Registered Number 8207204

Algeco Global Finance plc

Annual report and financial statements

For the year ended 31 December 2019

Algeco Global Finance plc

Annual report for the year ended 31 December 2019

Contents

Algeco Global Finance plc

Registered Number 8207204

Directors and advisers

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Gary May
James O'Malley
Sundip Thakrar

Secretary
James O'Malley

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Independent auditors
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Solicitors
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Algeco Global Finance plc

Registered Number 8207204

Strategic report

The directors present their strategic report of Algeco Global Finance plc ("the Company") for the year ended 31 December 2019.

Business review and principal activities
The Company acted as a financing company for Algeco Investments B.V. and its subsidiary companies (further referred to as the "Group") throughout the year. The Company was incorporated under the laws of England and Wales on 10 September 2012. The principal activity of the Company is to procure and maintain financing arrangements for the Group. The Company's principal business activities consist of lending and borrowing. The directors evaluate both lending and borrowing rates as well as the net finance income of the Company. During 2019, the Group disposed of a subsidiary, Target Lodging, resulting in a cash inflow to the Group. Consequently, several of the outstanding loan balances with the Company have been repaid during the year.

On February 15, 2018, the Company completed the refinancing of external notes with a new notes offering (the "Offering") and issued the following tranches of senior secured notes due 2023:

- €600,000,000 6.5% Senior Secured Fixed Rate Notes due 2023;
- $520,000,000 8.0% Senior Secured Fixed Rate Notes due 2023;
- €150,000,000 Senior Secured Floating Rate Notes due 2023;

The Company had three-year cross currency swaps for the dollar-denominated Notes into euro, which swapped into euro the coupon and principal amount of $230 million of the dollar-denominated 8.0% Senior Secured Notes and the coupon of $290 million of dollar-denominated 8.0% Senior Secured Notes. Giving effect to the swaps, the weighted average interest rates for the notes was 6.98%.

Post Balance Sheet Events
The swaps were terminated in March 2020 resulting in a €74m cash inflow. This was done to ensure that the Group has sufficient liquidity in the current environment.

COVID-19

In the two months ended 31 May 2020, the Group grew EBITDA organically, compared to the two months ended 31 May 2019, despite the delay of certain sales projects and economic slowdowns caused by government-imposed lockdowns in response to the COVID-19 pandemic across a number of the countries in which the Group operates. Through the period, we continued to make deliveries and experienced less returns than we typically experience. Units on rent have increased organically by 7,700 since 31 December 2019.

The Group's business has remained resilient due to:

- the long-term nature of the contracts;
- the diverse geographic and customer footprint, which enabled it to maintain normal trading levels in Germany, Italy, Spain, the Nordics, Australia and Eastern Europe, which remained largely operational including by providing solutions to assist with the crisis whilst the Group experienced a partial suspension of activities in France and the UK;
- the flexible cost base, which has enabled costs to be reduced when necessary. The Group estimates that 60% of cash costs, excluding interest and tax, are variable; and
- the ability to reduce growth and maintenance capital expenditure.

The COVID-19 pandemic increased demand for units from healthcare providers and in key industrial sectors, such as food manufacturers and energy suppliers. The Group has received orders for more healthcare facilities and additional space for social distancing and is actively marketing social distancing solutions for which it is well-placed to meet the increased demand for space.

The Group had liquidity of €381 million, as at 31 May 2020, consisting of;

- o €313m of cash, and
- o €68m ABL availability

Strategic report (continued)

Given the level of uncertainty in the current environment, the Group has implemented daily trading and cash reporting with Group level review prior to all payment runs and capex. Growth capital expenditure is only made when there is demand. Similarly, maintenance capital expenditure can be limited to cases where a unit is required for an order with no significant detrimental effect on the unit. There has been no substantial change in the position from 31 May to the date of signing.

Key performance indicators
The directors consider the interest receivable of €155m (2018: €202m) and payable of €132 m (2018: €153m) to be the key performance indicators.

Future developments
The Company is intended to continue to act as a financing company of the Group and it is envisaged that the principal activity will not change in the foreseeable future.

