
BPW FINANS A/S

Vranderupvej 2, DK-6000 Kolding

Annual Report for 2023

CVR No. 19 20 11 12

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 28/6 2024

Peter Christian
Kierkegaard
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	5
Financial Highlights	6
Management's Review	7
Financial Statements	
Income Statement 1 January - 31 December	10
Balance sheet 31 December	11
Statement of changes in equity	14
Cash Flow Statement 1 January - 31 December	15
Notes to the Financial Statements	16

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of BPW FINANS A/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Kolding, 28 June 2024

Executive Board

Thorsten Winterberg
Manager

Board of Directors

Tobias Wiedeking
Chairman

Peter Christian Kierkegaard

Thorsten Winterberg

Markus Manfred Schell

Independent Auditor's report

To the shareholder of BPW FINANS A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of BPW FINANS A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Trekantområdet, 28 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen

State Authorised Public Accountant

mne30224

Henrik Junker Andersen

State Authorised Public Accountant

mne42818

Company information

The Company	BPW FINANS A/S Vranderupvej 2 6000 Kolding Telephone: +45 75525200 Email: bpw@bpw.dk Website: www.bpw.dk CVR No: 19 20 11 12 Financial period: 1 January - 31 December Municipality of reg. office: Kolding
Board of Directors	Tobias Wiedeking, chairman Peter Christian Kierkegaard Thorsten Winterberg Markus Manfred Schell
Executive Board	Thorsten Winterberg
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	2,743,789	2,873,128	2,516,124	1,956,969	2,323,730
Gross profit	441,822	439,601	351,908	318,309	285,526
Profit/loss of financial income and expenses	-11,096	-12,375	-4,309	-9,923	467
Net profit/loss for the year	56,313	39,283	10,437	-8,977	-59,649
Balance sheet					
Balance sheet total	2,069,931	2,168,142	1,950,278	1,482,680	1,513,386
Investment in property, plant and equipment	31,672	30,090	43,260	40,029	46,208
Equity	803,323	732,945	707,201	583,146	606,614
Cash flows					
Cash flows from:					
- investing activities	32,719	-154,999	-265,702	-82,442	-1,823,941
Number of employees	801	785	778	674	731
Ratios					
Gross margin	16.1%	15.3%	14.0%	16.3%	12.3%
Profit margin	2.4%	2.2%	0.9%	0.6%	-2.8%
Return on assets	3.2%	3.0%	1.2%	0.7%	-4.2%
Solvency ratio	38.8%	33.8%	36.3%	39.3%	40.1%
Return on equity	7.3%	5.5%	1.6%	-1.5%	-9.4%

Management's review

Key activities

The group's main activities include the production and marketing of components, spare parts and body accessories for semi-trailers and trucks. In addition, the sale of industrial components to selected industrial segments.

The group's products are primarily sold on the European market.

Development in the year

The income statement of the Group for 2023 shows a profit of TDKK 56,313, and at 31 December 2023 the balance sheet of the Group shows a positive equity of TDKK 803,323.

It is the view of the management that all important statements for judging the financial position and the result of the year appear from the annual report and this statement.

In the fiscal year, the Group realized a Net Profit of TDKK 56,313 against a net profit in 2022 of TDKK 39,283. The equity then amounts to TDKK 803,323 corresponding to a solidity of 38.8 %.

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

The expectation for 2023 has been more the fulfilled. Expected was a result better than the TDKK 10,437 realized in 2021, but far from the realized TDKK 39,283. The major reason for this is the continuous improvement in the sole companies, and that the impact from Covid-19 pandemic and the war in Ukraine was less than expected.

Foreign exchange risks

Management considers that there are no specific business or financial risks beyond what may be considered common to the industry.

Beside DKK, the group's companies trade mainly in EUR and GBP. Foreign cross border exchange risks shall be hedged on an individual basis.

Targets and expectations for the year ahead

In light of the realized result of TDKK 56,313 in 2023, the fact that Covid-19 pandemic is not an issue anymore and further improvement in the performance of some group companies, it is expected that the profit in 2023 will be between TDKK 48,000 and TDKK 52,000.

Research and development

Investments in product and market development will continue in 2024.

External environment

Management considers that the group's activities do not have a negative impact on the external environment.

