Viking Trailers - Denmark A/S

Gøttrupvej 11, 6520 Toftlund

Company reg. no. 38 43 64 49

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 12 March 2021.

Benjamin Chavel-Schenk
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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

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

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

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

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

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

Toftlund, 12 March 2021

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 financial statements of Viking Trailers - Denmark A/S for the financial year 1 January - 31 December 2020, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

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

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section “Auditor’s responsibilities for the audit of the financial statements”. We are independent of the company in accordance with international ethical requirements for auditors (IESBA’s Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of 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 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 about 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 judgment 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 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 and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 commentary
Management is responsible for the management commentary.

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

Independent auditor's report

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

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Aarhus, 12 March 2021

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

Morten Ryberg Nielsen
State Authorised Public Accountant
mne33221

Company information

The company	Viking Trailers - Denmark A/S Gøttrupvej 11 6520 Toftlund	
	Company reg. no.	38 43 64 49
	Financial year:	1 January - 31 December 4th financial year
Board of directors	Benjamin Chavel-Schenk Hans-Henrik Damgaard Solene-Marie Chavel-Schenk	
Managing Director	Benjamin Chavel-Schenk	
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Sommervej 31C 8210 Aarhus V	

Management commentary

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

Despite partly closed due to Covid-19 the management have managed to make a turn-around going from a very unsatisfactory result after tax of DKK -2.006.000 in 2019 to a positive result amounting to DKK 44.000 in 2020.

Numbers of dealers selling Viking Trailers has been increased substantially in 2020 – especially in Germany. The management expect that this development will continue in 2021. This combined with new products is expected to result in a higher financial result in 2021 compared with 2020.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2020	2019
	Gross profit	**700.335**	**-755.557**
2	Staff costs	-255.212	-86.939
	Amortisation and impairment of intangible assets	-71.429	-106.012
	Other operating costs	0	-368.417
	Research and development costs	0	-604.839
	Operating profit	**373.694**	**-1.921.764**
3	Other financial costs	-330.011	-217.634
	Pre-tax net profit or loss	**43.683**	**-2.139.398**
	Tax on net profit or loss for the year	0	133.065
	Net profit or loss for the year	**43.683**	**-2.006.333**
	Proposed appropriation of net profit:		
	Transferred to retained earnings	43.683	0
	Allocated from retained earnings	0	-2.006.333
	Total allocations and transfers	**43.683**	**-2.006.333**

Statement of financial position at 31 December

All amounts in DKK.

Note	Assets	2020	2019
	Non-current assets		
4	Goodwill	214.284	285.713
5	Development projects in progress and prepayments for intangible assets	239.321	0
	Total intangible assets	453.605	285.713
6	Other receivables	0	10.350
	Total investments	0	10.350
	Total non-current assets	**453.605**	**296.063**
	Current assets		
	Raw materials and consumables	1.370.541	1.271.691
	Total inventories	1.370.541	1.271.691
	Trade debtors	1.636.686	369.499
	Receivable corporate tax	0	133.065
	Other debtors	149.177	0
	Total receivables	1.785.863	502.564
	Available funds	56.910	540
	Total current assets	**3.213.314**	**1.774.795**
	Total assets	**3.666.919**	**2.070.858**

Statement of financial position at 31 December

All amounts in DKK.

Note	Equity and liabilities	2020	2019
	Equity		
	Contributed capital	500.000	500.000
	Results brought forward	-4.854.932	-4.898.615
	Total equity	**-4.354.932**	**-4.398.615**
	Provisions		
	Other provisions	0	100.000
	Total provisions	**0**	**100.000**
	Liabilities other than provisions		
	Other mortgage loans	1.024.850	1.103.850
	Payables to group enterprises	2.125.193	1.341.229
	Other payables	0	325.000
	Total long term liabilities other than provisions	3.150.043	2.770.079
	Short-term part of long-term liabilities	340.000	665.000
	Bank loans	1.158.746	471.580
	Trade creditors	1.592.156	1.250.286
	Debt to group enterprises	167.649	167.652
	Other payables	1.613.257	1.037.176
	Accrued expenses and deferred income	0	7.700
	Total short term liabilities other than provisions	4.871.808	3.599.394
	Total liabilities other than provisions	**8.021.851**	**6.369.473**
	Total equity and liabilities	**3.666.919**	**2.070.858**

1 **Uncertainties concerning the enterprise's ability to continue as a going concern**

7 **Charges and security**

8 **Contingencies**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2019	500.000	-2.892.282	-2.392.282
Profit or loss for the year brought forward	0	-2.006.333	-2.006.333
Equity 1 January 2020	500.000	-4.898.615	-4.398.615
Profit or loss for the year brought forward	0	43.683	43.683
	500.000	**-4.854.932**	**-4.354.932**

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The company has achieved a positive result for 2020, and we expect a positive result for the coming financial year.