Principal risks and uncertainties
The management of the business and the execution of the Company's strategy are subject to a number of risks.

Financial risk management
Interest rate risk
The Company has both interest bearing assets and interest bearing liabilities, which represent balances with other Group companies and third-party borrowings. The majority of the interest bearing assets and interest bearing liabilities are subject to fixed interest rates. The Company manages its interest rate risk by considering the interest rates on both its interest bearing assets and interest bearing liabilities.

Foreign exchange risk
The Company holds loans payable that are denominated in Euros and US dollars. The foreign exchange risk on these loans payable is limited as the currency movements are offset by loans receivable that the Company holds in the same currencies. The Company also enters into currency hedges with external parties to mitigate the risk.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a loan agreement. The Company's credit risk is limited to receivables from related entities within the Group; as such, the Company has not taken on external credit risk beyond that carried by the Group.

Statement by the directors in performance of their statutory duties in accordance with s172(1) Compan ies Act 2006
The board of directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders, whom we primarily consider to be bondholders and fellow Group companies, and matters set out in s172(1) (a-f) of the Act) in the decisions taken during the year ended 31 December 2019.

In particular, there were no material decisions taken in this year that may have consequences of any decision in the long term, the Company has no employees; the Company's business relationships are with fellow Group companies of the Algeco Group and are fostered as the Directors are also Directors of other Group companies. Since the year-end the Company made a decision to terminate the swap agreements. This decision was made following consideration of a recommendation by the Group's operating board. As a financing Company of the Algeco Group, the impact of the company's operations on the community and the environment are minimal and to maintain a reputation for high standards of business conduct the Company is focused on ensuring it can repay its debt when due. The company is 100% owned by Algeco Investments B.V and there is no risk of treating members of the company differently.

On behalf of the board

Gary May, Director **30 June 2020**

Directors' report for the year ended 31 December 2019

Results and dividends
The results for the year show an after-tax income of €22.8 million (2018: €39.4 million). In 2019 a €248 million dividend was paid (2018: €Nil). The position of the Company at the year-end was in line with the directors' expectations.

The future developments of the Company as well as the consideration of financial risk management has been included within the strategic report.

Use of financial instruments
As the Company acts as a financing company, the principal risks and uncertainties set out in the strategic report describe the Company's use of financial instruments including derivatives, its financial risk management objectives and the associated risks.

Directors
The directors who served during the year and up to the date of signing the financial statements were:

James O'Malley
Sundip Thakrar
Gary May

Directors' qualifying third party indemnity provisions
The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information to auditors
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow directors and the Group's auditors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Appointment of auditors
In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of PricewaterhouseCoopers LLP as auditors of the Company.

Going Concern
The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and are satisfied that the Company is able to meet its liabilities as they become due. The Company however is reliant on the ability of fellow subsidiary Group undertakings to pay the respective principal and interest of amounts owed on stated due dates. The directors have reviewed the cash flow forecasts of the Algeco Group and are confident that there is sufficient liquidity to meet its liabilities as they become due.

Statement of directors' responsibilities
The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those financial statements, the directors are required to:

Directors' report for the year ended 31 December 2019 (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

James O'Malley
Director
30 June 2020

Independent auditor's report to the members of Algeco Global Finance plc

Report on the audit of the financial statements

Opinion

In our opinion, Algeco Global Finance plc 's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: Balance sheet as at 31 December 2019; the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

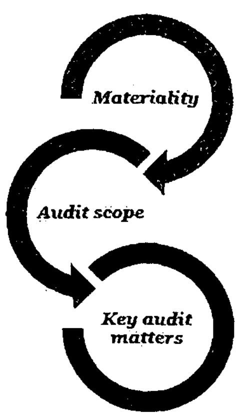
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



- Overall materiality: €17.3 million (2018: €19.2 million), based on 1% of Total assets.

