

Zeppelin Danmark A/S

DK-Park Allé 363
DK-2605 Brøndby

CVR no. 40 64 92 47

Annual report 1. January – 31. December 2021

The annual report was presented and approved at
the Company's annual general meeting on

16 March 2022


Michael Heidemann

Chairman of the Supervisory Board

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Statement by the Supervisory Board and the Executive Board

The Supervisory Board and the Executive Board have today discussed and approved the annual report of Zeppelin Danmark A/S for the financial year 1 January — 31 December 2021.

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

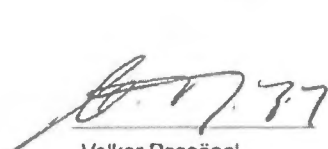
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January — 31 December 2021.

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

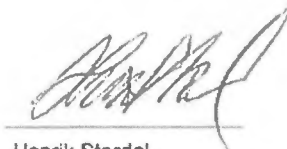
We recommend that the annual report be approved at the annual general meeting.

Brøndby, 16 March 2022

Executive Board:



Volker Possögel

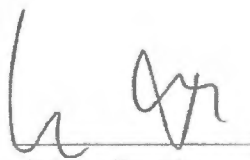


Henrik Stordal

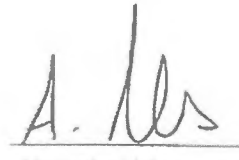
Supervisory Board:



Michael Heidemann
Chairman



Christian Dummler



Alexandra Mebus

Independent auditor's report

To the shareholders of Zeppelin Danmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Zeppelin Danmark A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We 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.

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

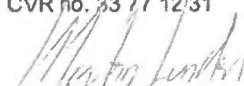
Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 16 March 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31



Martin Lunden
State Authorised
Public Accountant
mne32209



Maj-Britt Nørskov Nannestad
State Authorised
Public Accountant
mne32198

Zeppelin Danmark A/S
Annual report 2021
CVR no. 40 64 92 47

Management's review

Company details

Zeppelin Denmark A/S
Park Allé 363
DK-2605 Brøndby
CVR-no.: 40 64 92 47
Established: 1 July 2019
Registered office: Brøndby
Financial year: 1 January — 31 December

Supervisory Board

Michael Heidemann, Chairman
Christian Dummier
Alexandra Mebus

Executive Board

Volker Possögel
Henrik Stordal

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
CVR no. 33 77 12 31

Management's review

Financial highlights

DKK'000	2021	2020	2019
Key figures			
Revenue	916,472	827,746	0
Gross profit/loss	210,995	177,478	-2,116
Profit/loss before financial income and expenses	10,314	2,780	-12,238
Profit/loss from financial income and expenses	-3,778	-3,544	-46
Profit/loss for the year	5,025	-665	-9,615
Total assets			
Equity	134,741	129,716	130,382
Investment in property, plant and equipment	114,685	26,046	110,389
Ratios			
Gross margin	23.02%	21.44%	0.00%
Operating margin	1.13%	1.00%	0.00%
Return on invested capital	1.87%	3.42%	-13.23%
Current ratio	149.46%	143.68%	89.83%
Return on equity	3.79%	-0.51%	-14.75%
Solvency ratio	22.01%	26.56%	25.42%
Other key figures			
Average number of full-time employees	271	258	1

The financial ratios have been calculated as follows:

Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Return on equity	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity} \times 100}{\text{Total equity and liabilities at the year-end}}$

Management's review

Operating review

Principal activities

Zeppelin Danmark A/S operates as a construction and power systems Caterpillar dealer in Denmark, Greenland and the Faroe Islands.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK'000 5,025 as against DKK'000 -665 in 2020. Equity in the Company's balance sheet at 31 December 2021 amounted to DKK'000 134,741 compared to DKK'000 129,716 at 31 December 2020. The result for the year is in line with expectations for Zeppelin Danmark A/S.

Events after the balance sheet date

After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

Outlook

For 2022, Management plans for a positive net result of approx. 9,5M DKK.

