Viking Trailers - Denmark A/S

Gøttrupvej 11, 6520 Toftlund

Company reg. no. 38 43 64 49

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 23 May 2019.

Benjamin Chavel-Schenk
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Viking Trailers - Denmark A/S for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Toftlund, 23 May 2019

Managing Director

Benjamin Chavel-Schenk

Board of directors

Benjamin Chavel-Schenk

Hans-Henrik Damgaard

Solene-Marie Chavel-Schenk

Independent auditor's report

To the shareholder of Viking Trailers - Denmark A/S

Opinion

We have audited the annual accounts of Viking Trailers - Denmark A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 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 below section “Auditor’s responsibilities for the audit of the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

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

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement 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 company's internal control.

- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management’s preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review
The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management’s review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Aarhus, 23 May 2019

Redmark
State Authorised Public Accountants
Company reg. no. 29 44 27 89

Morten Ryberg Nielsen
State Authorised Public Accountant
mne33221

Company data

The company	Viking Trailers - Denmark A/S Gøttrupvej 11 6520 Toftlund
	Company reg. no. 38 43 64 49 Financial year: 1 January - 31 December 2nd financial year
Board of directors	Benjamin Chavel-Schenk, 37, am Bounert, 6975 Rameldange, Luxembourg Hans-Henrik Damgaard, Horsensgade 10, 2. tv., 8000 Aarhus C Solene-Marie Chavel-Schenk, 37, am Bounert, 6975 Rameldange, Luxembourg
Managing Director	Benjamin Chavel-Schenk
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Sommervej 31C 8210 Aarhus V

Management's review

The principal activities of the company

Like previous years, the principal activities are manufacturing of bodyworks for motor vehicles, manufacturing of trailers and related businesses.

Development in activities and financial matters

The gross loss for the year is DKK -954.000 against DKK -22.000 last year. The results from ordinary activities after tax are DKK -2.269.000 against DKK -623.000 last year.

It is the company's second financial year. The financial statements have been significantly affected by the company's development and approval of new trailers, which are expected to be ready for the market in the 2019 season. Furthermore the financial statement is affected by an unrecognized tax asset of T.DKK 632.

The management considers the result for 2018 not satisfactory, but sales for the first 4 months of the financial year 2019 is better than expected, and we expect that the operation will balance at the end of the current financial year.

The management expect to have sufficient funds to continue the operations.

Profit and loss account

All amounts in DKK.

Note		1/1 - 31/12 2018	20/2 - 31/12 2017
	Gross loss	**-953.933**	**-21.778**
1	Staff costs	-409.593	-390.232
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-231.429	-231.429
	Research and development costs	-414.502	-96.983
	Operating profit	**-2.009.457**	**-740.422**
	Other financial income	126	0
2	Other financial costs	-178.275	-55.444
	Results before tax	**-2.187.606**	**-795.866**
	Tax on ordinary results	-81.699	172.889
	Results for the year	**-2.269.305**	**-622.977**
	Proposed distribution of the results:		
	Allocated from results brought forward	-2.269.305	-622.977
	Distribution in total	**-2.269.305**	**-622.977**

Balance sheet 31 December

All amounts in DKK.

Note	Assets	2018	2017
	Fixed assets		
3	Goodwill	357.142	428.571
	Intangible fixed assets in total	357.142	428.571
4	Other plants, operating assets, and fixtures and furniture	480.000	640.000
	Tangible fixed assets in total	480.000	640.000
	Other debtors	10.350	0
	Financial fixed assets in total	10.350	0
	Fixed assets in total	**847.492**	**1.068.571**
	Current assets		
	Raw materials and consumables	946.211	700.307
	Inventories in total	946.211	700.307
	Trade debtors	341.862	41.864
	Deferred tax assets	0	172.889
	Receivable corporate tax	91.190	0
	Accrued income and deferred expenses	3.650	0
	Debtors in total	436.702	214.753
	Available funds	73.526	0
	Current assets in total	**1.456.439**	**915.060**
	Assets in total	**2.303.931**	**1.983.631**

Balance sheet 31 December

All amounts in DKK.