- Full scope statutory audit of the statutory entity Algeco Global Finance plc

- Recoverability of intercompany receivables.
- Valuation of Derivatives.
- Management's consideration of the potential impact of Covid-19.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Independent auditor's report to the members of Algeco Global Finance plc (continued)

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	***How our audit addressed the key audit matter***
Recoverability of intercompany receivables As at 31 December 2019, the Company has €1,673 million in loan receivables with affiliated entities reported as amounts owed by group undertakings, in debtors on the balance sheet. The receivables represent loans issued to affiliates for the purpose of group financing. We have not identified this item as a significant risk due to the perception of a low likelihood of misstatement, however the quantum of the balances merits its disclosure as a key audit matter.	We obtained all intercompany loan agreements and amendments and agreed amounts loaned and interest rates to Company's records. We have assessed the recoverability of the intercompany receivables held by the Company, as well as reviewed management's considerations in respect of the recoverability of intercompany receivables. To this extent we have reviewed the financial position and forecast future cash flows of Algeco Investments 2 S.à r.l. (the immediate parent of Algeco Investments B.V.) and its subsidiaries to assess their ability to repay or refinance the amounts due to Algeco Global Finance plc as they fall due. Based on the procedures performed we concluded that there is no indication that the intercompany balances are not recoverable.
Valuation of Derivatives As at 31 December 2019, the Company has obtained three-year cross currency swaps for the dollar-denominated Notes into euro, which swap into euro the coupon and principal amount of $230 million of the dollar-denominated 8.0% Senior Secured Notes and the coupon of $290 million of dollar-denominated 8.0% Senior Secured Notes. The fair value of these derivative financial instruments is a €40m asset at the year end, presented within non-current assets. We have not identified this item as a significant risk due to the perception of a low likelihood of misstatement, however given the complexity of the accounting and level of work performed over its valuation, it merits its disclosure as a key audit matter.	We obtained external valuation confirmations from all the financial institutions who the derivatives are placed with. We recalculated the fair value of these derivatives and agreed to the values held. We assessed the competency of managements expert in valuing the derivatives. Based on the procedures above we conclude that the derivative financial instruments are appropriately valued.
Management's consideration of the potential impact of Covid-19 Management have considered the potential impact of the non-adjusting post balance sheet events that have been caused by the pandemic, Covid-19, on the current and future operations of both the Company and wider Algeco Group.	In assessing management's consideration of the potential impact of Covid-19, we have undertaken the following audit procedures: • We obtained from management their latest assessment supporting the conclusions with respect to the ability of the Company to continue as a going concern. • We discussed with management the estimates and judgements applied in their latest

Independent auditor's report to the members of Algeco Global Finance plc (continued)

Key audit matter	*How our audit addressed the key audit matter*
In doing so, management have made estimates and judgements that are critical to the outcomes of these considerations, with a particular focus on the Company's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. As a result of the impact of Covid-19 on the wider financial markets, we have determined management's consideration of the potential impact of Covid-19 (including their associated estimates and judgements) to be a key audit matter.	assessments so we could understand and challenge the rationale of underlying assumptions incorporated as a result of Covid-19. We reviewed minutes of board meetings with a view to identifying any matters which may impact the going concern assessment. • We considered the appropriateness of the disclosures made by management and the board in respect of the potential impact of Covid-19, a non-adjusting post balance sheet event. Based on our procedures and the information available at the time of the directors' approval of the financial statements, we have reviewed the disclosures and consider them to be appropriate with respect to management's consideration of the impact of Covid-19 on the current and future operations of the Company.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	€17.3 million (2018: €19.2 million).
How we determined it	1% of Total assets.
Rationale for benchmark applied	The entity is primarily a bond holding and financing Company for the Algeco Group and is therefore a not-for-profit entity. Therefore the most suitable benchmark is total assets.