Intellectual capital

The Company's ability to create value for customers and co-operators goes hand in hand with the continued development of our core values. Sale and service of Caterpillar engines and construction machinery places high demands on both technical and personal skills. The systemization of staff development meetings and the acquisition of new knowledge through training and practice is the key to preserve and strengthen present competitiveness.

Financial instruments

The Company's goals and policies for management of financial risks

Business exposure to currency and interest risk is modest and hedged to the greatest extent possible. The Company's credit exposure is normal in its line of business.

The Company's risk exposure

As a supplier of equipment to the Danish construction industry, the Company's activities and performance are highly dependent on the level of private and public building and construction levels. These construction levels are generally highly sensitive to cyclical fluctuations and political climate.

The Company is also a supplier of engines to the oil and gas industry, which has seen increased volatility over the past years. This volatility can affect the Company's results.

Corporate social responsibility

Business Model

Zeppelin Danmark A/S operates as a construction and power systems Caterpillar dealer in Denmark, Greenland and the Faroe Islands.

Management's review

Zeppelin Danmark A/S' overall business model consists of import, distribution and retail sales of construction machinery and power engines produced by Caterpillar Inc. including other products such as MaK and third-party products. This includes the sale of spare parts and accessories as well as aftermarket services.

Most activities are in Denmark, but in recent years the Zeppelin Danmark A/S has expanded its business model with import, distribution and retail of machinery, spare parts, and accessories as well as aftermarket services to also include the markets Greenland and Faroe Islands.

Corporate social responsibility policies

The CSR policy is incorporated into Zeppelin Danmark's business strategy, which means that we focus on our actions.

Zeppelin Danmark's CSR strategy has the following focus areas:

- **Human Rights:** At Zeppelin Danmark A/S we respect Human rights, and see this as a natural part of doing business,
- **Working environment and social conditions:** Zeppelin Danmark A/S has focus on the safety, health, work accidents and sickness absence of the employees as documented in our KPIs,
- **Social responsibility:** Our group of employees includes apprentices at different locations as well as employees with different handicaps. We have a general focus on the well-being of our employees, and as a result of that we have a low sickness rate compared to the average in Denmark,
- **Ethics & Anti-Corruption:** We will appear as a company that does business in an ethical and responsible manner. This year we have introduced a mandatory compliance training for all employees. Most departments have done the training in groups leading to good relevant discussions within compliance.
- **Environment & climate impact:** We take responsibility for the environment and climate seriously. We want to appear as a responsible company that protects the environment and continuously improves our own environmental performance and helps our customers improve theirs.

Zeppelin Danmark A/S adheres to the Code of Conduct of the Zeppelin Group. In 2021 the Zeppelin Group issued a Code of Conduct for Suppliers, which is going to be implemented in 2022.

Human rights

At Zeppelin Danmark A/S we do not tolerate discrimination of any sort. In the case of any human rights violations, there are very clear guidelines in place to assist employees in reporting of violations.

Through Zeppelin's implementation of so-called 'complaint mechanisms', Zeppelin Denmark makes it possible for individuals to lodge a complaint when they are directly affected by actions or inaction caused by Zeppelin's activities, or when they believe that their own fundamental rights have been violated.

In 2021 Zeppelin Danmark A/S experienced zero cases of human rights violations. We do have special focus on article 2 in the Universal Declaration of Human Rights, saying that we shall not make any distinction of any kind such as race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. We do not tolerate any discrimination neither in the daily business amongst our employees and business partners nor when hiring new employees to Zeppelin Danmark A/S. Zeppelin Danmark A/S does not expect any Human rights violations in 2022.

Management's review

Environmental matters and Climate impact

Zeppelin Danmark A/S is committed to having a strong focus on climate and the environment. We recognise that by being a supplier of power solutions and construction machines Zeppelin Danmark A/S operates in an area of potential significant impact on the climate and the environment.

We contribute as much as possible to limit the environmental and climate impacts of our products through close relationships and dialogue with customers. Due to the nature of our products, it is important to us that we help our customers take care of the environment and the climate. We do this, among other things, by offering more fuel-saving engine solutions, which are developed in close collaboration with customers, including conversion of existing engines, by offering catalyst units that can reduce NOX emissions and by instructing customers in the correct use and maintenance of our products. This ensures less fuel consumption, less lubricating oil consumption, fewer emissions, and an extended life of the product.

