G.S.V. Materieludlejning A/S

Baldersbuen 5
Baldersbrønde
2640 Hedehusene

CVR-no. 51 45 75 28

Annual Report 2022

The annual report was presented and approved at the Company's annual general meeting on 07 June 2023

DocuSigned by:

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Thibaut Patrice Marie Le Chatelier
chairman of the annual general meeting

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Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of G.S.V. Materieludlejning A/S for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements according to 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 2022 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year, cash flows and of the Company's financial position and a description of the most significant risks and uncertainties that G.S.V. Materieludlejning A/S faces.

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

Hedehusene, 07 June 2023
Executive Board:

Dan Vorsholt

Dan O. Vorsholt

Frank Olesen

Board of Directors:

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Olivier Colleau
Chairman of the Board

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Jan-Luc Pierre-Marie Ambre

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Thibaut Patrice Marie Le Chatelier

Dan Vorsholt

Dan O. Vorholt

KPMG

Independent auditor’s report

To the shareholder of G.S.V. Materieludlejning A/S

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2022 in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Audited financial statements

G.S.V. Materieludlejning A/S' financial statements for the financial year 1 January – 31 December 2022 comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including summary of significant accounting policies (the financial statements). The financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in 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.

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.

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 International Financial Reporting Standards as adopted by the EU and additional requirements in 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.

KPMG

Independent auditor's report

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 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 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 taken 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 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 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.

Copenhagen, 07 June 2023
KPMG
Statsautoriseret Revisionspartnerselskab
CVR-no 25 57 81 98

Klaus Rytz
State Authorised Public Accountant
mne33205

Management's Review

Company Details

G.S.V. Materieludlejning A/S
Baldersbuen 5
Baldersbrønde
2640 Hedehusene

Telephone:	+45 70 12 13 15
Website:	www.gsv.dk
E-mail:	info@gsv.dk
CVR-no.:	51 45 75 28

Established:	30 December 1964
Municipality of residence:	Høje Taastrup
Financial year:	1 January – 31 December

Board of Directors

Olivier Colleau, Chairman of the board
Jan-Luc Pierre-Marie Ambre
Thibaut Patrice Marie Le Chatelier
Dan O. Vorsholt

Executive Board

Dan O. Vorsholt
Frank Olesen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Management's Review
Financial Highlights

DKK mill	2022	2021	2020	2019	2018
Income statement					
Revenue	1.332	978	897	998	834
Gross profit	656	583	542	571	502
EBITDA before special items	**335**	**308**	**277**	**282**	**299**
Depreciation, amortisation and impairment losses	-188	-161	-164	-195	-187
Special items	3	-2	-9	5	-9
EBIT	**149**	**145**	**104**	**91**	**103**
Income from equity investments in group entities	2	0	0	0	0
Finance income and finance costs	-20	-17	-18	-26	-21
Profit/loss for the year	**100**	**100**	**65**	**31**	**63**
Balance sheet					
Total assets	2.329	1.898	1.573	1.681	1.584
Investments in property, plant and equipment	418	443	306	232	216
Equity	877	652	552	639	604
Cash flow statement					
Cash flow from operating activities	284	197	113	227	217
Cash flow from investing activities	-177	61	23	343	-45
Cash flow from financing activities	-138	-247	-160	-462	-174
Cash flows for the year	-32	10	-24	107	-2
Financial Ratios					
Gross margin	49%	60%	60%	57%	60%
EBITDA margin	25%	31%	30%	28%	36%
Operating margin before special items	11%	15%	13%	9%	13%
Operating margin	11%	15%	12%	9%	12%
Return on invested capital excl. goodwill	10%	10%	9%	8%	12%
Current ratio	71%	96%	86%	86%	43%
Return on equity	11%	15%	12%	5%	10%
Solvency ratio	38%	34%	35%	38%	38%
Number of employees	506	467	477	471	384

Financial highlight for 2018-2022 are prepared in accordance with IFRS.

Financial ratios are defined and calculated in accordance with the principles in note 1 Accounting policies in the financial statements.

The Company merged with its previous parent companies G.S.V. Holding A/S and CC Tool Invest ApS in a reverse vertical merger with the Company as the continuing company. The intra-group business combination is recognised according to the uniting-of-interests method, under which the merged entities' assets and liabilities are recognised at carrying amount, and the comparative figures and the key figures has been restated accordingly.

Management's Review

Operating Review

Principal activities

G.S.V. Materieludlejning A/S (GSV) is the Danish market leader within equipment rental for building and construction and offers a one-stop-shop rental concept with a wide range of rental and service solutions for construction, developers, industrial companies, and the Public Sector. The rental fleet includes lifts, platforms, sheds/modules in addition to the market's broadest portfolio of construction equipment.

The Company services more than 7,000 customers from 20 departments throughout Denmark with the largest product range in the equipment rental industry. The average number of employees increased, from 467 in 2021 to 506 in 2022.

For further information, visit the website www.gsv.dk.

Development in activities and financial position

On 15 June 2022, the Company merged with its previous parent companies G.S.V. Holding A/S and CC Tool Invest ApS in a reverse vertical merger with the Company as the continuing company. The intra-group business combination is recognised according to the uniting-of-interests method, under which the merged entities' assets and liabilities are recognised at carrying amount, and the comparative figures and the key figures has been restated accordingly.

The statement of comprehensive income of the Company for 2022 shows a total revenue for the year of DKK 1.332 million against a revenue of DKK 978 million in 2021, and profit after taxes of DKK 100 million against a profit after taxes of DKK 100 million in 2021. At 31 December 2022 the balance sheet of the Company shows equity of DKK 877 million against DKK 652 million at 31 December 2021.

On 31 August 2022 the Company acquired 100% of the shares in Holbæk Lift & Materieludlejning A/S from third party.

The past year and follow-up on development expectations from last year

The total revenue for the year was DKK 1.332 million. The expectation for the year was a revenue range of DKK 1,040-1,100 million. EBIT for the year was DKK 149 million. The expectation for the year was an EBIT range of DKK 155-170 million.

Targets and expectations for the year ahead

We expect to increase revenue in 2023 through organic growth compared to 2022 to be in the range of DKK 1.400-1.470 million. We expect the market to continue growing supported by a large pipeline of projects. We expect to invest in new rental equipment at a level higher than 2022 to cater for the growth. We expect EBIT to be in the range of DKK 170-220 million. The focus on operational improvement will continue in 2023.

Special risks - operating risks and financial risks

Operating risks

Material operating risks stems from:

- The external environment setting the opportunities for revenue
- Our need to control and scale costs
- Our need to secure, maintain and manage our fleet of rental equipment
- Our ability to deliver adequate safety, timeliness, and quality services to our customers
- Our ability to develop, maintain and operate digital solutions with security and high uptime

Most of our customers operate in the engineering, building and construction industries, where the level of activity is dependent on economic macro trends, which may thus affect the Company's sales potential and thus earnings. We monitor the development of projected construction activity and adjust accordingly.

Our Executive Board and Board of Directors continuously address the development of the business in respect of operational risks and ensures processes monitor and mitigate risks.

Management's Review
Operating Review

Financial risks

The Executive Board and the Board of Directors regularly evaluate whether the capital structure supports the achievements of overall strategic goals and long-term growth.

The Company is financed by its equity and asset-based leasing. On 31 December 2022 the solvency ratio was 38% against 34% in 2021.