We agreed with the Audit Committee of Algeco Investments 2 S.à r.l that we would report to them misstatements identified during our audit above €865,000 (2018: €960,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern

Independent auditor's report to the members of Algeco Global Finance plc (continued)

basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on pages 5 and 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

Independent auditor's report to the members of Algeco Global Finance plc (continued)

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Julian Gray (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
30 June 2020

Statement of comprehensive income for the year ended 31 December 2019

	Note	Year ended 31 December 2019 €'000	Year ended 31 December 2018 €'000
Administrative expenses	5	-	(171)
Interest receivable and similar income	3	**155,104**	202,470
Interest payable and similar expenses	4	**(132,265)**	(153,249)
Profit before taxation	5	**22,839**	49,050
Tax on profit	7	-	(9,637)
Profit for the financial year		**22,839**	39,413
Other comprehensive income/(expense) that may be subsequently reclassified to profit or loss			
Cash flow hedges		**7,501**	(2,265)
Other comprehensive income/(expense) that will not be reclassified to profit or loss			
Impact of change in functional currency		-	(8,655)
Total other comprehensive income/(expense)		**7,501**	(10,920)
Total comprehensive income for the year		**30,340**	28,493

All of the above activities relate to continuing operations.

Algeco Global Finance plc

Registered Number 8207204

Balance sheet as at 31 December 2019

	Note	At 31 December 2019 €'000	At 31 December 2018 €'000
Fixed assets			
Debtors due after more than one year	8	**1,535,569**	1,820,335
Derivative financial assets	9	**-**	40,410
Deferred tax asset		**589**	-
Current assets			
Cash at bank and in hand		**1,106**	925
Derivative financial assets	9	**58,281**	-
Debtors	8	**137,547**	59,180
		196,934	60,105
Current liabilities			
Creditors: amounts falling due within one year	10	**(122,393)**	(76,513)
Net current assets / (liabilities)		**74,541**	(16,408)
Total assets less current liabilities		**1,610,699**	1,844,337
Creditors: amounts falling due after more than one year	11	**(1,581,709)**	(1,597,689)
Net assets		**28,990**	246,648
Capital and reserves			
Called up share capital	13	**66**	66
Cash flow hedge reserve		**5,236**	(2,265)
Profit and loss account		**23,688**	248,847
Total Shareholders' funds		**28,990**	246,648

The financial statements on pages 12 to 23 were approved by the board of directors and were signed on its behalf on 30 June 2020 by:

Sundip Thakrar
Director

Statement of changes in equity for the year ended 31 December 2019

	Called Up Share Capital €'000	Cash flow hedge reserve €'000	Profit and loss account €'000	Total €'000
At 1 January 2018	**66**	**-**	**241,864**	**241,930**
Profit for the financial year	-	-	39,413	39,413
Cash flow hedge reserve	-	(2,265)	-	(2,265)
Impact of change in functional currency	-	-	(8,655)	(8,655)
Dividend paid	-	-	(23,775)	(23,775)
Balance at 31 December 2018	**66**	**(2,265)**	**248,847**	**246,648**
Profit for the financial year	-	-	22,839	22,839
Dividend paid	-	-	(248,000)	(248,000)
Cash flow hedge reserve	-	7,501	2	7,503
Balance at 31 December 2019	**66**	**5,236**	**23,688**	**28,990**

Notes to the financial statements for the year ended 31 December 2019

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Algeco Global Finance plc (the "Company") for the year ended 31 December 2019 were authorised for issue by the board of directors and the balance sheet was signed on the board's behalf by Sundip Thakrar. Algeco Global Finance plc is incorporated and domiciled in England. The Company has listed debt on The International Stock Exchange.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

2 Accounting policies

Basis of preparation of financial statements
The accounting policies which follow set out those policies which apply to preparing the financial statements for the year ending 31 December 2019.

The Company's financial statements are presented in Euro, being the Company's functional currency. All values are rounded to the nearest thousand Euro (€000) except when otherwise indicated.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

(a) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii),B66 and B67of IFRS 3 *Business Combinations*
(b) the requirements of IFRS 7 *Financial Instruments: Disclosures*
(c) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*
(d) the requirements of paragraphs 10(d), **10(f)**, 39(c), 40(a), 40(b), 40(c), 40(d) and 134-136 of IAS 1 *Presentation of Financial Statements;*
(e) the requirements of IAS 7 *Statement of Cash Flows*;
(f) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
(g) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;
(h) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and

The Company is an indirect wholly owned subsidiary undertaking of Algeco Holding S.à r.l., a company incorporated in Luxembourg. The consolidated financial statements of Algeco Holding S.à r.l., in which the results of the Company and its subsidiaries are included, are available from the address given in note 14.