In 2021 we experienced an increasing request for alternative fuel solutions. Several projects are ongoing to verify if customers can use alternative fuels in the engine solutions supplied by us. The alternative fuels of interest are synthetic oils as methanol, hydrotreated oils (HVOs) and fatty acid methyl esters (FAME). The use of alternative fuels will help our customers to an improved CO2 footprint.

We take care of our surroundings and comply with all applicable environmental requirements and regulations, including our environmental approvals. Through our environmental approval and other measures and routines we minimise any risks of pollution and limit emissions from our locations. In addition, we have an ongoing focus on reducing our CO2 footprint. We are constantly working to improve our energy and environmental performance. In 2021 we fulfilled our goal regarding the introduction and implementation of an energy management system in accordance with ISO 50001. The energy management system was certified in the beginning of January 2022.

Environment and sustainability are internally related to waste sorting, safe storage and handling of chemicals, routines for maintenance of extraction systems, monitoring of tank systems and the selection of suppliers and materials. We focus on our energy consumption and CO2 footprint. Two locations are using only green electricity, secured via REC certificates. In April 2021 the lighting in warehouse and workshop at one location was replaced with LED light resulting in an estimated saving of approximately 3000 kWh per month. Based on the consumed amount of energy (power, heat, and fuels) at all our locations our CO2 emission is estimated to be 986 tons in 2021. We produced 675 tons of waste of which 387 tons were classified as hazardous waste mainly waste oil and waste originating from cleaning equipment and engine parts at our workshops (wastewater, contaminated soil, and waste from oil separators).

In the future years, Zeppelin Danmark A/S will continue to focus on the environment by providing our customers the most environmentally solutions available. We aim to maintain our environmental sustainability certifications by continuing to reduce waste in our processes, as well emissions caused by the machinery we operate.

Working environment and social conditions

Zeppelin Danmark A/S is determined to be recognized as a business partner that creates high quality solutions in a safe manner. We are committed to providing safe and healthy working conditions and to continually assess and remove or mitigate any risks that arise in our work processes. The goal is to prevent any work-related accidents or illnesses.

We comply with applicable legal occupational health and safety requirements as well as requirements from the Zeppelin Group and Caterpillar. We monitor our health and safety performance, and we continually seek to improve it by involving the organization. Health and safety plans - including objectives - are formulated and implemented.

Management's review

We encourage all employees to speak up regarding safety and we expect them to report if they see any actions or experience situations that could lead to an accident. These reports are handled by Zeppelin Danmark A/S' Safety Officer, who ensures communication to the management and support the organisation in following-up on the cases with appropriate corrective measures. Based on the reports, safety statistics are compiled on a monthly and annual basis.

All accidents are thoroughly analysed to determine the cause of the accident, and how a similar accident can be avoided in the future. Accidents with absence are reported as required to the authorities.

In 2021 Zeppelin Danmark did not reach its safety targets which was zero accidents and a Recordable Injury Frequency (RIF) below 1.5. In total there were 18 accidents in Zeppelin Danmark A/S. 7 of these were minor accidents (first aid accidents) that did not require medical treatment. 2 were accidents which required professional medical treatment and 9 were accidents that resulted in absence. Several measures will be taken in 2022 to strengthen our safety culture and to prevent accidents.

In 2022 Zeppelin Danmark will reintroduce safety walks performed by management, to enhance the safety dialogue between employees and management. The safety walks have been on hold the last couple of years due to COVID-19. An improved focus on reporting unsafe situations will also be on the agenda as we strongly believe that by monitoring and follow-up on unsafe situations, the risk of serious injuries is significantly reduced.

Relevant and required protective equipment is always made available to our employees. Tools, lifting gear and other equipment are maintained and checked on an ongoing basis.

