# Krone Finans A/S

c/o Krone Scanbalt A/S, Kilen 5, Bovmark, 6330 Padborg

CVR no. 20 60 12 48

## Annual report 2023/24

Approved at the Company's annual general meeting on 21/10 2024

Chair of the meeting:

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## Contents

| | |
|---|---|
| **Statement by the Board of Directors and the Executive Board** | 2 |
| **Independent auditor's report** | 3 |
| **Management's review** | 5 |
| **Financial statements 1 August 2023 - 31 July 2024** | 7 |
| Income statement | 7 |
| Balance sheet | 8 |
| Statement of changes in equity | 10 |
| Notes to the financial statements | 11 |

## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Krone Finans A/S for the financial year 1 August 2023 - 31 July 2024.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 July 2024 and of the results of the Company's operations for the financial year 1 August 2023 - 31 July 2024.

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

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

Padborg, 13 September 2024
Executive Board:

Brian Retzlaff

Board of Directors:

Ole Klose
Chairman

Alfons Josef Veer

Aloysius Schnelte

# Independent auditor's report

**To the shareholders of Krone Finans A/S**

## Opinion

We have audited the financial statements of Krone Finans A/S for the financial year 1 August 2023 - 31 July 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 July 2024 and of the results of the Company's operations for the financial year 1 August 2023 - 31 July 2024 in accordance with the Danish Financial Statements Act.

## 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

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.

## Management's responsibilities for the financial statements

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

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.

## 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 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 the 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 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.

## Independent auditor's report

- 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 note 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.

**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 Statement Act. We did not identify any material misstatement of the Management's review.

Aabenraa, 13 September 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jon Midtgaard
State Authorised Public Accountant
mne28657

# Management's review

## Company details

| | |
|---|---|
| Name | Krone Finans A/S |
| Address, Postal code, City | c/o Krone Scanbalt A/S, Kilen 5, Bovmark, 6330 Padborg |
| CVR no. | 20 60 12 48 |
| Established | 1 January 1998 |
| Registered office | Aabenraa |
| Financial year | 1 August 2023 - 31 July 2024 |
| Board of Directors | Ole Klose, Chairman<br>Alfons Josef Veer<br>Aloysius Schnelte |
| Executive Board | Brian Retzlaff |
| Auditors | EY Godkendt Revisionspartnerselskab<br>Skibbroen 16, 6200 Aabenraa, Denmark |

# Management's review

## Business review

The company carries out financing activities.

The company finances trailers primarily supplied by Fahrzeugwerk Bernard Krone GmbH & Co. KG, Werlte, Germany.

The company's customers comprise Krone rental and Krone sales companies for trailers.

## Financial review

The result of the year shows a profit of DKKt 24,184. The profit for the year is considered to be satisfactory and is in line with expectations.

## Events after the balance sheet date

After the balance sheet date, lease receivables and lease liabilities have been redeemed with effect from 1 August 2024.

# Financial statements 1 August 2023 - 31 July 2024

## Income statement

| Note | DKK'000 | 2023/24 | 2022/23 |
|---|---|---|---|
| | **Revenue** | 113,018 | 74,692 |
| | Other external expenses | -1,526 | -1,408 |
| | **Gross profit** | 111,492 | 73,284 |
| 4 | Financial income | 8 | 11 |
| 5 | Financial expenses | -80,495 | -39,476 |
| | **Profit before tax** | 31,005 | 33,819 |
| 6 | Tax for the year | -6,821 | -7,440 |
| | **Profit for the year** | 24,184 | 26,379 |
| | **Recommended appropriation of profit** | | |
| | Retained earnings | 24,184 | 26,379 |
| | | 24,184 | 26,379 |