Notes to the financial statements for the year ended 31 December 2019 (continued)

2 Accounting policies (continued)

Critical judgements and key sources of estimation uncertainty
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimates means the actual results could differ from those estimates. The directors do not consider there to be any critical judgments or key sources of estimation uncertainty.

Change in functional currency
On 15 February 2018 the Company repaid the notes that were in place at that time 2018, which were denominated in US dollars and replaced these with the notes described in note 11. At the same time the Company put derivatives in place to hedge the exposure to the US dollar exchange rate to euros. Consequently, the functional currency of the Company changed from US dollars to euros.

At 15 February 2018, the exchange rate used was $1 : €0.80. The difference between the translations of the equity as at 31 December 2017 and 15 February 2018 is to reduce equity by €8,655,000. This is disclosed in the statement of comprehensive income as other comprehensive income related to the impact of the change in functional currency.

Going concern
The Company's business activities, together with the factors and risks likely to affect its future development and position, are set out in the Strategic Report on page 3. This includes the effect of Covid-19 on the Algeco Group to which Algeco Global Finance plc acts as a financing company. The Company is dependent on fellow Group companies being able to pay interest charges and repay loans when they fall due.

Whilst recent economic conditions create uncertainty over the level of demand for the Group's products and services, the Groups forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities for at least the next 12 months. Combined with the recent performance of the Group (see the Strategic Review), the Directors are confident that fellow Group companies are performing well and will be able to pay interest charges and repay loans when they fall due.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and are satisfied that the Company is able to meet its liabilities as they become due. Therefore, the going concern basis of accounting has been adopted in preparing the annual financial statements.

Related party disclosures
The Company has no subsidiaries.

Interest receivable and payable
Interest receivable and payable is recognised on an effective interest method.

Notes to the financial statements for the year ended 31 December 2019 (continued)

2 Accounting policies (continued)

Foreign currencies
(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Euros' (€), which is also the Company's functional currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income'.

Financial instruments
Non-derivative financial instruments are initially recognized at fair value, net of any directly attributable transaction costs. Costs directly attributed to the issuance of a financial liability are offset against that liability and are amortized over the life of that liability using the effective interest method. After initial recognition, non-derivative financial instruments are measured at amortized costs using the effective interest rate method. Financing fee transaction costs are capitalized and amortised over the expected life of the related liability.

The Company uses derivative financial instruments to hedge its exposure to foreign currency arising from financing activities. The Group does not hold or issue derivative financial instruments for trading purposes.

The Company measures derivative instruments at fair value and records them as assets or liabilities, depending on the rights or obligations under the applicable derivative contract.

For a derivative designated and that qualifies as a cash flow hedge, the effective portion of the change in fair value of the derivative is recognised in the cash flow hedge reserve until the hedged item is recognised in earnings. The ineffective portion of a derivative's change in fair value is immediately recognised in earnings within Interest Expense.

Impairment of financial assets

The Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and fair value through other comprehensive income (FVOCI). The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable.

Notes to the financial statements for the year ended 31 December 2019 (continued)

2 Accounting policies (continued)

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated income statements over the period of the borrowings using the effective interest method.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date, with the following exception.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

3 Interest receivable and similar income

	Year ended 31 December 2019 €'000	Year ended 31 December 2018 €'000
Interest on Group companies loans receivable	**130,170**	132,493
Derivative gains	**8,984**	50,260
Currency gains, net	**15,950**	19,717
	155,104	**202,470**

Notes to the financial statements for the year ended 31 December 2019 (continued)

4 Interest payable and similar expenses

	Year ended 31 December 2019 €'000	Year ended 31 December 2018 €'000
Interest on external notes	**76,865**	93,287
Other charges	**126**	12,950
Interest on Group companies loans payable	**21,876**	25,359
Loss on currency hedge with affiliated entity	**23,321**	13,557
Amortisation of deferred financing fees	**10,077**	8,096
	132,265	**153,249**

Other charges represented an early redemption fee on repayment of the loans in existence on 14 February 2018.