We have not taken advantage of financial transactions or used financial instruments that do not support the underlying business.

At 31 December 2022, the net interest-bearing debt including IFRS 16 debt was DKK 971 million (31 December 2021: DKK 859 million), which is considered a moderate level debt.

Our equipment leasing portfolio is supplied by four Danish leasing companies and we have adequate sources to fund our investment needs. We structure the duration of the leasing contracts to match cash flow of the underlying assets, to ensure a balanced cash flow.

External environment

The Company is environmentally conscious and works continuously to reduce the environmental impacts from its operations. As a minimum, the Company complies with all existing legislation in the area. The Company complies with existing occupational health and safety legislation and is directing targeted efforts at improving occupational health & safety at offices, warehouses, and workshops.

Statement of corporate social responsibility, cf. sections 99a of the Danish Financial Statement Act

Management acknowledges its responsibility for supporting a sustainable development. It is Management's responsibility to ensure growth and earnings in a financially and socially responsible manner and in compliance with applicable law. Our working culture is driven by good business ethics with focus on good business practices, respect for other people and a good working environment. In 2022, we have continued our strategy of using safety as a cultural anchor point across departments and work functions

The Company is primarily involved in the establishment and operation of engineering and construction sites and rental of equipment. We have no direct control of the equipment during use. We believe that the following social and environmental aspects are particularly important for us and our stakeholders:

- Health and safety of our employees
- Equipment quality and level of maintenance and environmental friendliness
- Resource consumption
- Use and handling of chemicals
- Waste handling
- Fraud and bribery

Business Model
GSV is the market leading equipment rental company in Denmark with core customers in the engineering, building and construction industries, as well as in the public sector. Our customers are large-scale entrepreneurs and constructors, mid-sized craft enterprises and small companies with a shared need for high quality rental equipment and services.

Management's Review

Operating Review

Statement of corporate social responsibility, cf. sections 99a of the Danish Financial Statement Act (continued)

Human rights
GSV recognises internationally accepted human rights, including the right to a healthy and safe workplace. The main risks related to our activities include unintended incidents at our sites potentially leading to injuries.
We are continuing our efforts to improve safety for both our employees and our customers. Safety is definitely one of our main focus areas, and also the main risk within human rights. Safety related risks are continually monitored by the Management. It is very important for the employees to know, that the Company is a safe place to work. However, after internal considerations on the need for implementing a human rights policy and continuously following strongly imposed regulations in Denmark, we have assessed that there is no need to implement an individual company specific policy on human rights. Consequently, at the current stage no official policy has been developed in regard to human rights.

Labor rights
We want to maintain a working environment that is free from harassment and discrimination and respects diversity. We do not employ people under 18 years of age to perform work that has health and safety risks. To ensure that our human rights policy is also followed by our suppliers, it is an integral part of our required code of conduct for suppliers. We recognize the right of employees to be members of a trade union and negotiate pay and working conditions.

We measure and monitor our health and safety work by the number of work-related accidents involving lost work time per million working hours (LTIF) and by the number of registered safety observations relative to lost time incident.

The main risks related to our activities include unintended incidents at our sites potentially leading to injuries.

During 2022, our LTIF have decreased from 10 in 2021 to 5,8 in 2022. We have reported 37 safety observations per lost time incident, which is up from 36 in 2021, but still short of our target of 60 per lost time incident. This will continue to be a focus area in 2023.

The main risks related to our activities include non-adherence to our principle of preventing discriminatory practices and securing equal opportunities and potential legal, financial, and personnel-related consequences hereof.

Environment
It is our ambition to continuously reduce the environmental impact of our business and we therefore constantly strive to reduce our resource consumption, such as energy and water, and increase our materials efficiency and limit waste amounts. Recognizing that a large part of our environmental footprint lies outside of our control, we encourage the development and diffusion of environmental and climate-friendly technologies, e.g., equipment based on electricity and batteries rather than fossil fuels, and we have included environmental considerations in our supplier code of conduct. Our activities are subject to environmental laws and regulations governing, among other things, noise, wastewater, and waste disposal.

The main risks related to our activities include unintended fuel spill and leakage, as well as excessive energy consumption and incorrect waste handling. Risks are monitored locally to prevent, remedy, or minimize any adverse effect on the environment, and we conduct emergency drills to prepare for possible environmental accidents.

In 2022, there were no unintended environmental impacts.

Anti-corruption
The Company has a zero tolerance towards fraud or bribery. Our obligation to fight corruption is governed by the code of conduct, and any violation is encouraged to be notified directly to a member of corporate management.

The main risks related to our business is fraud and certain forms of bribery, namely related to invoicing and gift-giving. Our personnel are trained in handling invoices correctly and know what to look for to identify possible fraud. In 2022, we continued training of personnel, and we require any supplier entering a business contract with GSV to adhere to our code of conduct.

During 2022, we did not observe any incidents or violations of our anti-corruption policies.

Management's Review

Operating Review

Statement on gender composition, cf. section 99b of the Danish Financial Statement Act

The Company has a zero tolerance to discrimination and provide equal opportunities for all genders and ethnical backgrounds with respect to salary and promotion and ensuring a good working environment for all employees to best utilise their skills and gain management responsibilities. We operate in an industry with few female workers, and we are experiencing difficulties in recruiting female employees at all levels of the organisation. Despite of this we have successfully recruited female managers for several open positions.

During the financial year, there were female managers in marketing, payroll, and human resource management, as well as in main workshop east and modules site east. In 2023, we continue to work to expand the female candidate field for open management roles by requesting from our external recruitment partners that they always present their strongest female candidate for the interview rounds. In the end, employees, managers, and board members are always selected and employed based on experience and competences.

Currently, the total number of Board members is four and there are no female representatives. We continue to have a goal of at least one female representative before 2026, but so far no suitable candidates have made themselves available.

Statement of policy for data ethic, cf. section 99d of the Danish Financial Statement Act

We primarily processes data in connection with HR administration, customer interaction and supplier contact. The data is therefore generated by us. Internal controls ensure that data is collected for specific and legitimate purposes and is processed in a lawful and fair manner, including that the processing includes only data necessary to fulfil the purpose of the processing. Furthermore, we strive to ensure that the data collected is always sufficient, relevant and correct.

Data controllers ensures that personal data is not stored longer than necessary, that processing takes place with respect for the person's privacy, and that stored data is protected against unauthorized destruction, alteration or publication. We enter into data processor agreements with third parties and does not sell data.

We do not have an independent policy regarding Data Ethics, but our IT policy and Code of Conduct includes some regulation on how we manage ethics and rights in our data usage in the daily business. The IT policy and Code of Conduct are available for all employees on our intranet.

Data Ethics included in above IT policy and Code of Conduct:

- Protection of data
- Managing sensitive data
- Data sharing
- Approval process for data access and usage

Our IT policy and Code of Conduct is complemented by procedures describing data processing practices, see also https://www.gsv.dk/om-gsv-2/persondatapolitik/ and https://www.gsv.dk/om-gsv-2/gsv-cookiepolitik/.

In 2022, we have not progressed with creating an independent policy around Data Ethics, as our employees is trained in our code of conduct, and the given legislations for handling personal data, no data ethic policy has been drawed. In 2023, we will strive for creating a separate policy for Data Ethics.

Management's Review

Operating Review

Uncertainty relating to recognition and measurement

The annual report is not affected by any significant uncertainty relating to recognition and measurement.