# Financial statements 1 August 2023 - 31 July 2024

## Balance sheet

| Note | DKK'000 | 2023/24 | 2022/23 |
|---|---|---|---|
| | **ASSETS** | | |
| | **Fixed assets** | | |
| 7 | **Investments** | | |
| | Loans | 360,975 | 511,648 |
| | Lease receivables | 0 | 1,709,895 |
| | | 360,975 | 2,221,543 |
| | **Total fixed assets** | 360,975 | 2,221,543 |
| | **Non-fixed assets** | | |
| | **Receivables** | | |
| | Receivables from group entities | 74,585 | 0 |
| | Lease receivables | 1,782,774 | 0 |
| | | 1,857,359 | 0 |
| | **Cash** | 38 | 83 |
| | **Total non-fixed assets** | 1,857,397 | 83 |
| | **TOTAL ASSETS** | 2,218,372 | 2,221,626 |

# Financial statements 1 August 2023 - 31 July 2024

## Balance sheet

| Note | DKK'000 | 2023/24 | 2022/23 |
|---|---|---|---|
| | EQUITY AND LIABILITIES | | |
| | **Equity** | | |
| 8 | Share capital | 50,000 | 50,000 |
| | Retained earnings | 322,421 | 298,237 |
| | **Total equity** | 372,421 | 348,237 |
| | **Liabilities other than provisions** | | |
| 9 | **Non-current liabilities other than provisions** | | |
| | Lease liabilities | 0 | 1,274,605 |
| | | 0 | 1,274,605 |
| | **Current liabilities other than provisions** | | |
| 9 | Current portion of long-term lease liabilities | 1,782,774 | 439,493 |
| | Trade payables | 54,190 | 54,603 |
| | Payables to group entities | 0 | 94,505 |
| | Joint taxation contribution | 6,821 | 7,440 |
| | Other payables | 2,166 | 2,743 |
| | | 1,845,951 | 598,784 |
| | **Total liabilities other than provisions** | 1,845,951 | 1,873,389 |
| | TOTAL EQUITY AND LIABILITIES | 2,218,372 | 2,221,626 |

1 Accounting policies
2 Events after the balance sheet date
3 Staff costs
10 Contractual obligations and contingencies, etc.
11 Related parties

# Financial statements 1 August 2023 - 31 July 2024

## Statement of changes in equity

| DKK'000 | Share capital | Retained earnings | Total |
|---|---|---|---|
| **Equity at 1 August 2023** | 50,000 | 298,237 | 348,237 |
| Transfer through appropriation of profit | 0 | 24,184 | 24,184 |
| **Equity at 31 July 2024** | 50,000 | 322,421 | 372,421 |

# Financial statements 1 August 2023 - 31 July 2024

## Notes to the financial statements

1 Accounting policies

The annual report of Krone Finans A/S for 2023/24 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

The items in the income statement has in line with last year been adapted to the company's activities, thus incorporating interest of lease receivables into revenue.

### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date (EUR/DKK, 746,21). 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rates at the transaction date.

## Income statement

### Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Revenue comprises the interest received on lease receivables and loans.

Revenue is measured as the current value of the payment agreed excl. VAT and other indirect taxes charged on behalf of third parties. All forms of discounts granted are recognised in the revenue.

### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, etc.

### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest of cash at bank and in hand, amount owed as well as exchange rate adjustment hereof.

Interest income of finance lease receivables and loans is however recognized in the revenue.

# Financial statements 1 August 2023 - 31 July 2024

## Notes to the financial statements

1 Accounting policies (continued)

### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

## Balance sheet

### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Assets held under finance leases, where the customer bears all substantial risks and rewards in connection with the ownership (finance lease), are recognized in the balance sheet as lease receivables and are measured at amortized cost, i.e. at the net present value of the future lease payments from the leasing contracts. The discount factor is the effective rate of interest implicit in the individual lease or lease portfolio. Write-down is made for anticipated losses.

### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Loans and other receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on individually basis.

### Cash

Cash at hand and in bank comprises cash balances and bank balances.

### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and 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, with the execption of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting profit/loss for the year or taxable income.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

# Financial statements 1 August 2023 - 31 July 2024

## Notes to the financial statements

1 Accounting policies (continued)

### Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities comprising amounts owed to credit institutions, trade payables and amounts owed to group enterprises are recognized at the date of borrowing at cost, equivalent to the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are recognized at amortized cost.

