The Company has entered into a Commercial Agreement with the Nordea Finance Group of companies. Under the terms of the Commercial Agreement, there is a mechanism in place where the Company agrees to purchase assets under contract with Nordea Finance at an agreed value.

Under the Commercial Agreement the obligation to purchase is not activated until a contract reaches lease end date and the residual value becomes due and payable. The Company's historical experience is that post contract term rentals and asset sales proceeds recover more than the residual value when assessed on a portfolio basis. Whilst some individual contracts may result in a loss, the Company does not expect to have any net exposure on a portfolio basis.

Under the Residual Value (RV) Investment Exposure Facility, the Company has issued joint and several guarantees to the Commonwealth Bank of Australia in conjunction with the following other entities: equigroup Holdings Pty Limited, equigroup Pty Limited, equigroup Limited (registered in NZ), equigroup Limited (registered in UK), NF Techfleet AB, and NF Techfleet (UK) Limited.

## 7 - Notes to the Financial Statements

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	30 June 2017
	DKK
Asset value exposures	
Potential asset value exposure on contracts still in their initial contract term	68,924,336
Total asset value exposures	68,924,336

## 9. Assets charged and collateral

No assets have been charged and no collateral has been offered.

## 10. Related parties and ownership

### *Controlling interest*

NF Techfleet AB (incorporated in Sweden)

### *Ownership*

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

NF Techfleet AB, Sweden

### *Consolidated Financial Statements*

The Company is included in the Group Annual Report of the Parent Company NF Techfleet AB. The Group Annual Report may be obtained at the following address:

Holländargatan 20  
3rd floor  
SE-111 60 Stockholm  
Sweden