Note	Equity and liabilities	2018	2017
	Equity		
5	Contributed capital	500.000	500.000
6	Results brought forward	-2.892.282	-622.977
	Equity in total	**-2.392.282**	**-122.977**
	Liabilities		
7	Bank debts	1.350.850	0
8	Debt to group enterprises	1.340.395	0
9	Other debts	650.000	975.000
	Long-term liabilities in total	3.341.245	975.000
	Short-term part of long-term liabilities	418.000	325.000
	Bank debts	0	86.220
	Trade creditors	527.584	351.066
	Debt to group enterprises	168.000	0
	Other debts	241.384	369.322
	Short-term liabilities in total	1.354.968	1.131.608
	Liabilities in total	**4.696.213**	**2.106.608**
	Equity and liabilities in total	**2.303.931**	**1.983.631**

10 Company Pledge

11 Contingencies

Notes

All amounts in DKK.

		1/1 - 31/12 2018	20/2 - 31/12 2017
1.	**Staff costs**		
	Salaries and wages	361.131	353.096
	Pension costs	41.778	29.958
	Other costs for social security	3.219	2.272
	Other staff costs	3.465	4.906
		409.593	**390.232**
	Average number of employees	1	1
2.	**Other financial costs**		
	Other financial costs	178.275	55.444
		178.275	**55.444**
3.	**Goodwill**		
	Cost 1 January 2018	500.000	0
	Additions during the year	0	500.000
	Cost 31 December 2018	**500.000**	**500.000**
	Amortisation and writedown 1 January 2018	-71.429	0
	Amortisation for the year	-71.429	-71.429
	Amortisation and writedown 31 December 2018	**-142.858**	**-71.429**
	Book value 31 December 2018	**357.142**	**428.571**

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
4.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2018	800.000	0
	Additions during the year	0	800.000
	Cost 31 December 2018	**800.000**	**800.000**
	Amortisation and writedown 1 January 2018	-160.000	0
	Depreciation for the year	-160.000	-160.000
	Amortisation and writedown 31 December 2018	**-320.000**	**-160.000**
	Book value 31 December 2018	**480.000**	**640.000**

5.	**Contributed capital**		
	Contributed capital 1 January 2018	500.000	500.000
		500.000	**500.000**

6.	**Results brought forward**		
	Results brought forward 1 January 2018	-622.977	0
	Profit or loss for the year brought forward	-2.269.305	-622.977
		-2.892.282	**-622.977**

7.	**Bank debts**		
	Bank debts in total	1.443.850	0
	Share of amount due within 1 year	-93.000	0
		1.350.850	**0**
	Share of liabilities due after 5 years	402.000	0

Notes

All amounts in DKK.

		31/12 2018	31/12 2017
8.	**Debt to group enterprises**		
	Debt to group enterprises in total	1.508.395	0
	Share of amount due within 1 year	-168.000	0
		1.340.395	**0**
	Share of liabilities due after 5 years	667.000	0
9.	**Other debts**		
	Other debts in total	975.000	1.300.000
	Share of amount due within 1 year	-325.000	-325.000
	Other debts in total	**650.000**	**975.000**
	Share of liabilities due after 5 years	0	0

10. Company Pledge

For debt to banks, financial institutions and creditors, DKK 2.419, the company has provided security in company assets representing a nominal value of DKK 3.300.000. This security comprises the below assets, stating the book values:

Inventories	DKK 946.000
Receivable from sales and services	DKK 342.000
Other plants, operation assets, and fixtures and furniture	DKK 480.000
Goodwill	DKK 357.000

11. Contingencies

Contingent assets

The company has an unrecognized tax asset of T.DKK 632.

Accounting policies used

The annual report for Viking Trailers - Denmark A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Notice that the comparative figures includes a period less than 12 months

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross loss

The gross loss comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

Accounting policies used

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Research and development costs

Research and development costs comprise costs, salaries and wages and depreciation directly or indirectly attributable to the consolidated research and development activities.

Research costs are recognised in the profit and loss account in the year they are incurred. Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical utilisation, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that a connection between the costs incurred and future earnings exists. Lack of official approvals, customer approvals and other uncertainties will often imply that the requirements for recognition as an asset are not met and that development costs therefore are expensed as incurred.

Net financials

Net financials 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 profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Intangible fixed assets

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. As it is not possible to determine a reliable estimate of the useful life, the amortisation period is set at 7 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues.

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

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

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

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	*Residual value*
Other plants, operating assets, fixtures and furniture	*3-5 years*	*0-20 %*

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Writedown of fixed assets

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

Accounting policies used

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

The recoverable value 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 deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

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

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at 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 receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Accounting policies used

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

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

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

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