Statement of corporate social responsibility

The parent company BPW Finans A/S acts as an administratively shared service center for the parent company and the 3 Danish subsidiaries as well as a subsidiary in Germany. Thus, the production of the parent company consists exclusively of administrative services and financial services provided by the parent company's 15 employees. All deliveries from the parent company are delivered in close cooperation between management and employees. The activities in question do not have a significant use of resources and thus do not have significant negative effects on the environment.

As a result of this organizing, management considers that there are no particular risks in the areas of environment and climate, social and employee relations, respect for human rights, as well as anti-corruption and bribery, and therefore the parent company has not developed written policies in these areas.

Management's review

BPW Finans A/S also acts as the parent company of several foreign subsidiaries that are not subject to reporting under sections §99a and §99b of the Danish Financial Statements Act.

Climate change and environmental approach

The activities in question do not have a significant use of resources and thus do not have significant negative effects on the environment. As a result of this organizing, management considers that there are no particular risks in the areas of environment and climate, and therefore the parent company has not developed written policies in these areas.

Human rights, employee relations and social relations approach

The parent company has a relatively low number of employees and as a result of this management considers that there are no particular risks in the areas of social and employee relations and respect for human rights, and therefore the parent company has not developed written policies in these areas.

Anti-corruption and bribery approach

The activities in question lays within areas with low or no bribery and corruption. As a result of this organizing, management considers that there are no particular risks in the areas of anti-corruption and bribery, and therefore the parent company has not developed written policies in these areas.

Statement on gender composition

BPW Finans A/S is obliged to explain the underrepresented gender according to ÅRL §99b, which includes an account of the gender composition of the Board of Directors. BPW Finans A/S has chosen to explain only the situation of the parent company, which by virtue of its size is itself subject to the requirements of section 99b of the Danish Financial Statements Act.

To ensure its competitiveness, the parent company relies on always hiring the most qualified employee in the specific job. This applies to both the board of directors, management, and other employees. Where qualifications are identical, the parent company's intention will be to ensure gender balance as far as possible. Against this background, the parent company's aim is to have a balanced distribution between the sexes at the different employee levels.

Target for the Board of Directors

The four members of the Board of Directors are males. Thereby, BPW Finans A/S did not reach the goal to have one woman on the Board by 2023. The goal was not met, as the new male member who has been elected is assessed to have the best qualifications. As the goal was not met, the company has chosen to set a new target of one woman on the Board by 2024.

Total number of members: 4
Underrepresented gender in percentage: 0 %
Target percentage: 25 %
Year for achieving the target: 2024

BPW Finans A/S aims to ensure the achievement of the target number by increasing the proportion of women on the board in connection with natural departures as well as the nomination and election of new board members, taking into account the board's overall competences and individual qualifications.

Gender balance in other management levels

Total number of members: 3
Underrepresented gender in percentage: 0 %

The gender balance in other management layers has not been explained further, as the parent company BPW Finans A/S in 2023 has less than 50 employees and is therefore not covered by these rules.

Management's review

Statement on data ethics

It is the Group's assessment, that it does not have data that has not been adequately handled within GDPR legislation, why it is considered that there currently is no need of a data ethics policy.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Revenue	1	2,743,789	2,873,128	11,948	13,971
Other operating income		43,324	52,645	199	0
Expenses for raw materials and consumables		-2,091,743	-2,197,763	0	0
Other external expenses		-253,548	-288,409	-3,504	-4,570
Gross profit		441,822	439,601	8,643	9,401
Staff expenses	2	-347,439	-345,104	-9,593	-8,883
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		-28,202	-30,439	-1,183	-1,997
Profit/loss before financial income and expenses		66,181	64,058	-2,133	-1,479
Income from investments in subsidiaries		0	0	54,780	40,574
Financial income	3	27,639	15,119	41,063	23,194
Financial expenses	4	-38,735	-27,494	-36,883	-20,361
Profit/loss before tax		55,085	51,683	56,827	41,928
Tax on profit/loss for the year	5	1,228	-12,400	-514	-2,645
Net profit/loss for the year	6	56,313	39,283	56,313	39,283