In our workshops and warehouses, requirements for safe traffic and behaviour have been introduced, just as requirements are set for safe behaviour for everyone who works in the field and it is an expressed expectation that all employees contribute to a safe everyday life.

At Zeppelin Danmark A/S, we ensure all employees a good health insurance, massage scheme and coffee and fruit scheme. The company holds a defibrillator at each location and first-aid courses are held for employees.

In 2020 a COVID-19 guideline was worked out to keep our employees informed about necessary safety measure during the pandemic to avoid or minimize the spread of the infection and to keep our employee safe and healthy. The guideline has been updated on an ongoing basis in 2021 to reflect any changes in requirements and recommendations in relation to the COVID-19 situation.

Half yearly, an employee satisfaction analysis is performed as we know that we perform better with satisfied employees. We conducted an employee satisfaction survey in May as well as in November of 2021, and we see a general increasing in satisfaction. During the year we have worked with leadership, and we have established a group with managers and employees working on different topics to increase the satisfaction.

During 2021 we have continually implemented COVID-19 guidelines for the employees. It has been very important to be updated as we have service engineers working abroad. We have had around 50% of the employees working from home as well as employees working at different shifts due to avoid COVID-19. Since the start of COVID-19 we only have had 8 cases with infected employees.

Management's review

Ethics and anti-corruption

Zeppelin Danmark A/S is an ethical and responsible company. Zeppelin's Code of Conduct and special company policies provide details on how the Company expects its employees to behave, whether internally or externally. During 2021, Zeppelin Danmark A/S did not find any breach of our corporate social responsibility standards regarding ethics or corruption.

Zeppelin Danmark A/S' Code of Conduct provides guidelines to employees on the subjects of ethical standards with a focus on integrity and professionalism. All new employees receive our Code of Conduct as a part of the onboarding before they start in the company.

No allegations of corruption or bribery have been made. Upon discovering any criminal activity, the individual employee must go to HR or the immediate superior. Zeppelin Danmark A/S estimates the risk of breaches to our Ethic's and Anti-corruption standards as minimal, due to the continuous focus on this area.

This year Zeppelin Danmark has implemented a whistle-blower program where employees, in the case of witnessing any corruption or illegal action, can anonymously report to an independent party.

Zeppelin Danmark A/S expects that there will not be allegations of corruption or bribery made in the future. Despite this expectation Zeppelin Danmark A/S, will continue focusing on ethics and anti-corruption at all levels of our business to maintain an ethical and responsible company. Every Year the Zeppelin Group provides mandatory on-line trainings on Compliance, which includes Ethics and anti-corruption in the workplace.

Data Ethics

Zeppelin Group has since 2013 had a Group Data protection policy (such policy being updated in 2018) which all Zeppelin businesses must comply to.

The objective of this data protection policy is to create a uniform level of data protection throughout the Zeppelin Group, taking in to account the respective locally valid laws and jurisdiction regarding data protection law. This applies equally to companies within the scope of the GDPR as well as for companies outside the EU.

The Zeppelin group commits to the principles of data protection set forth in the European General Data Protection Regulation (GDPR). Personal data must be processed in a lawful and transparent manner in accordance with the duty of utmost good faith for a clearly determined purpose in such a way that data integrity and confidentiality are always ensured. The rights of data subjects, whether customers, business partners or employees of the Zeppelin group shall be upheld without restriction. Appropriate support must be provided to the respective data subject in the exercise of its rights.

Zeppelin Denmark is continuously working to ensure compliance with the Group Data protection policy, GDPR and any local laws, regulations and guidance related to data protection. Such work has been ongoing in 2021 and will be continued in 2022.

Goals and policies for the underrepresented gender

Zeppelin Danmark A/S has a goal of minimum 33% female board members to be elected at the Annual general meeting. The Supervisory Board is consisting of leading management from Zeppelin GmbH and is constituted in accordance with Article 7 of the German Codetermination Act. The current elected board member representation achieves this goal. The board member representation is unchanged in 2021.

In line with the above goal for board membership composition, Zeppelin Danmark A/S has a goal to have 33% of its Extended Management Group members represented by women by 2023. In 2021 This number was 25%.

