

Viking Trailers - Denmark A/S

Gøttrupvej 11, 6520 Toftlund

Company reg. no. 38 43 64 49

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 23 March 2022.

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 statement

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 2021.

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 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

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 at the Annual General Meeting.

Toftlund, 23 March 2022

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 2021, which comprise income statement, statement of financial position, statement of changes in equity, notes and a summary of significant 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 2021 and of the results of the company's activities for the financial year 1 January - 31 December 2021 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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's Review

Management is responsible for the Management's Review.

Our opinion on 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's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that Management's Review 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's Review.

Aarhus, 23 March 2022

Redmark

Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Marianne Fog Jørgensen

State Authorised Public Accountant
mne21405

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 5th financial year
Board of directors	Benjamin Chavel-Schenk Hans-Henrik Damgaard Solene-Marie Chavel-Schenk
Managing Director	Benjamin Chavel-Schenk
Auditors	Redmark Godkendt 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 profit for the year totals DKK 494.000 against DKK 700.000 last year. Income from ordinary activities after tax totals DKK 107.000 against DKK 44.000 last year. Management considers the net profit for the year satisfactory.

Numbers of dealers selling Viking Trailers has been increased substantially in 2021 – especially in Germany. The management expect that this development will continue in 2022. This combined with new products is expected to result in a higher financial result in 2022 compared with 2021.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	493.995	700.335
2 Staff costs	-57.310	-255.212
Amortisation and impairment of intangible assets	-71.429	-71.429
Operating profit	365.256	373.694
3 Other financial costs	-311.066	-330.011
Pre-tax net profit or loss	54.190	43.683
Tax on net profit or loss for the year	52.651	0
Net profit or loss for the year	106.841	43.683
Proposed appropriation of net profit:		
Transferred to retained earnings	106.841	43.683
Total allocations and transfers	106.841	43.683

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
4 Completed development projects	555.171	0
5 Goodwill	142.855	214.284
6 Development projects in progress and prepayments for intangible assets	<u>0</u>	<u>239.321</u>
Total intangible assets	<u>698.026</u>	<u>453.605</u>
Total non-current assets	<u>698.026</u>	<u>453.605</u>
Current assets		
Raw materials and consumables	<u>1.367.809</u>	<u>1.370.541</u>
Total inventories	<u>1.367.809</u>	<u>1.370.541</u>
Trade debtors	362.617	1.636.686
Other debtors	<u>136.066</u>	<u>149.177</u>
Total receivables	<u>498.683</u>	<u>1.785.863</u>
Available funds	<u>686.130</u>	<u>56.910</u>
Total current assets	<u>2.552.622</u>	<u>3.213.314</u>
Total assets	<u>3.250.648</u>	<u>3.666.919</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity		
Contributed capital	500.000	500.000
Reserve for development expenditure	433.033	0
Results brought forward	<u>-5.181.124</u>	<u>-4.854.932</u>
Total equity	<u>-4.248.091</u>	<u>-4.354.932</u>
Long term liabilities other than provisions		
Other mortgage loans	822.596	1.024.850
Payables to group enterprises	<u>2.292.277</u>	<u>2.125.193</u>
7 Total long term liabilities other than provisions	<u>3.114.873</u>	<u>3.150.043</u>
7 Current portion of long term liabilities	340.000	340.000
Bank loans	37.953	1.158.746
Trade creditors	1.734.143	1.592.156
Debt to group enterprises	0	167.650
Other payables	<u>2.271.770</u>	<u>1.613.256</u>
Total short term liabilities other than provisions	<u>4.383.866</u>	<u>4.871.808</u>
Total liabilities other than provisions	<u>7.498.739</u>	<u>8.021.851</u>
Total equity and liabilities	<u>3.250.648</u>	<u>3.666.919</u>
1 Uncertainties concerning the enterprise's ability to continue as a going concern		
8 Charges and security		
9 Contingencies		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Reserve for development costs</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	500.000	0	-4.898.615	-4.398.615
Profit or loss for the year brought forward	<u>0</u>	<u>0</u>	<u>43.683</u>	<u>43.683</u>
Equity 1 January 2021	500.000	0	-4.854.932	-4.354.932
Profit or loss for the year brought forward	0	0	106.841	106.841
Transferred from results brought forward	0	433.033	0	433.033
Transferred to reserve for development costs	<u>0</u>	<u>0</u>	<u>-433.033</u>	<u>-433.033</u>
	<u>500.000</u>	<u>433.033</u>	<u>-5.181.124</u>	<u>-4.248.091</u>

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 2021, 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 2022, which is why the annual report has been presented with continued operations in mind.

	<u>2021</u>	<u>2020</u>
2. Staff costs		
Salaries and wages	54.690	251.246
Other costs for social security	568	2.935
Other staff costs	<u>2.052</u>	<u>1.031</u>
	<u>57.310</u>	<u>255.212</u>
Average number of employees	<u>0</u>	<u>1</u>
3. Other financial costs		
Financial costs, group enterprises	45.096	45.151
Other financial costs	<u>265.970</u>	<u>284.860</u>
	<u>311.066</u>	<u>330.011</u>
4. Completed development projects		
Transferred from development projects in progress	<u>555.171</u>	<u>0</u>
Cost 31 December 2021	<u>555.171</u>	<u>0</u>
Carrying amount, 31 December 2021	<u>555.171</u>	<u>0</u>

The enterprise's development projects concern the development of new trailers. The projects proceed as planned and are completed and ready to be sold in december 2021. The trailers will be depreciated over a 7-year period.

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>		
5. Goodwill				
Cost 1 January 2021	500.000	500.000		
Cost 31 December 2021	500.000	500.000		
Amortisation and writedown 1 January 2021	-285.716	-214.287		
Amortisation for the year	-71.429	-71.429		
Amortisation and writedown 31 December 2021	-357.145	-285.716		
Carrying amount, 31 December 2021	142.855	214.284		
6. Development projects in progress and prepayments for intangible assets				
Cost 1 January 2021	239.321	0		
Additions during the year	315.850	239.321		
Transferred to completed development projects	-555.171	0		
Cost 31 December 2021	0	239.321		
Carrying amount, 31 December 2021	0	239.321		
7. Long term liabilities other than provisions				
	Total payables 31 Dec 2021	Current portion of long term payables	Long term payables 31 Dec 2021	Outstanding payables after 5 years
Other mortgage loans	1.162.596	340.000	822.596	0
Payables to group enterprises	2.292.277	0	2.292.277	0
	3.454.873	340.000	3.114.873	0

Notes

All amounts in DKK.

8. Charges and security

For debt to banks, financial institutions and creditors, T.DKK. 3.300, the company has provided security in company assets representing a nominal value of T.DKK. 1.874.

	DKK in thousands
Inventories	1.368
Receivable from sales and services	363
Goodwill	143

9. Contingencies

Contingent assets

The company has an unrecognized tax asset of T.DKK. 831.

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 4 and 26 months left to run, and the total outstanding lease payments total DKK 19.000.

Rent obligation

The company has rent obligations with an average monthly obligation payment of DKK 17.000. The rent obligation have in general 3 month notice of termination. The total outstanding rent obligation payment is DKK 85.000.

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.

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.

Accounting policies

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.

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.

Accounting policies

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.

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.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

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.