It is our assessment that the company has the necessary credit facilities to continue operations in the financial year 2021, which is why the annual report has been presented with continued operations in mind.

		2020	2019
2.	**Staff costs**		
	Salaries and wages	251.246	75.356
	Pension costs	0	9.451
	Other costs for social security	2.935	757
	Other staff costs	1.031	1.375
		255.212	**86.939**
	Average number of employees	1	1
3.	**Other financial costs**		
	Financial costs, group enterprises	45.151	27.663
	Other financial costs	284.860	189.971
		330.011	**217.634**
4.	**Goodwill**		
	Cost 1 January 2020	500.000	500.000
	Cost 31 December 2020	**500.000**	**500.000**
	Amortisation and writedown 1 January 2020	-214.287	-142.858
	Amortisation for the year	-71.429	-71.429
	Amortisation and writedown 31 December 2020	**-285.716**	**-214.287**
	Carrying amount, 31 December 2020	**214.284**	**285.713**

Notes

All amounts in DKK.

		31/12 2020	31/12 2019
5.	**Development projects in progress and prepayments for intangible assets**		
	Additions during the year	239.321	0
	Cost 31 December 2020	**239.321**	**0**
	Carrying amount, 31 December 2020	**239.321**	**0**
6.	**Other receivables**		
	Additions during the year	0	10.350
	Cost 31 December 2020	**0**	**10.350**
	Carrying amount, 31 December 2020	**0**	**10.350**
	Der specificeres således:		
	Additions during the year	0	10.350
		0	**10.350**

7. Charges and security

For debt to banks, financial institutions and creditors, T.DKK. 4.350, the company has provided security in company assets representing a nominal value of T.DKK. 3.222

	DKK in thousands
Inventories	1.371
Receivable from sales and services	1.637
Goodwill	214

8. Contingencies

Contingent assets

The company has an unrecognized tax asset of T.DKK. 891.

Notes

All amounts in DKK.

8. Contingencies (continued)

Contingent liabilities

Lease liabilities

The company has entered into operational leases with an average monthly lease payment of DKK 3.000. The leases have between 16 and 38 months left to run, and the total outstanding lease payments total DKK 56.000.

Rent obligation

The company has rent obligations with an average monthly obligation payment of DKK 16.000. The rent obligation have in general 3 month notice of termination, one rent contract is non-cancellable for 3 years. The total outstanding rent obligation payment is DKK 167.000.

Accounting policies

The annual report for Viking Trailers - Denmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

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

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

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

Accounting policies

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

Staff costs

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

Depreciation, amortisation, and writedown for impairment

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

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Research and development costs

Research and development costs comprise costs and depreciation directly or indirectly attributable to the company’s research and development activities.

Research costs are recognised in the income statement in the year incurred. Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. Furthermore, there must be a proven correlation between the costs incurred and future earnings. However, lack of official approvals, customer approvals, and other uncertainties will often imply that the requirements for recognition as assets are not met and that development costs are charged to the income statement as incurred.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income, expenses and financial expenses from financial leasing.

Tax on net profit or loss for the year

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

Statement of financial position

Intangible assets

Development projects, patents, and licences

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

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

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

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

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

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

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

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

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

	Useful life
Other plants, operating assets, fixtures and furniture	3-5 years

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

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

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

Impairment loss relating to non-current assets
The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

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

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

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

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

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

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

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

Accounting policies

Receivables

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

Cash on hand and demand deposits

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

Income tax and deferred tax

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

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

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

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

Provisions

Provisions comprise expected costs of warranty commitment. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

On the acquisition of entities, provisions for restructuring within the acquired entity are included in the acquisition cost, and thereby in the goodwill or the consolidated goodwill, to the extent that they have been recognised in the financial statements of the acquired entity in advance of the acquisition. Provisions for restructuring are included to the extent that they have been decided at the date of acquisition at the latest and that the process have been commenced.

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Accounting policies

Liabilities other than provisions

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

Accruals and deferred income

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