Zeppelin Danmark A/S is working with different initiatives to improve the composition of female within its employee population. Zeppelin Danmark A/S has a policy to provide equal opportunities for both male

Management's review

and female employees with respect to salary, promotion and ensuring a good work environment for all employees to best utilize their skills and management responsibilities. One of these initiatives to attract more female employees has been to specifically state that Zeppelin Danmark A/S is an equal opportunities employer on all job announcements.

Zeppelin Danmark's policies support the goal of wanting to achieve a broad composite of gender, nationalities, age, education, qualifications, and competences. Zeppelin Danmark A/S is working with different initiatives to improve the composition of female within its employee population. In the recruitment process for management positions, Zeppelin Danmark A/S ensures that 33% of the candidates that come to interview are female.

Zeppelin Danmark A/S strives to provide equal opportunities for both male and female employees with respect to salary, promotion and ensuring a good work environment for all employees to best utilize their skills and management responsibilities. One of the initiatives to attract female employees has been to specifically state that Zeppelin Danmark A/S is an equal opportunities employer on all job announcements.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2021	2020
Revenue		916,472	827,746
Changes in inventories of finished goods and work in progress		-654,271	-591,339
Other operating income	3	543	0
Other external cost		-51,749	-58,929
Gross profit/loss		210,995	177,478
Staff costs	4	-162,655	-146,213
Depreciation, amortisation, and impairment losses		-37,661	-28,485
Other operating expenses	5	-365	0
Profit before financial income and expenses		10,314	2,780
Other financial income	6	349	1,834
Other financial expenses	7	-4,127	-5,378
Profit/loss before tax		6,536	-764
Tax on profit/loss for the year	8	-1,511	99
Profit/loss for the year	9	5,025	-665

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2021	2020
ASSETS			
Fixed assets			
Intangible assets			
Customer base	10	81,483	95,063
Property, plant and equipment			
Land and buildings	11	77,365	77,017
Plant and machinery		119,032	30,950
Fixtures and fittings, tools and equipment		6,941	6,617
		203,338	114,584
Financial fixed assets			
Deposits	12	1,519	1,285
Total fixed assets		286,340	210,932
Current assets			
Inventories			
Work in progress		19,927	12,341
Finished goods and goods for resale		154,178	139,914
		174,105	152,255
Receivables			
Trade receivables		123,033	109,470
Receivables from group entities		2,834	249
Other receivables		13,168	4,519
Deferred tax assets	13	0	2,768
Prepayments	14	1,813	1,115
		140,848	118,121
Cash at bank and in hand		10,955	7,018
Total current assets		325,908	277,394
TOTAL ASSETS		612,248	488,326

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital	15	42,000	42,000
Share premium		97,997	97,997
Retained earnings		-5,256	-10,281
		<u>134,741</u>	<u>129,716</u>
Provisions			
Deferred tax liability	13	1,402	0
Other provisions	16	6,941	5,242
		<u>8,343</u>	<u>5,242</u>
Liabilities other than provisions			
Non-current liabilities other than provisions	17		
Lease obligations		43,878	41,470
Bank, non-current liabilities		21,315	11,629
Payables to group entities		185,910	120,106
Other payables		0	15,275
		<u>251,103</u>	<u>188,480</u>
Current liabilities other than provisions			
Current portion of non-current liabilities	17	10,522	9,681
Trade payables		72,428	53,189
Payables to group entities		26,215	7,327
Other payables		75,712	62,691
Deferred income	18	33,184	32,000
		<u>218,061</u>	<u>164,888</u>
Total liabilities other than provisions		<u>469,164</u>	<u>353,368</u>
TOTAL EQUITY AND LIABILITIES		<u>612,248</u>	<u>488,326</u>
Contractual obligations, contingencies, etc	19		
Related party disclosures	21		
Events occurring after the reporting period	22		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Share premium	Retained earnings	Total
Equity at 1 January 2021	42,000	97,997	-10,281	129,716
Transferred over the profit distribution of loss	0	0	5,025	5,025
Equity at 31 December 2021	<u>42,000</u>	<u>97,997</u>	<u>-5,256</u>	<u>134,741</u>