Unusual events

The financial position of the Company at 31 December 2022 and the results of the Company's operations for year have not been affected by any unusual events.

Events after the balance sheet date

On 1 January 2023, the Company will merge with its subsidiary Holbæk Lift & Materieludlejning A/S with the Company as the continuing company.

Annual report 1 January – 31 December
Statement of comprehensive income

DKK'000	Note	2022	2021
Revenue	3	**1.332.086**	**978.164**
Direct costs	4	-611.710	-361.626
Other operating income		20.698	32.269
Other external costs		-85.091	-65.491
Gross profit/loss		**655.983**	**583.316**
Staff costs	6	-321.342	-274.840
Profit/loss before interest, taxes, depreciation, amortisation and special items (EBITDA before special items)		**334.641**	**308.476**
Depreciation, amortisation and impairment losses	7	-188.217	-161.531
Special items	8	3.005	-1.777
Operating profit (EBIT)		**149.429**	**145.168**
Income from equity investments in group entities	13	2.285	0
Finance income		52	1048
Finance costs	9	-19.870	-16.641
Profit/loss before tax		**131.896**	**129.575**
Tax on profit/loss for the year	10	-31.704	-30.019
Profit/loss for continued operations		**100.192**	**99.556**
Profit/loss for the year/total comprehensive income		**100.192**	**99.556**
Profit/loss for the year/total comprehensive income is attributable to:			
Shareholders in G.S.V. Materieludlejning A/S		100.192	99.556
Profit/loss for the year/total comprehensive income		**100.192**	**99.556**

Annual report 1 January – 31 December
Balance sheet

DKK'000	Note	2022	2021
ASSETS			
Non-current assets			
Intangible assets	11	228.585	56.531
Property, plant and equipment	12	1.634.191	1.422.340
Equity interests in subsidiaries	13	82.608	0
Deposits	14	7.137	6.629
Receivables from Parent Company	26	0	45.805
Total non-current assets		**1.952.521**	**1.531.305**
Current assets			
Finished goods for resale and spare parts		25.343	19.391
Trade receivables	15	258.044	208.576
Current tax receivables		0	31.738
Other receivables		3.476	2.143
Receivables from group companies		304	0
Prepaid costs		14.248	10.002
Cash and cash equivalents		63.828	95.572
Total current assets		**365.243**	**367.422**
Assets held for sale		**11.418**	**0**
Total assets		**2.329.182**	**1.898.727**

Annual report 1 January – 31 December
Balance sheet

DKK'000	Note	2022	2021
Equity and liabilities			
Equity			
Share capital	16	15.329	15.329
Share premium		46.800	46.800
Net revaluation reserve according to the equity method		2.285	0
Retained earnings		812.987	589.855
Total equity		**877.401**	**651.984**
Liabilities			
Non-current liabilities			
Deferred tax	17	122.935	112.401
Lease liabilities	24	793.162	728.975
Other payables	24	24.440	24.302
Total non-current liabilities		**940.537**	**865.678**
Current liabilities			
Loans from Parent Company	26	80.910	0
Lease liabilities	24	216.607	202.922
Trade payables	25	168.189	104.880
Current tax payable		4.925	0
Other payables		40.613	73.263
Total current liabilities		**511.244**	**381.065**
Total liabilities		**1.451.781**	**1.246.743**
Total equity and liabilities		**2.329.182**	**1.898.727**

Annual report 1 January – 31 December
Statement of changes in equity

DKK'000	Share capital	Retained earnings	Share premium	Net revaluation reserve according to the equity method	Total equity
Equity at 1 January 2021	**15.329**	**490.299**	**46.800**	**0**	**552.428**
Total comprehensive income for 2021					
Profit/loss for the year/other comprehensive income	0	99.556	0	0	99.556
Total comprehensive income for the year	**0**	**99.556**	**0**	0	**99.556**
Equity at 31 December 2021	**15.329**	**589.855**	**46.800**	0	**651.984**

DKK'000	Share capital	Retained earnings	Share premium	Net revaluation reserve according to the equity method	Total equity
Equity at 1 January 2022	**15.329**	**589.855**	**46.800**	**0**	**651.984**
Additions by Merged company	0	125.225	0	0	125.225
Total comprehensive income for the year 2022					
Profit/loss for the year/other comprehensive income	0	97.907	0	2.285	100.192
Total comprehensive income for the year	**0**	**97.907**	**0**	**2.285**	**100.192**
Equity at 31 December 2022	**15.329**	**812.987**	**46.800**	**2.285**	**877.401**

Annual report 1 January – 31 December
Cash flow statement

DKK'000	Note	2022	2021
Profit/loss for the year		100.192	99.556
Depreciation, amortisation and impairment losses		188.217	161.531
Other adjustments	21	-12.495	58.668
Cash flow from operations before changes in working capital		**275.914**	**319.755**
Changes in working capital	22	5.984	-43.228
Cash flow from operations		**281.898**	**276.527**
Interest income received		52	1.048
Interest expense paid		-19.870	-16.641
Income taxes paid		21.963	-63.530
Cash flow from operating activities		**284.043**	**197.404**
Purchase of intangible assets	11	-8.844	-8.637
Purchase of property, plant and equipment	23	-120.358	-35.132
Proceeds from sale of property, plant and equipment	12,21	43.462	104.271
Acquisition of assets held for sale		-11.418	0
Acquisition of subsidiaries and activities		-80.323	0
Cash flow from investing activities		**-177.481**	**60.502**
Holiday Provision	24	138	-626
Increase of debt to group entities and associates		0	-12.359
Payment of lease liabilities	24	-184.991	-172.825
Proceeds of debt to Parent company	24	80.910	0
Proceeds of debt to group companies		228	0
Termination of lease contents and contents to liabilities	24	-34.591	-61.671
Cash flow from financing activities		**-138.306**	**-247.481**
Cash flows from continuing operations			
Cash flows from discontinued operations			
Cash flow for the year		**-31.744**	**10.425**
Cash and cash equivalents at beginning of year		95.572	85.147
Cash and cash equivalents at year end		**63.828**	**95.572**
Unutilised credit facilities at year end		**99.660**	**100.650**

Annual report 1 January – 31 December
Notes to the financial statements

1 ACCOUNTING POLICIES

GENERAL

G.S.V. Materieludlejning A/S is a public limited company incorporated in Denmark.

The financial statements for the period 1 January to 31 December 2022 have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements in the Danish Financial Statements Act for reporting class C (large) entities.

The annual report is presented in Danish kroner, which is the Company' functional currency.

The financial statements are prepared on a going concern basis and in accordance with the historical cost convention, except where IFRS explicitly requires use of other values. Otherwise, the accounting policies are as described below.

The Company has implemented all relevant new or revised International financial Reporting Standards and IFRIC Interpretations with effective date 1 January 2022 or earlier. The accounting policies applied are unchanged from those applied in the Annual Report 2021.

Omission of consolidated financial statements
Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Kiloutou Denmark ApS and subsidiaries is included in the consolidated financial statement of Kapla Holding SAS, France.

Omission of auditor's fee
Pursuant to section 96(3) of the Danish Financial Statement Act, no disclosure of auditor's fee has been prepared. The Company disclosure of auditor's fee is included in the consolidated financial statements of Kapla Holding SAS, France.

Foreign currency translation
On initial recognition, transactions denominated in foreign currencies are translated into the functional currency 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 finance income or finance costs.

Receivables and 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 recognized in the latest financial statements is recognised in the income statement as finance income or finance costs.

