Pon Power A/S

Sundkrogsgade 5
2100 Copenhagen
Denmark

CVR no. 13 71 14 88

Annual report for the period 1 January – 31 December 2019

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

3 April 2020

Patrick Petrus Johannes Dorothea van Alem
chairman

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Pon Power A/S for the financial year 1 January – 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

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

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

Copenhagen, 3 April 2020
Executive Board:

Adrianus Johannes
Antonius den Boer

Board of Directors:

Patrick Petrus Johannes Dorothea van Alem Chairman	Marcus Bernardus Maria de Groen	Adrianus Johannes Antonius den Boer

Independent auditor's report

To the shareholder of Pon Power A/S

Opinion

We have audited the financial statements of Pon Power A/S for the financial year 1 January – 31 December 2019 comprising 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 Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

— identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 3 April 2020
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Eiler
State Authorised
Public Accountant
mne32271

Management's review

Company details

Pon Power A/S
Sundkrogsgade 5
2100 Copenhagen
Denmark

Telephone:	76146400
Website:	www.pon-cat.com
CVR no.:	13 71 14 88
Established:	1 December 1989
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Patrick Petrus Johannes Dorothea van Alem, Chairman
Marcus Bernardus Maria de Groen
Adrianus Johannes Antonius den Boer

Executive Board

Adrianus Johannes Antonius den Boer

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
Denmark

Management's review

Financial highlights

DKK'000	2019	2018	2017	2016	2015
Key figures					
Revenue	413,738	372,124	440,208	419,317	482,680
Gross profit	211,154	95,536	94,142	89,541	135,623
Ordinary operating profit	120,739	8,804	6,358	2,151	33,879
Profit/loss from financial income and expenses	142	182	-189	-580	-899
Profit for the year	94,263	7,857	4,787	1,327	24,966
Current assets	247,211	172,635	178,306	185,792	177,460
Total assets	247,211	184,839	191,634	201,342	195,095
Equity	206,165	111,902	104,045	99,258	97,931
Investment in property, plant and equipment	648	165	0	560	281
Ratios					
Gross margin	51,0%	25,7%	21,4%	21,4%	28,1%
Operating margin	29,2%	2,4%	1,4%	0,5%	7,0%
Return on invested capital	57,5%	5,0%	3,2%	1,1%	34,6%
Current ratio	602,3%	237,5%	205,7%	183,6%	185,1%
Return on equity	59,3%	7,3%	4,7%	1,3%	29,2%
Solvency ratio	83,4%	60,5%	54,3%	49,3%	50,2%
Average number of full-time employees	113	112	124	126	139

Financial ratios are calculated in accordance with the guidelines "Recomendations and Ratios" issued by the Danish Society of Financial Analysts. The financial ratios have been calculated as follows:

Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit/loss * 100}}{\text{Average invested capital}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$

Management's review

Operating review

Principal activities

The primary activity of the Company is sale and servicing of Caterpillar's engine range within Caterpillar and MAK primarily for the shipping and oil & gas markets in Denmark and for Danish vessels engaged in foreign trade. The Company's Danish operations are conducted from Esbjerg and Copenhagen. Operations at the Norwegian continental shelf are conducted by the Company's Norwegian branch. Pon Power A/S is wholly owned by Pon Holding Denmark A/S, which is part of the Pon Group.

All the Company's activities have been sold as at 31 December 2019 and the Company is dormant as at 31 December 2019.

Development in activities and financial position

Total revenue has increased by 11% in 2019, due to a increase in the number of new engines sold and in the aftersales market. The increased revenue lead to a small increase in Gross profit.

Profit before financial income and expenses increased from DKK 8.8 million in 2018 to 120.7 million in 2019 primarily explained by divestment of the Company's activities to Zeppelin which lead to a gain of DKK 104.9 million.

Equity including the profit for the year at 31 December 2019 amounted to DKK 206.2 million (2018: 111.9 million) corresponding to a solvency ratio of 83.4% (2018: 60.5%).