5 Profit before taxation

Profit before taxation is charged after the following:

	Year ended 31 December 2019 €'000	Year ended 31 December 2018 €'000
Administrative expenses	**-**	171
	-	171

Auditors' remuneration of €31,000 (2018: €31,000) has been borne by a fellow Group company.

6 Directors' emoluments and employee information

The Company had no employees during the years ended 31 December 2019 and 2018. The Company's directors received no remuneration in respect of qualifying services for the Company during those years.

Notes to the financial statements for the year ended 31 December 2019 (continued)

7 Tax on profit

a) Analysis of tax on profit for the year

	Year ended 31 December 2019 €'000	Year ended 31 December 2018 €'000
Current tax :		
UK group relief	-	9,637
Taxation	-	**9,637**

Group relief is calculated at 19% (2018: 19.25%) of the estimated taxable profit for the year.
Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

b) Factors affecting tax expense for the year

The differences between the tax amount shown above and the amount calculated by applying the current rate of UK tax to the profit before tax are as follows:

	Year ended 31 December 2019 €'000	Year ended 31 December 2018 €'000
Profit before tax :	22,839	49,050
Profit multiplied by the standard rate of UK corporation tax of 19% for the year ended 31 December 2019 (19% for the year ended 31 December 2018)	4,339	9,320
Group relief claimed for nil consideration	(4,339)	-
Expenses not deductible	-	50
Adjustments in respect of prior years	-	267
Tax expense for the year	-	9,637

c) Factors that may affect future tax charges

The Finance Act 2016, which provides for reductions in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date. Finance Bill 2020, which was substantively enacted on 17 March 2020, retains the corporation tax rate at 19% from 1 April 2020. The provisions of Finance Bill 2020 were substantively enacted after the Company's 31 December 2019 accounting year and therefore do not apply, there is no material impact on the Company's deferred tax position at 31 December arising from this tax rate change.

d) Tax Sharing Agreement

The Company entered into a group relief tax sharing agreement with Elliott Holdings (UK) Limited, Algeco Global Finance 2 plc and Elliott Group Limited, who are affiliated entities. Under this agreement, which covers the years ended 31 December 2013 to 2018, the companies agreed to make payment for the tax losses transferred between the parties at the prevailing rate of UK corporation tax. The adjustment in respect of prior years' relates to historical tax losses surrendered to the Company. This agreement ended in the prior year and there is no longer any payment for any tax losses transferred between the parties.

Notes to the financial statements for the year ended 31 December 2019 (continued)

8 Debtors

	31 December 2019 €'000	31 December 2018 €'000
Amounts falling due within one year		
Amounts owed by Group undertakings	**137,547**	**59,180**
Amounts falling due after more than one year		
Amounts owed by Group undertakings	**1,535,569**	**1,820,335**

All balances presented above are due within 5 years.

Amounts owed by Group undertakings are unsecured and bear interest between 0 and 10.7% falling due between 31 December 2019 and 13 December 2023

9 Derivative financial assets

	31 December 2019 €'000	31 December 2018 €'000
Amounts due within one year		
Fair value of foreign currency instrument	**58,281**	**-**
Amounts falling due after more than one year		
Fair value of foreign currency instrument	**-**	**40,410**

The Company entered into currency instruments with external parties to mitigate the risk of the U.S. dollar loan notes, which are in line with the term length of the loan notes.

10 Creditors: amounts falling due within one year

	31 December 2019 €'000	31 December 2018 €'000
Accrued interest on notes	**31,874**	31,652
Amounts owed to affiliated entities	**90,519**	44,861
	122,393	**76,513**

Included within amounts due to affiliates is €25m of group relief payable (2018: €25m).