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1 ACCOUNTING POLICIES (CONTINUED)

Business combinations
When acquiring new entities, the acquisition method is applied under which identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs that are already recognised by the acquiree at the acquisition date and that are not a part of the acquisition are included in the acquisition balance sheet and thus the determination of goodwill. Restructuring that is recognised by the acquirer at or after the date of acquisition is recognised in the income statement. The tax effect of revaluations is recognised as deferred tax.

Positive differences (goodwill) between the purchase consideration and the fair value of identifiable assets and liabilities acquired, including contingent liabilities, are recognised as intangible assets. Goodwill is not amortised but tested for impairment at least once a year. The initial impairment test is conducted before the end of the year of acquisition. Negative goodwill is recognised as income in the income statement at the acquisition date.

Goodwill and negative goodwill from acquired entities may be adjusted until 12 months after the acquisition date.

Newly acquired or newly established entities are recognised in the financial statements from the date of acquisition or establishment. Sold or wound-up entities are recognised until the date of surrender. The comparative figures are not adjusted to reflect acquired, sold or wound-up entities. The date of acquisition is the date on which the Company gain control of the acquired entity.

Intra-group business combinations
The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities controlled by the Parent Company. The uniting of interests is considered completed as from the earliest accounting period included in the annual report, however, no earlier than the date when the companies became subject to joint control, including restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity is recognised in equity.

STATEMENT OF COMPREHENSIVE INCOME

Revenue
Revenue consists of rental income from construction equipment, related services and goods. Rental income from short-term rental agreements and operating leases is recognised straight-line in the income statement according to the agreed term of the contract, during which the customer has the right to use the underlying asset.

Revenue from the sale of goods and services is recognised when control over a good or service has been transferred to the customer. Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties, i.e., excluding VAT and other taxes charged. All discounts granted are deducted from revenue.

Direct costs
Direct costs include costs which are directly related to the activity such as purchase of equipment, rental expenses, fleet preparation costs and transportation costs.

Other operating income
Other operating income comprises items secondary to the activities of the entities, including gains on the disposal of intangible assets and property, plant and equipment.

Other external costs
Other external costs include costs relating to operating and maintaining equipment and property as well as sales and administrative expenses.

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1 ACCOUNTING POLICIES (CONTINUED)

Staff costs
Staff costs comprise wages and salaries, including holiday allowance and pensions as well as other social security costs, etc. for the Company's employees.

Depreciation, amortisation and impairment losses
Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets, rental equipment, other fixtures and fittings, tools and equipment and leasehold improvements.

Special items
Special items are used in connection with the presentation of profit or loss for the year to distinguish operating profit from exceptional items, which by their nature are not related to the Company's ordinary operations or investments in future activities.

Income from equity investments in subsidiaries
The proportionate share of profit or loss after tax of subsidiaries is recognised in the income statement. As income from the development, performance and sale of construction projects of subsidiaries, the purpose of which is solely to own construction projects or portions of such projects in connection with the construction process, is considered to be part of the Company's main activity, the item is shown as part of the Company's gross profit.

Finance income and costs
Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Finance income and costs comprise interest income and expense including the interest element of finance lease payments, payables and transactions in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year
Tax for the year, which comprises current tax for the year, adjustments to prior years and changes in deferred tax, including changes in tax rates. Tax is recognised in the income statement except for tax related to items recognised in other comprehensive income or directly to equity.

BALANCE SHEET

Intangible assets
Goodwill
Goodwill from business combinations is measured at cost less impairment losses. Goodwill is not amortised. Goodwill is tested for impairment at least once a year. The value is written down to the recoverable amount if the carrying amount exceeds the recoverable amount of the cash-generating unit alias total GSV Materieludlejning A/S.

Software
Software is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis after entry into service over the estimated useful life, which is 3 to 7 years.

The depreciation period and residual value are determined at the date of acquisition and reassessed annually.

Tangible assets
Property, plant and equipment
Rental equipment and fixtures and fittings, tools and equipment and leasehold improvements 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. Moreover, cost includes the initial estimate of the costs of dismantling and removing the asset as well as restoring the site at which the asset has been used.

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.

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1 ACCOUNTING POLICIES (CONTINUED)

The basis of depreciation is cost less expected 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:

Rental equipment	5-20 years
Leasehold improvements	5-15 years
Fixtures and fittings, tools and equipment	5-15 years

The depreciation period and residual value are determined at the date of acquisition and reassessed annually.

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.

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

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The right-of-use is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfer ownership of the underlying asset to the entity by the end of the lease term or the cost of the right-of-use asset reflects that the entity will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of rental equipment. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company don't recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with such leases as an expense on a straight-line basis over the lease term.

As lessor
The Company determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease the Company makes an overall assessment based on certain indicators of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

Equity investments in subsidiaries
Equity investments in subsidiaries are measured at the proportionate share of the entities' net asset value calculated in accordance with the Parent Company's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in subsidiaries with negative net asset values are measured at DKK 0, and any receivables from these entities are written down to the extent that the receivables are deemed irrecoverable. To the extent that the Parent Company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the residual amount is recognised as provisions.

Deposits
Deposits are measured at fair value at initial recognition and subsequently measured at amortised cost.

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1 ACCOUNTING POLICIES (CONTINUED)

Impairment of non-current assets
Goodwill
Goodwill is tested for impairment at least annually, initially before the end of the year of acquisition.

The carrying amount of goodwill is allocated to GSV's cash-generating unit at the acquisition date. Management assesses that the smallest cash-generating units to which the carrying amount of goodwill can be allocated is GSV. Goodwill is tested for impairment together with other non-current assets and written down to the recoverable amount in the income statement if the carrying amount is higher.

Generally, the recoverable amount is calculated as the present value of projected net cash flows (value in use) from the cash-generating unit to which goodwill is allocated.

Other non-current assets
The carrying amount of other non-current assets is assessed annually to determine whether there is any indication of impairment. When indication of impairment exists, the recoverable amount of the asset is calculated. The recoverable amount is the higher of an asset's fair value less costs of disposal or its value in use. The value in use is determined as the present value of the forecast net cash flows from the asset or the cash-generating unit to which the asset belongs.

Recognition of impairment losses in the income statement
An impairment loss is recognised when the carrying amount of the asset or the cash-generating unit is higher than the recoverable amount of the asset or the cash-generating unit. The impairment loss is recognised as depreciation/amortisation of property, plant and equipment and intangible assets in the income statement.

Impairment losses on goodwill are recognised directly in profit for the year and are not subsequently reversed. Impairment losses on other assets are reversed in case of changes in the assumptions and estimates that brought about the impairment loss. Impairment losses are only reversed to the extent that the asset's new carrying amount does not exceed the carrying amount that the asset would have had less depreciation/amortisation if the asset had not been subject to an impairment write-down.

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

Goods for resale and spare parts are measured at cost, comprising purchase price plus delivery costs.

Receivables
Receivables are measured at amortised cost.

Write-down is made for bad debt losses based on the simplified expected credit loss model.

Financial assets are continually monitored in accordance with the Company's risk policy. Impairment losses are recorded based on the projected loss percentage. The loss percentage is determined based on historical data for losses adjusted with the estimated effect of changes in the relevant loss-making parameters, such as economic growth, interest rates, unemployment, etc. in Denmark. The total losses are recognised in the income statement based on the expected loss throughout the duration of the receivable.