Financial statements 1 January – 31 December

Statement of cash flows

DKK'000	Note	2021	2020
Profit before income tax		10,314	2,780
Adjustments for non-cash items	19	37,138	28,567
Change in working capital	19	-8,703	65,446
Income tax paid		0	0
Cash flow from operating activities		38,749	96,794
Purchases of intangible assets		0	0
Purchase of property, plant and equipment	10	-101,758	-21,157
Purchase of financial fixed assets		-234	-1,285
Proceeds from sale of property, plant and equipment		1,369	4,075
Cash flow used for investing activities		-100,623	-18,367
Movement in interest bearing loan from parent company		65,804	-112,564
Proceeds from Bank, non-current liabilities		9,686	11,629
Repayment of lease liabilities		-9,679	-8,066
Cash flow from financing activities		65,811	-109,000
Total cash flows		3,937	-30,573
Cash at banks at 1 January		7,018	37,591
Cash at banks at 31 December		10,955	7,018

Financial statements 1 January – 31 December

Notes

1. Accounting policies

The annual report of Zeppelin Danmark A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of fee to the auditors

Pursuant to section 96(3) of the Danish Financial Statements Act, the Company has not disclosed the fee to the auditors appointed at the annual general meeting.

Foreign currency translation

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

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

Income statement

Revenue

The Company has chosen to use IFRS 15 Revenue from contracts with customers as the basis of interpretation when recognising revenue.

IFRS 15 contains one overall and comprehensive model for the recognition of revenue. The fundamental principle in IFRS 15 is that the Company is to recognise revenue, so it reflects goods or services provided to customers at the amounts to which the Company is expected to be entitled for the provision of these goods or services.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Financial statements 1 January – 31 December

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1. Accounting policies (continued)

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

Tax on profit/loss for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

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1. Accounting policies (continued)

Balance sheet

Intangible assets

Customer base

Customer base that are acquired and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. The estimated useful life for customer base is 10 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	25 years
Plant and machinery	5-7 years
Fixtures and fittings, tools and equipment	3-5 years

The useful life and residual value are reassessed annually changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

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

Financial statements 1 January – 31 December

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1. Accounting policies (continued)

Leased assets and lease liabilities

The Company has chosen to use IFRS 16 Leases as the basis of interpretation for recognising and measurement of leases to which the Company is the lessee.

When entering into a contract, the Company assesses whether the contract is a lease or contains a lease component. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When assessing whether a contract contains a lease component, it must be considered whether, during the period of use, the lessee has the right to substantially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

The Company recognises a right-of-use asset and a lease liability at the commencement date.

Lease liabilities recognised as "Lease liabilities" are initially measured at the present value of the lease payments that are not paid at the date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease payments consist of fixed and variable lease payments that depend on an index or a rate, guaranteed residual values, purchase options and extension options if the Company is reasonably certain to exercise the option and termination penalties if the lease term reflects the Company exercising an option to terminate the lease. The lease liability is subsequently adjusted as follows if:

- The value of the index or rate on which the lease payments are based is changed
- The exercise of options is changed in order to extend or terminate the lease due to significant events or a significant change in circumstances within the Company's control
- The lease term is changed if the option is exercised in order to extend or terminate the lease
- Estimated residual value guarantee is changed
- The contract is renegotiated or modified.

Any subsequent adjustment of the future lease liability is recognised as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is DKK 0, a negative adjustment to the right-of-use asset is, however, recognised in the income statement.

The right-of-use asset is initially measured at cost comprising amount of initial measurement of the lease liability plus any initial direct costs and any estimated costs of dismantling and removal of the asset at the end of the lease term which the Company is under an obligation to incur and any prepaid lease payments and less any lease incentives received.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the right-of-use asset.

Short-term leases with a maximum lease term of 12 months and leases for low-value assets are not recognised in the balance sheet.

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Notes

1. Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount of this is lower than the carrying amount.

Investments

Deposits are recognised at amortised cost. Deposits consists of lease deposits.