Corporate social responsibility

Consideration and accountability to the outside world, employees, customers, the environment and society are important at Pon Power. Our CSR policy is integrated into all parts of the organization, which means that we take social, ethical and environmental issues into account daily.

The CSR policy is incorporated into Pon Power's business strategy, which means that we focus on our actions. Further, we are certified within several international CSR related standards which you can see more about on our website: https://www.pon-cat.com/dk/virksomheden/certifikater.

Pon Power's CSR strategy has the following focus areas:

- Working Environment, Social Conditions & Human Rights: Safety, health, work accidents and sickness absence, which is documented in our KPIs
- Ethics & Anti-Corruption: We do business in an ethical and responsible manner
- Social Responsibility: Equality and integration
- Environment & Climate Impact: We take responsibility for the environment seriously, and we are a considerate company in relation to the environment.

We have assessed the risk within Corporate Social Responsibility and have not found any material risks.

Management's review

Operating review

Working Environment, Social Conditions & Human Rights

Safety and health are part of our values, and having engaged and satisfied employees in a good and safe working environment is cruical to Pon.

At Pon Power, we ensure that all employees have a good health insurance and that a fruit scheme is provided.

Pon has a Social & Sustainability policy which we comply with. The Company keeps a strong focus on the working environment. We measure employee satisfaction twice a year. At year-end 2019, our score was 41.

We take workplace safety very seriously. Pon Power wants all employees to get home safely every day. In order to avoid accidents, rigorous requirements have been introduced on personnel in the field and in our workshops; mechanics are equipped with safety equipment which must be worn, e.g. gloves, glasses and safety clothing. All unsafe situations, unsafe acts, near-misses and accidents are fully recorded in a common database and investigated by Pon Power's safety officer to mitigate future risk. All employees have access to this database, which is under constant review.

During 2019, our RIF was 2.0. The two incidents that contributed to this figure were recorded and investigated thoroughly.

First-aid courses are held for employees, and the Company holds a defibrillator at each location.

Human rights are covered in our Code of Conduct policy, in which employees are trained to mitigate workplace risks. During 2019, we have not found any breaches to our code of conduct, including human rights.

Ethics & Anti-Corruption

Pon Power is an ethical and responsible company. In Pon's Code of Conduct and company policies, it is clear how the Company expects its employees to behave internally and externally.

To ensure that everyone is aware of the importance and understanding of this, there is ongoing compulsory e-learning in the following areas, which concludes with a test: Code of Conduct, Competition Law, Pon Protector, Export Control and Compliance.

During 2019, we have not found any breaches to our policy.

Social Responsibility

The gender quotation on the Board of Directors reflects the underlying ownership structure, whereas the Management team is selected locally.

In 2019, Management consisted of five people, represented by two women and three men, why we are not required to prepare goals.

In 2019, the Company had three board members, of which none are female. The Company had as a target to hire one female before the end of 2022. However, since the company will not have any employees in FY20 due to managements plan of closing the company, this target will not be reached within the time frame.

Management's review

Operating review

Environmental & Climate Impact

As a supplier of engines and services, we are committed to having a high focus on the environment, as well as ensuring sustainability in our solutions both internally and externally. Energy consumption is monitored and trends in consumption are analysed. Pon Power A/S also holds an environmental approval, and environmental operational control is performed according to requirements in this approval and according to internal requirements.

Pon Power’s Environmental and Climate goals :

- We are a considerate company in relation to the environment, which complies with all the environmental requirements imposed on us by the authorities
- In our daily life, we take into account energy consumption, extraction possibilities and other conditions
- We motivate ourselves to constantly reduce our environmental impact.

During 2019, we have not found any breaches to our policy.

Outlook

For 2020, Management expects to close the company.