Prepaid costs
Prepaid costs are measured at cost.

Assets held for sale
Assets classified as held for sale comprise assets for which it is highly probable that the value will be recovered through a sale within 12 months rather than through continued use.

Assets classified as held for sale are measured at the lower of the carrying amount and the fair value less cost to sell at the classification date as held for sale. Assets held for sale are not depreciated. Impairment losses arising on the first classification as "held for sale" and gains and losses from the subsequent measurement is recognised in the income statement under the items they concern.

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1 ACCOUNTING POLICIES (CONTINUED)

Equity
Other reserves
Other reserves consist of premium on capital increase.

Net revaluation reserve according to the equity method
Net revaluation reserve according to the equity method comprises net revaluation of equity investments in subsidiaries and participating interests (including associates) in proportion to cost.

Dividends that are expected to be received before the balance sheet date are not tied to the reserve.

The reserve can be eliminated in case of loss, realisation of equity investments or changes to accounting estimates.

The reserve cannot be recognised at a negative amount.

Income taxes and deferred tax
G.S.V. Materieludlejning A/S is jointly taxed with Holbæk Lift & Materieludlejning A/S and Kiloutou Denmark ApS.

Current joint tax contribution 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 measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the reporting 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.

Provisions
Provisions are recognised when the Company, as a result of a past event has a present legal or constructive obligation, and it is probable that there will be an outflow of economic benefits to settle the liability.

Provisions are measured at Management’s best estimate of the amount at which the liability is expected to be settled.

On measurement of provisions, the costs necessary to settle the provision is discounted to net present value if it has a material effect on the measurement of the provision. A pre-tax discount rate is used which reflects the current market assessment of the time value of money and the risks specific to the liability. The un-winding of discount is recognised as finance costs.

Liabilities
Liabilities are measured at amortised cost.

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1 ACCOUNTING POLICIES (CONTINUED)

Lease liabilities
Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Lease payments, included in the measurement of the lease liability comprise:

- fixed payments
- variable lease payments that depend on an index or a rate and initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Company is reasonably certain to exercise
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early

The lease liability is subsequently measured at amortised cost using the effective interest method.

Prepayments from customers
Prepayments from customers recognised as liabilities comprise advance invoicing regarding income in subsequent years.

Fair value measurement
The Company uses the fair value concept for certain disclosure requirements and the recognition of deposits.

CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method based on profit/loss for the year. The statement of cash flow shows the cash flow from operating activities, investing activities and financing activities for the year, and the years changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year. Investing and financing transactions that do not require the use of cash or cash equivalents are excluded from the cash flow statement. Cash flows relating to assets held under leases are recognized as payment of interest and repayment of debt. Non-cash transactions are disclosed in the notes.

The impact on liquidity from acquisition and sale of entities is recognised as a separate line item under cash flows from investing activities. In the cash flow statement, cash flows from entities acquired are recognised in the cash flow statement from the date of acquisition, and entities divested up to the date of divestment.

Cash flow from operating activities are determined as profit for the year adjusted for non-cash operating items, changes in working capital and corporation tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and other non-current assets.

Cash flows from financing activities comprise changes in size or composition of the Company's contributed capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividend to owners.

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash, and which are subject to only an insignificant risk of changes in value.

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1 ACCOUNTING POLICIES (CONTINUED)
Financial ratios

Financial ratios are described below and, in the section, “Non-IFRS financial measures”.

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
EBITDA before special items margin*	$\frac{\text{EBITDA before special items x 100}}{\text{Revenue}}$
Operating margin before special items*	$\frac{\text{(EBIT - special items) x 100}}{\text{Revenue}}$
EBIT margin	$\frac{\text{EBIT x 100}}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit x 100}}{\text{Average invested capital}}$
Invested capital	Operational intangible assets and property, plant and equipment as well as networking capital
Current ratio	$\frac{\text{Current assets x 100}}{\text{Short-term debt}}$
Return on equity	$\frac{\text{Profit/loss of the year x 100}}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$

***Non-IFRS financial measures**. The Company presents financial measures in the Annual Report that are not defined in IFRS. The company believes these non-GAAP measures provide valuable information to management when evaluating performance. Since other companies may calculate these differently from the Company, they may not be comparable to the measures used by other companies. These financial measures should therefore not be considered to be a replacement for measures defined under IFRS.

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2 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Significant estimation uncertainties and assumptions

The calculation of the carrying amount of certain assets and liabilities requires estimates and assumptions about the future.

The estimates and assumptions made are, among others, based on historical experience and other factors, which Management considers appropriate according to the circumstances, but which by nature are uncertain and unpredictable. Prerequisites may be incomplete or inaccurate, and unexpected events or circumstances may occur. Due to the risks and uncertainties to which the Company is subject, actual outcomes may deviate from the estimates made.

It may be necessary to change past estimates due to changes in the circumstances that were the basis of the previous estimates or due to new knowledge or subsequent events.

Estimates that are particularly significant for the financial reporting are made i.e., upon business combinations in connection with purchase price allocation, upon impairment test of goodwill and upon determination of lease terms for property leases.

Upon business combinations, the assets, liabilities and contingent liabilities of the acquiree must be identified and valued at fair value. Typically, there are no active markets for these assets and liabilities that can be used for fair value measurement, thus valuation models with input of variables are used. The fair value may therefore be subject to uncertainty and may be subject to subsequent adjustments.

The annual impairment test of goodwill is estimated by i.e., expected future cash flows, discount rate, etc. These estimates may be subject to uncertainty and may change the calculation if the parameters change. However, Management has estimated that there is no impairment of goodwill and no need for the preparation of sensitivity analysis as Management has assessed that any reasonably possible change in the key assumptions will not lead to impairment. The matter is described in further detail in note 11.

The Company's property leases allow for extension at the discretion of the Company. The determination of the lease term is significant to the calculation of lease liabilities and right-of-use assets, and consequently, due to discounting, to depreciation and interest costs of the year. Management has assessed the probable lease term for individual leases in relation to the Company's strategic goals and current plans. The matter is described in further detail in note 17.

Significant accounting judgements in applying the accounting policies

In the process of applying the Company's accounting policies, Management makes judgements, apart from those involving estimations, which may have a significant effect on the amounts recognised in the financial statements.

Special items imply management judgement in the separation from other items in the income statement to ensure correct distinction from operating activity.

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3 Revenue

DKK'000	2022	2021
Rental revenue	905.691	720.298
Services and sale of new equipment	426.395	257.866
	1.332.086	**978.164**

Geographical information
The Company operates in Denmark.

4 Direct costs

DKK'000	2022	2021
Rental cost	184.932	117.233
Fleet preparation cost	5.739	6.215
Transport cost	86.319	76.405
Cost of goods consumed	86.681	63.348
Write-down of inventories	1.794	2.633
Other service cost	246.245	95.792
	611.710	**361.626**

6 Staff costs

DKK'000	2022	2021
Payroll costs	268.230	231.141
Defined-contribution pension plans	24.122	20.560
Other social security costs	4.970	4.662
Other staff costs	24.020	18.477
	321.342	**274.840**
Average number of full-time employees	506	467

Portion relating to remuneration of the Executive Board and the Board of Directors:

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6 Staff costs (continued)

	Board of Directors	Executive Board	Total
2022			
Salaries and fees	216	9.538	9.754
Pensions	0	272	272
	216	**9.810**	**10.026**
2021			
Salaries and fees	750	8.783	9.533
Pensions	0	261	261
	750	**9.044**	**9.794**

The above figure shows management remuneration in the companies merged.