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Acquired licenses		4,192	6,384	967	1,804
Goodwill		524	599	0	0
Intangible assets	7	4,716	6,983	967	1,804
Land and buildings		131,629	123,519	14,658	13,049
Plant and machinery		49,383	55,489	0	0
Other fixtures and fittings, tools and equipment		20,326	21,536	23	30
Property, plant and equipment in progress		4	6,787	0	0
Property, plant and equipment	8	201,342	207,331	14,681	13,079
Investments in subsidiaries	9	0	0	766,125	697,277
Investments in associates	10	14,602	18,708	14,602	18,708
Receivables from group enterprises	11	568,491	612,443	713,743	839,946
Receivables from associates	11	1,864	4,377	1,863	4,296
Other investments	11	0	0	0	0
Other receivables	11	363	363	0	0
Fixed asset investments		585,320	635,891	1,496,333	1,560,227
Fixed assets		791,378	850,205	1,511,981	1,575,110
Inventories	12	589,748	544,039	1	4
Trade receivables		513,059	615,599	79	0
Receivables from group enterprises		66,663	11,082	16,344	11,369
Other receivables		30,992	28,642	477	3,269
Deferred tax asset	13	20,446	9,613	0	0
Corporation tax		0	0	680	0
Prepayments	14	10,866	10,963	891	696
Receivables		642,026	675,899	18,471	15,334

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Cash at bank and in hand		46,779	97,999	332	7,186
Current assets		1,278,553	1,317,937	18,804	22,524
Assets		2,069,931	2,168,142	1,530,785	1,597,634

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Share capital		179,114	179,114	179,114	179,114
Reserve for net revaluation under the equity method		0	0	360,338	291,495
Reserve for exchange rate conversion		-4,581	-18,648	0	0
Retained earnings		628,790	572,479	263,871	262,336
Equity		803,323	732,945	803,323	732,945
Provision for deferred tax	13	409	224	1,585	1,444
Provisions for pensions and similar obligations		23,989	25,020	0	0
Other provisions	15	12,710	10,221	0	0
Provisions		37,108	35,465	1,585	1,444
Payables to group enterprises		623,243	694,245	623,132	716,555
Long-term debt	16	623,243	694,245	623,132	716,555
Credit institutions		20,207	92,822	0	0
Trade payables		86,144	108,713	1,299	1,819
Payables to group enterprises	16	377,757	371,454	99,409	141,140
Corporation tax		3,650	4,166	0	0
Other payables		118,499	128,332	2,037	3,731
Short-term debt		606,257	705,487	102,745	146,690
Debt		1,229,500	1,399,732	725,877	863,245
Liabilities and equity		2,069,931	2,168,142	1,530,785	1,597,634
Contingent assets, liabilities and other financial obligations	19				
Related parties	20				
Fee to auditors appointed at the general meeting	21				
Subsequent events	22				
Accounting Policies	23				

Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	179,114	-18,648	572,479	732,945
Exchange adjustments	0	14,067	0	14,067
Other equity movements	0	0	-2	-2
Net profit/loss for the year	0	0	56,313	56,313
Equity at 31 December	179,114	-4,581	628,790	803,323

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	179,114	291,495	262,336	732,945
Exchange adjustments	0	14,067	0	14,067
Other equity movements	0	0	-2	-2
Net profit/loss for the year	0	54,776	1,537	56,313
Equity at 31 December	179,114	360,338	263,871	803,323

Cash flow statement 1 January - 31 December

	Note	Group	
		2023	2022
		TDKK	TDKK
Result of the year		56,313	39,283
Adjustments	17	52,137	43,841
Change in working capital	18	-34,041	-102,500
Cash flow from operations before financial items		74,409	-19,376
Financial income		27,639	15,119
Financial expenses		-38,735	-27,494
Cash flows from ordinary activities		63,313	-31,751
Corporation tax paid		-9,936	-14,521
Cash flows from operating activities		53,377	-46,272
Purchase of intangible assets		-1,885	-3,653
Purchase of property, plant and equipment		-31,672	-30,090
Fixed asset investments made etc		0	-616,855
Sale of intangible assets		1,739	0
Sale of property, plant and equipment		14,902	0
Sale of fixed asset investments made etc		49,635	495,599
Cash flows from investing activities		32,719	-154,999
Repayment of loans from credit institutions		-72,617	0
Repayment of payables to group enterprises		-64,699	0
Raising of loans from credit institutions		0	20,686
Raising of payables to group enterprises		0	169,712
Cash flows from financing activities		-137,316	190,398
Change in cash and cash equivalents		-51,220	-10,873
Cash and cash equivalents at 1 January		97,999	108,872
Cash and cash equivalents at 31 December		46,779	97,999
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		46,779	97,999
Cash and cash equivalents at 31 December		46,779	97,999