Inventories

Inventories are measured at cost in accordance with FIFO method. the net realisable value is lower than cost inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account. Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

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1. Accounting policies (continued)

Provisions

Provisions are recognised when, as a result of an event occurred before or on the balance sheet date, the Company has a legal or constructive obligation, and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions for work concerning services or warranties are recognised and measured on the basis of experience from warranty work and relate to equipment delivered before the balance sheet date.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

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

Deferred income

Deferred income comprises payment received regarding income in subsequent years.

Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Group's accounting policies, risks, and internal financial management.

Cash flow statement

Cashflows in currencies other than the functional currency are translated at the average exchange rate for the month in question.

The cash flow statement is prepared by the indirect method based on consolidated profit before income tax, and shows cash flows from operating, investing and financing activities as well as the Zeppelin Danmark A/S cash at banks at opening and closing.

Cashflow from operating activities

Cash flow from operating activities is specified as the profit before income tax for the year adjusted for non-cash operating items, changes in the working capital, and corporation tax paid.

Cashflow from investing activities

Cash flow from investing activities includes the purchase and sale of intangible and tangible fixed assets.

Cashflow from financing activities

Cash flow from financing activities includes the raising and repaying of long-term liabilities, short-term bank loans and the payment of dividends.

Cash at banks comprises cash that can readily be converted into cash.

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2. Segment information

Activities - primary segment

DKK'000	Construction machines	Power system	Rental service	Total
Revenue				
2021	498,990	401,166	16,317	916,472
2020	483,052	343,536	1,158	827,746

Geographical - secondary segment

DKK'000	Denmark	EU	Rest of the world	Total
Revenue				
2021	637,666	183,010	95,796	916,472
2020	590,703	167,854	69,189	827,746

3. Other operating income

DKK'000	2021	2020
Proceeds from sales of fixed assets	543	0

4. Staff costs

DKK'000	2021	2020
Wages and salaries	149,182	133,517
Pensions	12,749	11,056
Other social security cost	724	1,640
	162,655	146,213
Average number of full-time employees	271	258

The Executive Board received remuneration of 4,2 million DKK in 2021 (3,6 million DKK in 2020). The Supervisory Board received no remuneration.

5. Other operating expenses

DKK'000	2021	2020
Loss on disposal of fixed assets	365	0

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6. Other financial income

DKK'000	2021	2020
Interest expense to group entities	0	3
Other financial income	76	789
Gain on disposal of financial instruments	273	1,042
	<u>349</u>	<u>1,834</u>

7. Other financial expenses

DKK'000	2021	2020
Interest expense to group entities	1,680	2,330
Impairment losses on financial assets	0	0
Other financial costs	1,854	1,937
Loss on disposal of financial instruments	593	1,111
	<u>4,127</u>	<u>5,378</u>

8. Tax on profit for the year

DKK'000	2021	2020
Income tax charge for the year	-1,649	0
Income tax charge adjustment prior year	-1,009	-99
Deferred tax adjustment for the year in the income statement	3,160	0
Deferred tax adjustment prior year	1,009	0
	<u>1,511</u>	<u>-99</u>

9. Distribution of profit/loss

Retained earnings	<u>5,025</u>	<u>-665</u>
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10. Intangible assets

DKK'000	Customer base
Cost at 1 January 2021	108,644
Disposals for the year	0
Cost at 31 December 2021	<u>108,644</u>
Amortisation and impairment losses at 1 January 2021	-13,581
Amortisation for the year	-13,580
Amortisation and Impairment losses at 31 December 2021	<u>-27,161</u>
Carrying amount at 31 December 2021	<u>81,483</u>

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11. Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2021	84,171	36,442	8,875	129,488
Additions for the year	8,442	103,268	2,975	114,685
Disposals for the year	0	-2,492	-1,207	-3,699
Transfers for the year	-200	2,029	-748	1,081
Cost at 31 December 2021	92,413	139,247	9,895	241,555
Depreciation and impairment losses at 1 January 2021	-7,154	-5,492	-2,258	-14,904
Depreciation for the year	-8,094	-14,181	-1,806	-24,081
Reversed depreciation and impairment losses for the year on assets sold	0	973	876	1,849
Transfers for the year	200	-1,515	234	-1,081
Depreciation and impairment losses at 31 December 2021	-15,048	-20,215	-2,954	-38,217
Carrying amount at 31 December 2021	77,365	119,032	6,941	203,338
Assets held under finance leases	42,802	11,819	0	54,621