The Executive Board and other executives have bonus schemes based on the Company's financial performance during the financial year and individual goals.

In 2022, the Company capitalized salary costs with DKK 0.25 million as software projects (2021 DKK 0.4 million).

7 Depreciation, amortisation and impairment losses

DKK'000	2022	2021
Intangible assets		
Amortisation	7.116	5.677
Tangible assets		
Depreciations	181.101	155.854
	188.217	**161.531**

8 Special items

DKK'000	2022	2021
Restructuring and transaction costs	3.005	0
Loss from disposal of business unit including adjustment to prior year	0	-1.777
	3.005	**-1.777**

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9 Finance costs

DKK'000	2022	2021
Finance costs to parent company	2.329	0
Interest element, discounted lease obligations	13.031	13.355
Credit institutions	4.165	2.337
Other	345	949
Total Finance cost	**19.870**	**16.641**
Total interest cost related to financial liabilities measured at amortised cost	**17.541**	**16.641**

10 Tax on profit/loss for the year

DKK'000	2022	2021
Tax for the year can be divided as follows:		
Tax on profit/loss for the year	17.291	23.884
Deferred tax adjustment for the year	10.534	4.638
Adjustment of tax relating to previous years	1.415	1.497
Adjustment of deferred tax relating to previous years	2.464	0
	31.704	**30.019**
Tax for the year can be accounted for as follows:		
Estimated 22% tax on profit before tax	28.572	28.506
Other costs not deductible and non-taxable income	-747	16
Adjustment relating to previous years	1.415	1.497
Adjustment of deferred tax relating to previous years	2.464	0
	31.704	**30.019**
Effective tax rate	**24%**	**23%**

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11 Intangible assets

DKK'000	Software	Goodwill	Total
Cost at 1 January 2022	42.696	31.680	74.376
Additions	8.844	170.326	179.170
Cost at 31 December 2022	51.540	202.006	253.546
Amortisation and impairment losses at 1 January 2022	-17.845	0	-17.845
Amortisation	-7.116	0	-7.116
Amortisation and impairment losses at 31 December 2022	-24.961	0	-24.961
Carrying amount at 31 December 2022	**26.579**	**202.006**	**228.585**

Carrying amount from internally developed software at 31 December 2022 is DKK 26.6 million.

DKK'000	Software	Goodwill	Total
Cost at 1 January 2021	34.059	31.680	65.739
Additions	8.637	0	8.637
Cost at 31 December 2021	42.696	31.680	74.376
Amortisation and impairment losses at 1 January 2021	-12.168	0	-12.168
Amortisation	-5.677	0	-5.677
Amortisation and impairment losses at 31 December 2021	-17.845	0	-17.845
Carrying amount at 31 December 2021	**24.851**	**31.680**	**56.531**

Carrying amount from internally developed software at 31 December 2021 is DKK 24.9 million.

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Notes to the financial statements

11 Intangible assets (continued)

Impairment tests

An impairment test has been prepared of total goodwill allocated to the cash-generating unit, G.S.V. Materieludlejning A/S. Goodwill is tested for impairment at least once a year and more frequent if there are indicators of impairment. The annual impairment test is made on 31 December. The recoverable amount is calculated based on the cash-generating unit's value in use. The key assumptions are discount factor, revenue growth and EBIT margin.

The discount factor reflects market assessments of the time value of money calculated based on a risk-free interest rate and the specific risks associated with the cash-generating unit. Discount factors are calculated on an 'after tax' basis using Weighted Average Cost of Capital (WACC).

For the purpose of calculating the cash-generating unit's value in use, the cash flows from the board approved budget for 2022 are used. After 2022 a 2-year forecast period is used.

The growth rate used in the budget and forecast period is 3% and is based on industry forecasts and is in line with past experience. For purpose of the impairment test, 0% growth has been assumed in the terminal period.

EBIT margin used in budget and forecast period 15% compared to 11% realised in 2022 (EBIT before special items).

The impairment test does not lead to impairment.

The key assumptions used to calculate the recoverable amount are as follows:

Year	Revenue growth p.a.	EBIT margin	Pre-tax discount
2022	3,0%	15%	7,3%
2021	3.1%	15%	7.1%

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12 Property, plant, and equipment

DKK'000	Rental equipment	Fixtures and fittings, tools and equipment	Lease-hold improve-ments	Total
Cost at 1 January 2022	1.966.535	464.613	29.066	2.460.214
Adjustments prior year	12.202	0	0	12.202
Additions	353.817	59.358	4.637	417.812
Disposals	-64.342	-8.459	0	-72.801
Cost at 31 December 2022	2.268.212	515.512	33.703	2.817.427
Depreciation and impairment losses at 1 January 2022	-856.475	-160.571	-20.828	-1.037.874
Adjustments prior year	-12.202	0	0	-12.202
Depreciation	-133.630	-45.610	-1.861	-181.101
Depreciation on disposals	45.286	2.655	0	47.941
Depreciation and impairment losses at 31 December 2022	-957.021	-203.526	-22.689	-1.183.236
Carrying amount at 31 December 2022	**1.311.191**	**311.986**	**11.014**	**1.634.191**
Portion related to assets held under leases	**454.150**	**303.092**	**0**	**757.242**

DKK'000	Rental equipment	Fixtures and fittings, tools and equipment	Lease-hold improve-ments	Total
Cost at 1 January 2021	1.878.609	339.746	29.699	2.248.054
Adjustments prior year			-499	
Additions	250.961	192.420	0	442.882
Disposals	-163.035	-67.553	-134	-230.722
Cost at 31 December 2021	1.966.535	464.613	29.066	2.460.214
Depreciation and impairment losses at 1 January 2021	-857.333	-166.756	-18.950	-1.043.039
Depreciation	-113.265	-40.691	-1.898	-155.854
Depreciation on disposals	114.123	46.876	20	161.019
Depreciation and impairment losses at 31 December 2021	-856.475	-160.571	-20.828	-1.037.874
Carrying amount at 31 December 2021	**1.110.060**	**304.042**	**8.238**	**1.422.340**
Portion related to assets held under leases	**491.213**	**298.937**	**0**	**790.150**

The Company has signed contracts for delivery of rental equipment in 2023 for a total of DKK 186 million (2022: DKK 267 million).

Included in additions to leasehold improvement 2022 is refurbishments in progress with DKK 1 million (2021: DKK 0 million).

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13 Equity investments in subsidiaries

DKK'000	2022	2021
Cost at 1 January	0	0
Addtions	80.323	0
Cost at 31 December	80.323	0
Value adjustments	0	0
Net profit/loss for the year	2.285	0
Value adjustments at 31 December	2.285	0
Carrying amount at 31 December	**82.608**	**0**

In 2022, GSV Materieludlejning A/S acquired Holbæk Lift and Materieludlejning A/S, which entailed recognition of a positive balance (goodwill) of DKK 20.219 thousand.

Portion relating to the remaining balance (non-amortised goodwill)	20.219	0

Equity investments in subsidiaries are specified as follows

Name/legal form	Registered office	Equity interest
Holbæk Lift & Materieludlejning A/S	Holbæk	100.0%
G.S.V. Materieludlejning GMBH	Germany	100.0%

On 31 August 2022, Holbæk Lift & Materieludlejning A/S was acquired from third party.