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
EU countries	1,772,095	1,922,830	11,948	13,971
Other European countries	969,549	949,455	0	0
Other countries	2,145	843	0	0
	2,743,789	2,873,128	11,948	13,971

The distribution of net revenue by business area does not differ significantly from each other, as the groups net revenue consists solely of production and marketing of components, spare parts and body accessories for semi-trailers and trucks and associated services.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2. Staff Expenses				
Wages and salaries	288,828	287,213	8,744	7,985
Pensions	20,179	20,625	633	539
Other social security expenses	38,432	37,266	44	59
Other staff expenses	0	0	172	300
	347,439	345,104	9,593	8,883
Including remuneration to the Executive Board and Board of Directors	4,678	4,446	780	780
Average number of employees	801	785	12	11

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
3. Financial income				
Interest received from group enterprises	27,090	14,639	38,490	15,394
Interest received from associates	0	0	235	302
Other financial income	549	479	1,393	6,763
Exchange gains	0	1	945	735
	27,639	15,119	41,063	23,194

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
4. Financial expenses				
Impairment losses on financial assets	4,321	3,865	0	0
Interest paid to group enterprises	32,807	15,581	32,166	15,935
Other financial expenses	1,607	8,048	4,717	4,426
	38,735	27,494	36,883	20,361

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
5. Income tax expense				
Current tax for the year	9,922	10,855	303	799
Deferred tax for the year	-11,150	-1,311	141	316
Adjustment of tax concerning previous years	0	715	70	715
Adjustment of deferred tax concerning previous years	0	2,141	0	815
	-1,228	12,400	514	2,645

Notes to the Financial Statements

	Parent company	
	2023	2022
	TDKK	TDKK
6. Profit allocation		
Reserve for net revaluation under the equity method	54,776	40,580
Retained earnings	1,537	-1,297
	56,313	39,283

7. Intangible fixed assets

	Group		Parent company	
	Acquired licenses	Goodwill	Acquired licenses	Goodwill
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	45,877	38,562	10,070	6,998
Exchange adjustment	434	436	0	0
Additions for the year	1,885	0	264	0
Disposals for the year	-5,256	-1,728	0	0
Cost at 31 December	42,940	37,270	10,334	6,998
Impairment losses and amortisation at 1 January	39,493	37,963	8,266	6,998
Exchange adjustment	394	435	0	0
Amortisation for the year	2,378	76	1,101	0
Reversal of impairment and amortisation of sold assets	-3,517	-1,728	0	0
Impairment losses and amortisation at 31 December	38,748	36,746	9,367	6,998
Carrying amount at 31 December	4,192	524	967	0

Notes to the Financial Statements

8. Property, plant and equipment

	Group				Parent company	
	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Land and buildings	Other fixtures and fittings, tools and equipment
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	246,409	225,656	146,849	6,787	49,819	73
Exchange adjustment	3,244	1,460	1,103	216	0	0
Additions for the year	15,568	9,808	6,276	20	5,866	0
Disposals for the year	-4,298	-11,015	-18,126	-6,841	-4,183	0
Transfers for the year	2,668	-1,295	-1,195	-178	0	0
Cost at 31 December	263,591	224,614	134,907	4	51,502	73
Impairment losses and depreciation at 1 January	122,890	170,167	125,313	0	36,770	43
Exchange adjustment	1,097	1,009	928	0	0	0
Depreciation for the year	5,682	13,470	6,596	0	74	7
Reversal of impairment and depreciation of sold assets	-115	-7,942	-17,321	0	0	0
Transfers for the year	2,408	-1,473	-935	0	0	0
Impairment losses and depreciation at 31 December	131,962	175,231	114,581	0	36,844	50
Carrying amount at 31 December	131,629	49,383	20,326	4	14,658	23