Notes to the financial statements for the year ended 31 December 2019 (continued)

11 Creditors: amounts falling due after more than one year

	31 December 2019 €'000	31 December 2018 €'000
Senior Secured Notes	**1,310,757**	1,291,946
Amounts owed to affiliated entity	**270,952**	305,743
	1,581,709	**1,597,689**

The fair value of the senior secured and senior unsecured notes was €1,337 million at 31 December 2019 (2018: €1,332 million). The Senior Secured Notes comprise €685,000,000 6.5% Senior Secured Fixed Rate Notes due 2023, €190,000,000, Senior Secured Floating Rate Notes due 2023 and $520,000,000 8% Senior Secured Fixed Rate Notes due 2023. Amounts owed to affiliated entities bear interest at 7.5% and fall due between January 2021 and 15 February 2023.

The Company has entered into a fixed and floating charge dated 15 February 2018 that covers all the property and undertaking of the Algeco Investment B.V. Group. This charge includes a negative pledge that restricts the Company from creating further security that would rank equally or ahead of the charge.

12 Guarantees and commitments

The Company's senior notes require semi-annual interest payments made in April and October of each year. Semi-annual interest received on the loans from Group entities provides the primary source of funding for the semi-annual interest payments on the notes. Certain Group entities organized in Australia, Canada, Hungary, New Zealand, the United Kingdom, France, Germany, Luxembourg and Spain guarantee the notes.

13 Called up share capital

	31 December 2019 €'000	31 December 2018 €'000
Authorised		
50,000 (2018: 50,000) ordinary share of £1	**66**	**66**
Issued and fully paid		
50,000 (2018: 50,000) ordinary share of £1	**66**	**66**

Notes to the financial statements for the year ended 31 December 2019 (continued)

14 Ultimate controlling party and immediate parent companies

The immediate parent undertaking is Algeco Investments B.V., a company registered in the Netherlands.

Algeco Holding S.à r.l. is the parent undertaking of the largest Group of undertakings to consolidate these financial statements at 31 December 2019. The consolidated financial statements of Algeco Holding S.à r.l. are available at 20, Eugene Ruppert, L-2453, Luxembourg.

The ultimate controlling party and parent is TDR Capital LLP, an undertaking incorporated in England.

15 Post Balance Sheet events

The derivative swap instruments were terminated in March 2020 resulting in a €74m cash inflow. This was done to ensure that the Group has sufficient liquidity in the current environment.

In the two months ended May 31, 2020, the Group grew EBITDA organically, compared to the two months ended May 31, 2019, despite the delay of certain sales projects and economic slowdowns caused by government-imposed lockdowns in response to the COVID-19 pandemic across a number of the countries in which the Group operates. Through the period, we continued to make deliveries and experienced less returns than we typically experience. Units on rent have increased organically by 7,700 since December 31, 2019.

The Group's business has remained resilient due to:

- the long-term nature of the contracts;
- the diverse geographic and customer footprint, which enabled it to maintain normal trading levels in Germany, Italy, Spain, the Nordics, Australia and Eastern Europe, which remained largely operational including
- by providing solutions to assist with the crisis whilst the Group experienced a partial suspension of activities in France and the UK;
- the flexible cost base, which has enabled costs to be reduced when necessary. The Group estimates that 60% of cash costs, excluding interest and tax, are variable; and
- the ability to reduce growth and maintenance capital expenditure.

The COVID-19 pandemic increased demand for units from healthcare providers and in key industrial sectors, such as food manufacturers and energy suppliers. The Group has received orders for more healthcare facilities and additional space for social distancing and is actively marketing social distancing solutions for which it is well-placed to meet the increased demand for space.

The Group had liquidity of €381 million, as at 31 May 2020, consisting of;

- €313m of cash, and
- €68m ABL availability

Given the level of uncertainty in the current environment, the Group has implemented daily trading and cash reporting with Group level review prior to all payment runs and capex. Growth capital expenditure is only made when there is demand. Similarly, maintenance capital expenditure can be limited to cases where a unit is required for an order with no significant detrimental effect on the unit. There is no material impact on the financial position of the Company since the year end arising from the impacts of Covid-19. There is no other material disclosures arising from the impacts of Covid-19.