At 31 December 2022, prepared impairment test of carrying amount showed no indication of impairment.

Pursuant to section 97a(3) of the Danish Financial Statements Act, no information on the result and equity of subsidiaries have been included, as the equity investments in subsidiaries are recognised at equity value.

14 Deposits

DKK'000	2022	2021
Cost at 1 January	6.630	6.858
Additions	507	480
Disposals	0	-709
Cost at 31 December	7.137	6.629
Carrying amount at 31 December	**7.137**	**6.629**

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15 Trade receivables

Risks related to trade receivables arise upon sale. It is group policy to credit rate all customers prior to contracting and daily trading activities and to determine a credit maximum. Credit exposure on customers and counterparties are monitored on a monthly basis. If the credit rating of a given customer proves unsatisfactory, separate guarantees are required for the sale. If the credit maximum on a customer is reached, additional sales will be blocked.

In 2022 actual loss on bad debt was DKK 7 million and bad debt provision was DKK 1 million (2021: was DKK 6 million and DKK 2 million). In proportion to revenue the amount was 0,6% (2021: 0.8%).

Trade receivables not written down are solely attributable to debtors in Denmark.

Trade receivables at 31 December, of which none has been written down, can be specified as follows:

DKK'000	2022	2021
Maturity		
Current	168.519	133.784
Up to 30 days	68.721	64.693
Between 30 and 90 days	11.634	5.152
More than 90 days	9.170	4.947
Total trade receivables	**258.044**	**208.576**

Expected loss on trade receivables can be specified as follows:

DKK'000	Loss percent	Receivables	Expected loss	Total
Maturity 2022				
Current	1%	169.561	-1.042	168.519
Up to 30 days	1%	69.172	-451	68.721
Between 30 and 90 days	7%	12.562	-928	11.634
More than 90 days	60%	23.139	-13.969	9.170
Total trade receivables	**6%**	**274.434**	**-16.390**	**258.044**

DKK'000	Loss percent	Receivables	Expected loss	Total
Maturity 2021				
Current	1%	134.564	-780	133.784
Up to 30 days	2%	66.108	-1.415	64.693
Between 30 and 90 days	33%	7.736	-2.584	5.152
More than 90 days	68%	15.536	-10.589	4.947
Total trade receivables	**7%**	**223.944**	**-15.368**	**208.576**

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15 Trade receivables (continued)

The Company does not have a past record of major bad debts seen in proportion to industry standards.

Prepaid costs
Prepaid costs are attributable to prepaid costs regarding rent, insurance premium, subscriptions, and interest.

16 Equity

	Numbers of shares	Nominal value
	of 500 DKK	DKK'000
1 January 2021	30.658	15.329
31 December 2021	**30.658**	**15.329**
31 December 2022	**30.658**	**15.329**

All shares are fully paid.

Capital Management
The Company's objective when managing capital is to safeguard their ability to continue as a going concern, so that the Company can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure.
The Company monitors capital on relevant key figures. The Company manages its capital structure and makes adjustments in light of changes in economic conditions.

17 Deferred tax

DKK'000	2022	2021
Deferred tax at 1 January	112.401	103.920
Adjustment related to previous years	0	3.843
Deferred tax for the year recognised in profit/loss for the year	10.534	4.638
Deferred tax at 31 December	**122.935**	**112.401**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (liability)	122.935	112.401
Deferred tax at 31 December, net	**122.935**	**112.401**
Deferred tax relates to:		
Intangible assets	7.017	6.701
Property, plant and equipment	338.463	311.289
Leases	-222.149	-205.017
Finished goods for resale and spare parts	-396	-572
	122.935	**112.401**

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18 Right-of-use asset and lease liabilities

The Company as lessee
The Company leases rental equipment, fixtures and fittings, tools and equipment, etc. The lease period is typically between 3 and 6 years. For trucks it is up to 7 years with the option of renewal after the end of the period and rentals up to 10 years. None of the lease agreements contain conditional leasing services.

The amounts capitalized in the balance comprise leased assets.

DKK'000	Rental equipment	Fixtures and fittings, tools and equipment	Total
Carrying amount at 1 January 2022	491.213	298.937	790.150
Additions, net	-27.326	42.313	14.987
Amortisation	-9.737	-38.158	-47.895
Carrying amount at 31 December 2022	**454.150**	**303.092**	**757.242**

DKK'000	Rental equipment	Fixtures and fittings, tools and equipment	Total
Carrying amount at 1 January 2021	499.537	169.746	669.283
Additions, net	-22.252	131.541	109.289
Amortisation	13.928	-2.350	11.578
Carrying amount at 31 December 2021	**491.213**	**298.937**	**790.150**

The Company as lessor
The Company leases equipment under operating leases.

DKK'000	2022	2021
Income from subleasing right-of-use assets	291.726	251.285

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

DKK'000	2022	2021
<1 year	0	0
1-2 years	0	0
2-3 years	0	0
3-4 years	0	0
4-5 years	0	0
Total undiscounted lease payments	**0**	**0**

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19 Mortgages and collateral

Security has been given with a net carrying amount of DKK 140 million (2021: DKK 140 million) for the Company's bank facility at Jyske Bank.

20 Business combinations

Acquisitions in 2022
Shares in Holbæk Lift & Materieludlejning A/S
On 31 August 2022, Holbæk Lift & Materieludlejning A/S was acquired from third party.

With this acquisition, the Company continues the strategic path of consolidating the Danish market for rental of equipment. This acquisition provides the Company with larger, broader and better fleet to service all our customers and gives access to service more local markets from the complementary geographic coverage acquired.

For the purpose of the acquisition, assets, liabilities and contingent liabilities were identified and recognised in the acquisition balance sheet at fair value.

The goodwill is mainly attributable to property, plant and equipment. The amount is recognised in the balance sheet as part of equity interest in subsidiaries.

The purchase price amount to DKK 80 million which was paid in cash on the acquisition date.

The Company incurred transaction costs including legal costs arising from the acquisition at an amount of DKK 0.3 million. The amount is recognised in the statement of comprehensive as special items.

Upon the acquisition and with accounting effect from January 2023 the entities will merged with the Company as the continuing company.

Revenue and profit after tax of the acquired business Holbæk Lift & Materieludlejning A/S since 31 August 2022 included in the statement of comprehensive income for the reporting period amounts to DKK 16,9 million and DKK 2,3 million, respectively.