Other liabilities are measured at net realisable value.

### Lease liabilities

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

The company refinances at leasing companies.

Leasing contracts concerning assets, where the company bears all substantial risks and reward in connection with the ownership (finance lease), are measured on initial recognition in the balance sheet to the lower value of fair value and net present value of the future lease payments. Calculation of the net present value is based on the internal interest rate of the leasing contract or the alternative interest rate of a loan as discount factor.

The capitalized outstanding lease liabilities are recognized in the balance sheet as a liability, and the interest payable during the term of the contracts is recognized in the income statement under interest expense.

# Financial statements 1 August 2023 - 31 July 2024

## Notes to the financial statements

### 2 Events after the balance sheet date

After the balance sheet date, lease receivables and lease liabilities have been redeemed with effect from 1 August 2024. Therefore, lease receivables are presented as non-fixed assets and lease liabilities as current liabilities in the balance sheet as per 31 July 2024.

### 3 Staff costs

The Company has no employees.

| DKK'000 | 2023/24 | 2022/23 |
|---|---|---|
| **4 Financial income** | | |
| Interest receivable, group entities | 8 | 11 |
| | 8 | 11 |
| **5 Financial expenses** | | |
| Interest expenses, group entities | 10,536 | 2,469 |
| Other financial expenses | 69,959 | 37,007 |
| | 80,495 | 39,476 |
| **6 Tax for the year** | | |
| Estimated tax charge for the year | 6,821 | 7,440 |
| | 6,821 | 7,440 |

### 7 Investments

Portion of loans with maturity within one year amounts to DKKt 121,631 (2022/23: DKKt 132,312).

Loans include loans to group enterprises (all affiliates to Bernard Krone Familienstiftung) with DKKt 360,975 (2022/23: DKKt 511,648).

Portion of lease receivables with maturity within one year amounts to DKKt 1,782,774 (2022/23: DKKt 451,829).

Lease receivables include lease to group enterprises (all affiliates to Bernard Krone Familienstiftung) with DKKt 1,782,774 (2022/23: DKKt 1,709,895).

| DKK'000 | 2023/24 | 2022/23 |
|---|---|---|
| **8 Share capital** | | |
| Analysis of the share capital: | | |
| 20,000 shares of DKK 1,000.00 nominal value each | 20,000 | 20,000 |
| 29 shares of DKK 1,000,000.00 nominal value each | 29,000 | 29,000 |
| 2 shares of DKK 500,000.00 nominal value each | 1,000 | 1,000 |
| | 50,000 | 50,000 |

# Financial statements 1 August 2023 - 31 July 2024

## Notes to the financial statements

### 9 Non-current liabilities other than provisions

Of the long-term liabilities other than provision, DKKt 0 (2022/23: tDKK 0) falls due for payment after more than 5 years after the balance sheet date.

### 10 Contractual obligations and contingencies, etc.

**Other contingent liabilities**

The Company is jointly taxed with other Danish group enterprises. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes, withholding tax on dividends etc. The net liability of the jointly taxation towards TAX is shown in the financial statement of the administration company (Krone Scanbalt A/S, CVR no. 20 00 32 86). Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc. may entail that the companies' liability will increase.

**Other financial obligations**

As security for lease liabilities, lease institutions hold ownership of trailers recognized under lease receivables.

Fahrzeugwerk Bernard Krone GmbH & Co. KG, Werlte, Germany has granted repurchase clause towards the company's credit institutions.

### 11 Related parties

Krone Finans A/S' related parties comprise the following:

**Parties exercising control**

| Related party | Domicile | Basis for control |
|---|---|---|
| KRONE Commercial Vehicle SE | Werlte, Germany | Participating interest |

**Information about consolidated financial statements**

| Parent | Domicile | Requisitioning of the parent company's consolidated financial statements |
|---|---|---|
| Bernard Krone Holding SE & Co. KG | Spelle, Germany | Heinrich-Krone-Str. 10, 48480 Spelle, Germany |