12. Financial fixed assets

DKK'000	2021	2020
Deposits at 1 January 2021	1,285	0
Additions for the year	234	1,285
Deposits at 31 December 2021	1,519	1,285

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13. Deferred tax liability

DKK'000	31/12 2021	31/12 2020
Customer base	854	427
Property, plant and equipment	2,473	-786
Leased assets	12,017	11,235
Lease debt	-11,968	-11,253
Deferred income from service contracts	806	497
Tax losses carry forwards	-2,779	-2,888
Deferred tax liability	1,402	-2,768
Deferred tax as at 1. January	-2,768	-2669
Deferred tax in the profit and loss account	4,170	-99
Deferred tax as at 31. December	0	0
Deferred tax, net at 31 December	1,402	-2,768

Management has chosen to capitalise the full deferred tax asset based on forecast for the coming 4-5 years for the companies in the Danish joint taxation. The forecast is by nature subject to uncertainty.

14. Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

15. Equity

Contributed capital consists of:
A share, 42,000,000 shares of nom. DKK 1 each

All shares rank equally.

There have been no movements in contributed capital in 2021.

16. Other provisions

The Company provides warranties of up to 3 years on some of its products and is therefore under an obligation to repair or replace goods which are not working satisfactorily. Based on previous experience respect of the quantity of repairs and returns, other provisions have been recognized for expected warranties.

Of other provisions DKK 2,201 thousand are due with 1 year.

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17. Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

	31/12 2021	31/12 2020
0-1 years	10,522	9.681
1-5 years	28,476	24.335
>5 years	15,402	17.135
	<u>54,400</u>	<u>51.151</u>

Payables to group entities:

0-1 years	26,215	7.327
1-5 years	185,910	120.106
	<u>212,125</u>	<u>127.433</u>

Other payables, including taxes payables:

0-1 years	75,712	62.691
1-5 years	0	15.275
	<u>75,712</u>	<u>77.966</u>

Total liabilities other than provisions

<u>342,237</u>	<u>256.550</u>
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18. Deferred income

Deferred income comprise deferred income on service contracts and deferred income on sale of machines sold with buyback contracts.

19. Contractual obligations, contingencies, etc.

The Company is jointly taxed with other Danish group companies. As the administrative company, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest, and royalties.

20. Cash flow specification

	31/12 2021	31/12 2020
DKK'000		
Depreciation and amortisation of non-current assets	37,661	28,485
Net loss on sale of non-current assets	-2,027	2,771
Financial income and expenses	-2,666	-2,689
Change in deferred tax adjustment	4,169	-99
Adjustments for non-cash items	<u>37,138</u>	<u>28,468</u>
Inventories	-21,850	10,572
Trade receivables	-25,495	-25,250
Trade payables	38,642	80,223
Change in working capital	<u>-8,703</u>	<u>65,545</u>

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21. Related party disclosures

Zeppelin Danmark A/S related parties comprise the following:

Control

Zeppelin GmbH, Graf-Zeppelin-Platz 1, 85748 Garching near Munich, Germany

Zeppelin GmbH holds 100% of the contributed capital in the Company.

Zeppelin Danmark A/S is part of the consolidated financial statements of Zeppelin GmbH, Germany, in which the Company is included as a subsidiary.

The consolidated financial statements of Zeppelin GmbH and the consolidated financial statements of Zeppelin Group can be obtained by contacting the companies at the above addresses.

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

Payables to group entities are disclosed in the balance sheet and interest income and expenses are disclosed in note 6 and 7.

22. Events occurring after the reporting period

Apart from the events recognised or disclosed in the financial statements, no events of importance to the financial statements have occurred after the reporting period.