Events after the balance sheet date

No subsequent events have occured requiring adjustment or disclosure.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2019	2018
Revenue	2	413,738	372,124
Expenses for raw materials and consumables		-269,437	-237,706
Other operating income	3	104,844	0
Other external costs		-37,991	-38,882
Gross profit		211,154	95,536
Staff costs	4	-89,590	-85,496
Depreciation, amortisation and impairment loasses		-825	-1,236
Operating profit		120,739	8,804
Financial income	5	205	246
Financial expenses		-63	-64
Profit before tax		120,881	8,986
Tax on profit/loss for the year	6	-26,618	-1,129
Profit for the year		94,263	7,857

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2019	31/12 2018
ASSETS			
Fixed assets			
Property, plant and equipment	8		
Land and buildings		0	11,841
Fixtures and fittings, tools and equipment		0	275
		0	12,116
Investments	9		
Deposits		0	88
Total fixed assets		0	12,204
Current assets			
Inventories			
Work in progress		0	11,156
Finished goods and goods for resale		0	40,674
		0	51,830
Receivables			
Trade receivables		0	76,032
Receivables from group entities		233,254	34,007
Other receivables		957	2,098
Deferred tax asset	10	0	4,647
Prepayments	11	0	1,411
		234,211	118,195
Cash at bank and in hand		13,000	2,610
Total current assets		247,211	172,635
TOTAL ASSETS		247,211	184,839

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2019	31/12 2018
EQUITY AND LIABILITIES			
Equity			
Contributed capital	12	5,000	5,000
Retained earnings		11,165	106,902
Proposed dividends for the financial year		190,000	0
Total equity		206,165	111,902
Provisions			
Other provisions	13	0	239
Total provisions		0	239
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		99	24,932
Payables to group entities		9,400	22,421
Corporation tax		21,971	749
Other payables		9,576	23,479
Deferred income		0	1,117
		41,046	72,698
Total liabilities other than provisions		41,046	72,698
TOTAL EQUITY AND LIABILITIES		247,211	184,839

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Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2019	5,000	106,902	0	111,902
Transferred over the profit appropriation	0	-95,737	190,000	94,263
Equity at 31 December 2019	5,000	11,165	190,000	206,165

Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of Pon Power A/S for 2019 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

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

The comprising numbers has been changed, due to change in classification of assets.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Pon Holding Denmark A/S, Danmark.

Omission of disclosure of fee to auditors appointed at the general meeting.

Pursuant to Article 96, section 3 of the Danish Financial Statement Act, the Company has not disclosed fee for the auditors appointed at the general meeting. The information is disclosed in the financial statements for the parent company Pon Holding Denmark A/S.

Foreign currency translation

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

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

Income statement

Segment information

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

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue from the sale of goods where delivery has been postponed at the buyer's request is recognised as revenue when ownership of the goods has been transferred to the buyer.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Revenue from the sale of services is recognised on a straight-line basis in the income statement as the services are provided.

Services based on time spent are recognised in revenue as the work is performed.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise costs to engines, spare parts and consumables.

Other operating income

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

Staff costs

Staff costs comprise wages and salaries, pensions, other social contribution and other payroll expenses.

Other external costs

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

Financial income and expenses

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

Tax on profit/loss for the year

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

Balance sheet

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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

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

Buildings	30-40 years
Fixtures and fittings, tools and equipment	3-5 years

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

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

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.

Impairment of fixed assets

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

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

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

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

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

Receivables

Receivables are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on historical loss experience.

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

Corporation tax and deferred tax

The Company is jointly taxed with other Danish companies in the Pon Group. The tax effect of the joint taxation with the Parent Company is allocated to Danish entities showing profits or losses in proportion to their taxable income (full allocation with credit for tax loses). The jointly taxed entities are included in the in-account tax scheme.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, 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 balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity respectively.

Prepayments

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

Provisions

Provisions comprise anticipated costs related to warranties, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Warranties comprise obligations to make good any defects within the warranty period of one to two years. Provisions for warranties are measured at net realisable value and recognised based on past experience.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Provisions expected to be maintained for more than one year from the balance sheet date are discounted at the average bond interest rate.

Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

Liabilities other than provisions

Liabilities are measured at net realisable value, which usually corresponds to the nominal value.

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

2 Segment information

Information is provided on product types. Revenue has generally been achieved in Denmark or on other markets, which do not deviate from this.

DKK'000	2019	2018
New engines	43,130	28,373
Used engines	17,309	9,630
Aftermarket sales	352,266	333,201
Other	1,033	990
	413,738	372,194

3 Other operating income

Income from asset deal	104,844	0
	104,844	0

4 Staff costs

Wages and salaries	76,327	72,272
Other social security costs	7,122	7,068
Other staff costs	6,141	6,156
	89,590	85,496
Average number of full-time employees	113	112

According to section 98(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

Financial statements 1 January – 31 December

Notes

5 Financial income

DKK'000	2019	2018
Other financial income	205	246
	205	246

6 Tax on profit for the year

Current tax for the year	21,971	749
Deferred tax for the year	4,647	423
Adjustment of tax concerning previous years	0	-43
	26,618	1,129

7 Proposed profit appropriation

Proposed dividends for the year	190,000	0
Retained earnings	-95,737	7,857
	94,263	7,857

8 Property, plant and equipment

DKK'000	Land and buildings	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2019	22,451	23,536	45,987
Additions for the year	78	570	648
Disposals for the year	-22,529	-24,106	-46,635
Cost at 31 December 2019	0	0	0
Depreciation and impairment losses at 1 January 2019	-10,610	-23,261	-33,871
Depreciation for the year	-563	-261	-824
Reversed depreciation and impairment losses on assets sold	11,173	23,522	34,695
Carrying amount at 31 December 2019	0	0	0

9 Investments

DKK'000	Deposits
Cost at 1 January 2019	88
Disposals for the year	-88
Cost at 31 December 2019	0
Carrying amount at 31 December 2019	0

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10 Deferred tax asset

DKK'000	2019	2018
Deferred tax asset at 1 January	4,647	5,070
Deferred tax asset adjustment for the year in the income statement	-4,647	-423
	0	4,647

11 Prepayments

Prepayments consist of prepaid expenses related to the subsequent financial year.

12 Equity

The share capital consists of 50.000 shares of a nominal value of DKK 100 each. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

13 Provisions

DKK'000	31/12 2019	31/12 2018
Balance at 1 January	239	212
Provisions for the year, net	-239	27
	0	239

14 Contractual obligations, contingencies, etc.

Bank guarantees

Issued bank guarantees amounted to DKK 0 thousand at 31 December 2019 (2018: DKK 2,376 thousand).

Joint taxation

The Company is jointly taxed with the other Danish consolidated enterprises. As a consolidated enterprise, together with the other consolidated enterprises included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc. may entail that the Company's liability will increase.

Operating lease obligations

Within 1 year	0	2,621
Between 2 and 4 years	0	4,197
	0	6,818

Financial statements 1 January – 31 December

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15 Related party disclosures

Pon Power A/S' related parties comprise the following:

Control

Pon Holding Denmark A/S, immediate parent company. The Company's ultimate parent company that prepares a Group annual report in which the Company is included as a subsidiary is Pon Holdings B.V., The Netherlands.

Pon Holdings B.V., ultimate parent company. The Group annual report of the foreign parent company can be obtained at the following adress: Pon Holdings B.V., Stadionplein 28, 1076 CM Amsterdam, The Netherlands.

Other related parties

Pon Power A/S' related parties with controlling interest comprise companies within the Pon Holdings B.V. Group and the companies' boards of directors, chief executive officer and executive employees and their family members.

Further, related parties comprise companies in which the above persons have substantial interests.

Related party transactions

DKK'000	2019	2018
Revenue	19,100	15,990
Other external expenses	10,797	10,530

Payables to associates and subsidiaries are disclosed in the balance sheet.