Notes to the Financial Statements

	Parent company	
	2023	2022
	TDKK	TDKK
9. Investments in subsidiaries		
Cost at 1 January	405,789	374,788
Additions for the year	0	31,000
Cost at 31 December	<u>405,789</u>	<u>405,788</u>
Value adjustments at 1 January	291,489	264,694
Exchange adjustment	14,067	-13,778
Net profit/loss for the year	54,780	41,105
Change in intercompany profit on inventories	0	-532
Value adjustments at 31 December	<u>360,336</u>	<u>291,489</u>
Carrying amount at 31 December	<u>766,125</u>	<u>697,277</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Exmax A/S	Kolding, Denmark	TDKK 5,000	100%
HBN-Teknik A/S	Ringsted, Denmark	TDKK 8,000	100%
Besko A/S	Aarhus, Denmark	TDKK 5,600	100%
Hesterberg & Söhne GmbH & Co. KG	Ennepetal, Germany	TEUR 7,450	100%
Hestal Umformung GmbH	Ennepetal, Germany	TEUR 26	100%
BPW Ltd.	Leicester, UK	TGBP 5,000	100%
Transpec Ltd.	Dublin, Ireland	TEUR 750	100%
BPW Polska Sp.Z.o.o.	Lomianki, Poland	TPLN 15,000	100%
BPW Benelux N.V.	Herstal, Belgium	TEUR 2,000	100%
EMS-FP&S Limited (subsidiary of BPW Limited)	Norwich, UK	TGBP 1,225	100%
Besko Nutzfahrzeugteile GmbH (subsidiary of Besko A/S)	Büdelndorf, Germany	TEUR 4,000	100%
TVP Benelux B.V. (subsidiary of BPW Benelux N.V.)	Veghel, Netherlands	TEUR 500	100%
Marpeto Polska Sp. Z.o.o. (subsidiary of BPW Polska Sp.Z.o.o.)	Lomianki, Poland	TPLN 15,000	100%

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
10. Investments in associates				
Cost at 1 January	22,420	22,420	22,420	22,420
Cost at 31 December	22,420	22,420	22,420	22,420
Value adjustments at 1 January	-3,712	0	-3,712	0
Revaluations for the year, net	-4,106	-3,718	-4,106	-3,718
Other adjustments	0	6	0	6
Value adjustments at 31 December	-7,818	-3,712	-7,818	-3,712
Carrying amount at 31 December	14,602	18,708	14,602	18,708

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership
Hendrickson Austria GmbH	Judenburg, Austria	TEUR 1,900	50%

Notes to the Financial Statements

11. Other fixed asset investments

	Group			Parent company		
	Receivables from group enterprises	Receivables from associates	Other receivables	Receivables from group enterprises	Receivables from associates	Other investments
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	612,443	4,377	363	839,946	4,296	14,945
Exchange adjustment	0	-81	0	0	0	0
Disposals for the year	-43,952	-5,683	0	-126,203	-2,433	0
Transfers for the year	0	3,104	0	0	0	0
Cost at 31 December	568,491	1,717	363	713,743	1,863	14,945
Revaluations at 1 January	0	0	0	0	0	0
Transfers for the year	0	147	0	0	0	0
Revaluations at 31 December	0	147	0	0	0	0
Impairment losses at 1 January	0	0	0	0	0	14,945
Impairment losses at 31 December	0	0	0	0	0	14,945
Carrying amount at 31 December	568,491	1,864	363	713,743	1,863	0

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

12. Inventories

Raw materials and consumables	44,189	40,110	0	0
Work in progress	11,528	10,551	0	0
Finished goods and goods for resale	534,031	493,378	1	4
	589,748	544,039	1	4

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
13. Deferred tax asset				
Deferred tax asset at 1 January	9,389	6,179	-1,444	-313
Other adjustments	0	8,767	0	-1,203
Amounts recognised in the income statement for the year	11,150	-5,557	-141	72
Amounts recognised in equity for the year	-502	0	0	0
Deferred tax asset at 31 December	20,037	9,389	-1,585	-1,444
Recognised in the balance sheet as follows:				
Assets	20,446	9,613	0	0
Provisions	-409	-224	-1,585	-1,444
	20,037	9,389	-1,585	-1,444

The recognised tax asset comprises tax loss carry-forwards expected to be utilised within the next two to four years. In connection with the assessment of the utilisation of the tax asset, special emphasis has been placed on the Group having implemented efficiency measures which are expected to have an effect in the coming years.

14. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
15. Other provisions				
The Company provides warranties of on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions of TDKK 89,012 (2022: TDKK 10,221) have been recognised for expected warranty claims.				
Other provisions	12,710	10,221	0	0
	12,710	10,221	0	0
The provisions are expected to mature as follows:				
Between 1 and 5 years	12,710	10,221	0	0
After 5 years	0	0	0	0
	12,710	10,221	0	0

Notes to the Financial Statements

Group		Parent company	
2023	2022	2023	2022
TDKK	TDKK	TDKK	TDKK

16. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Payables to group enterprises

After 5 years	0	444,888	260,925	444,888
Between 1 and 5 years	623,243	249,357	362,207	271,667
Long-term part	623,243	694,245	623,132	716,555
Within 1 year	75,990	138,653	98,460	138,653
Other short-term debt to group enterprises	301,767	232,801	949	2,487
	1,001,000	1,065,699	722,541	857,695

Group	
2023	2022
TDKK	TDKK

17. Cash flow statement - Adjustments

Financial income	-27,639	-15,119
Financial expenses	38,735	27,494
Depreciation, amortisation and impairment losses, including losses and gains on sales	28,202	32,845
Tax on profit/loss for the year	-1,228	12,400
Exchange adjustments	14,067	-13,779
	52,137	43,841

Notes to the Financial Statements

	Group	
	2023	2022
	TDKK	TDKK
18. Cash flow statement - Change in working capital		
Change in inventories	-45,709	-61,724
Change in receivables	42,612	-46,997
Change in other provisions	1,458	-1,705
Change in trade payables, etc	-32,402	7,926
	-34,041	-102,500

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
19. Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Future lease and rent commitments until expiration	137,819	172,811	558	98

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Owner mortgage deeds nom. TDKK 7,800 with a mortgage on the property Bragesvej 16, Ringsted, lies within the company.

Notes to the Financial Statements

20. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
BPW Bergische Achsen, Wiehl, Germany	Ultimate parent
Other related parties	
Tobias Wiedeking	Board member
Peter Christian Kierkegaard	Board member
Markus Manfred Schell	Board member
Thorsten Winterberg	Board member

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
BPW Bergische Achsen	Wiehl, Germany

The Group Annual Report of BPW Bergische Achsen may be obtained at the following address:
Ohlerhammer, 51674 Wiehl, Germany

Notes to the Financial Statements

	Group	
	2023	2022
	TDKK	TDKK
21. Fee to auditors appointed at the general meeting		
PricewaterhouseCoopers		
Audit fee	575	675
Other assurance engagements	4	0
Tax advisory services	282	89
Non-audit services	158	165
	1,019	929
Other auditors		
Audit fee	1,584	1,333
Other assurance engagements	139	102
Tax advisory services	99	132
	1,822	1,567

22. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

23. Accounting policies

The Annual Report of BPW FINANS A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, BPW FINANS A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

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

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Segment information on revenue

Information on geographical segments based on the Group's risks and returns and its internal financial reporting system. The Group has not disclosed the distribution of revenue by business segments, as the business segments do not differ from each other.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Notes to the Financial Statements

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries and associates

Dividends from associates are recognised as income in the income statement when adopted at the General Meeting of the associate. However, dividends relating to earnings in the associate before it was acquired by the Parent Company are set off against the cost of the associate.

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 8 year.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 20 year.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings	25-50 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-10 years

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries and associates

Investments in subsidiaries are recognised and measured under the equity method. Investments in associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Notes to the Financial Statements

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Provisions for pensions and similar obligations

The pension obligations of Danish companies are covered by insurance. Certain foreign companies are also covered by insurance. Foreign companies that are not or are only partly covered by insurance (defined benefit plans) recognise the actuarial liability at present value at the balance sheet date. The provisions are expected to mature as follows: within one year TDKK 300, between one and five years TDKK 163 and more than five years TDKK 23.526.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Notes to the Financial Statements

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$