Summary of the purchase price and the allocation of the fair value of acquired assets and assumed liabilities on the acquisition date:

DKK'000	2022	2021
Intangiable assets	1.283	0
Property. Plants and equipment	93.196	0
Inventory	0	0
Trade receivables	6.778	0
Cash and Cash equivalents	5.551	0
Other assets	2.060	0
Aquired Assets	108.868	0
Deferred tax	9.067	0
Lease liabilities	34.335	0
Trade payables	579	0
Other payables	5.057	0
Acquired liabilities	49.038	0

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20 Business combinations (continued)

DKK'000	2022	2021
Total identifiable acquired net assets	59.829	0
Goodwill in connection with the acquistion	20.171	0
Purchase price	80.000	0
Purchase price	80.000	0
Cash flow, net	**80.000**	**0**

21 Other adjustments

DKK'000	2022	2021
Income from equity investments in group entities	2.285	0
Other finance income	52	1.048
Finance costs	-19.870	-16.641
Incomes taxes	21.963	-63.530
Gain on sale of PP&E	18.601	28.936
Provisions	-10.534	-8.481
Other	-2	0
	12.495	**-58.668**

22 Changes to the working capital

DKK'000	2022	2021
Changes in inventory	-5.952	-3.805
Changes in trade receivable and other receivable	-23.871	-84.450
Changes in trade payables and other payables	35.807	45.027
	5.984	**-43.228**

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23 Non-cash transactions

DKK'000	2022	2021
Acquisition of property, plant and equipment (see note 12)	417.812	443.381
Portion relating to leased assets (See also in note 24)	-297.454	-408.249
Paid regarding acquisition of property, plant and equipment	**120.358**	**35.132**

24 Liabilities from financing activities

DKK'000	1 January 2022	Debt payments	New debt	Debt repayments	31 December 2022
Leasing liabilities	931.897	-184.991	297.454	-34.591	1.009.769
Other payables	24.302	0	138	0	24.440
Loan from Parent company	956.199	0	182.797	-101.887	80.910
Liabilities from financing activities	**1.912.398**	**-184.991**	**480.389**	**-136.478**	**1.115.119**

DKK'000	1 January 2021	Debt payments	New debt	Debt repayments	31 December 2021
Leasing liabilities	758.144	-172.825	408.249	-61.671	931.897
Other payables	24.927	-626	0	0	24.302
Liabilities from financing activities	**783.071**	**-173.451**	**408.249**	**-61.671**	**956.199**

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25 Financial risks and financial instruments

The Company is, to a limited extent, exposed to financial risks, including market risks (interest rate risks), credit risks and liquidity risks. The disclosures in the note only address the most predominant risks. The Company's credit risks are described in note 15.

The overall framework for the financial risk management has been set out in the Company's finance policy. The finance policy is updated yearly and approved by the Board of Directors.

Centralised financial risk management is conducted by Management. Management monitors the Company's risk concentration within different areas such as customers, etc. Additionally, Management monitors any changes in the Company's risk concentration.

The finance policy governs the Company's investment policy, financing policy and credit risk policy in relation to financial counterparties. In addition, it describes the approved risk framework.

It is the Company's policy not to speculate in financial risks. The Company's financial strategy only sets out to manage and reduce financial risks directly attributable to the Company's operations, investments and financing.

The Company's key interest rate risks relate to financial and operating leases where The Company has mixed both variable and fixed interest rates in the leases.

In terms of interest rate sensitivity, an increase in interest rate level of percentage point p.a. relative to the interest rate level of the Company's floating-rate liabilities for a full year at the balance sheet date will have a negative impact on results for the year of DKK 10.1 million (2021: 9.3 million). A decrease in interest rate level of percentage point will have a corresponding positive impact on results for the year and equity.

The Company does not make use of hedging and is not exposed to changes in exchange rates as the Company does not engage in material foreign currency transactions.

The financing structure is a standard set-up for a private equity-owned business. On a quarterly basis, The Company tests financial covenants against target.

The Executive Board and Board of Directors regularly evaluate whether the capital structure supports the Company's fulfilment of the overall targets and the realisation of long-term sustainable economic growth. The Company is supported by equity with a solvency ratio above 38%, drawing facilities, trade credit, etc. The duration and interest risks for the Company are assessed to the extent necessary. At the balance sheet date, net interest-bearing debt including IFRS 16 debt was DKK 971 million (2021: DKK 859 million), which is deemed appropriate in relation to the balance sheet total (capital structure).

The Company's risk exposure and risk management for 2022 was unchanged compared to that for 2021.

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25 Financial risks and financial instruments (continued)

DKK'000	Average nominal interest rate	Average effective interest rate	Interest period	Carrying amount
Variable interest-bearing lease liabilities	2%	2%	1 month	1.009.769
Lease liabilities for 2022 in total				**1.009.769**
Variable interest-bearing lease liabilities	1%	2%	1 month	931.897
Lease liabilities for 2021 in total				**931.897**

Contractual cash flows are undiscounted contractual cash flow including interests.

2022

DKK'000	Contractual cash flows	Within 1 year	1 to 5 years	After 5 years
Non-derivative financial instruments				
Lease liabilities	1.083.200	236.362	558.448	288.390
Trade payables	168.189	168.189	0	0
31 December	**1.251.389**	**404.551**	**558.448**	**288.390**

2021

DKK'000	Contractual cash flows	Within 1 year	1 to 5 years	After 5 years
Non-derivative financial instruments				
Lease liabilities	973.631	214.906	529.377	229.348
Trade payables	104.880	104.880	0	0
31 December	**1.078.511**	**319.786**	**529.377**	**229.348**

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26 Financial instruments categories

Methods and assumptions for the determination of fair value
The methods and assumptions used for calculating fair value of financial instruments are described per class of financial instruments.

Other financial instruments (measured at amortised cost in the balance sheet).

Receivables, suppliers with a short credit and other liabilities are estimated to have a fair value equal to the carrying amount.

Deposits and debt to credit institutions with interest rate are estimated to have a fair value that is approximately equal to the carrying amount.

The fair value of leases is calculated based on expected cash flows for the individual contract discounted using interest rate curves. At the balance sheet date leases was DKK 1.083 million (2021: DKK 974 million).

DKK'000	2022	2021
Loans and receivables		
Trade receivables	258.044	208.576
Other receivables	3.476	2.143
Receivables from Parent Company	0	45.805
Prepaid costs	14.248	10.002
Cash and cash equivalents	63.828	95.572
Total loans and receivables	**339.596**	**362.098**
Financial liabilities are measured at amortised cost		
Loans from Parent Company	80.910	0
Trade payables	168.189	104.880
Other payables	65.053	97.565
Total financial liabilities are measured at amortised cost	**314.152**	**202.445**

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27 Related parties

The Company's related parties include the following:

Control

Kiloutou Denmark ApS, Baldersbuen 5, 2640 Hedehusene

Kiloutou Denmark ApS controls the majority of the shares in the Company.

The Company is a part of the consolidated financial statements of Kapla Holding SAS, France, which is the smallest relatively largest group where the Company is a subsidiary.

The financial statements of Kapla Holding SAS can be obtained by contacting the Company at the above address.

Subsidiaries

Holbæk Lift og Materieludlejning A/S. GSV Materieludlejning controls all the shares in the company.

GSV Materieludlejning GMBH. GSV Materieludlejning controls all the shares in the company.

Other related parties

In addition, the Company's related parties comprise the Company's Board of Directors and Executive Board, executive employees and their family members. Further, related parties comprise companies in which above persons have substantial interests.

Transaction with related parties

The company has intercompany transactions in 2022 with Holbæk Lift og Materieludlejning A/S amount to DKK 5.5 million.

Remuneration of the Executive Board and the Board of Directors has been disclosed in note 4.

The Company has an intercompany account with the Parent Company. The balance and the interest are disclosed in the balance sheet and note 9 respectively.

In 2022, the Company was charged rental and marketing cost DKK 0.7 million from entities controlled by key management personnel (2021: DKK 0.8 million).

28 Events after the balance sheet date

On 1 January 2023, the Company will merge with its subsidiary Holbæk Lift & Materieludlejning A/S with the Company as the continuing company.

29 New financial reporting regulation

At the time of the publication of this annual report a number of new or changed standards and interpretations have not yet become obligatory and have therefore not been included in this report. The new standards and interpretations will be implemented as they become obligatory. It is the management's assessment that the new standards and interpretations will not have material impact on the annual reports in the coming years.