



Westfalia-Automotive Denmark ApS

7000 Fredericia
CVR No. 25242246

Annual report 2022

The Annual General Meeting adopted the
annual report on 28.06.2023

Per Johan Almhed

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2022	8
Balance sheet at 31.12.2022	9
Statement of changes in equity for 2022	11
Notes	12
Accounting policies	15

Entity details

Entity

Westfalia-Automotive Denmark ApS

7000 Fredericia

Business Registration No.: 25242246

Registered office: Nordensvej 15B Taulov

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Per Johan Almhed

Bjarke Staunberg Andersen

Executive Board

Per Johan Almhed

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Westfalia-Automotive Denmark ApS for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Fredericia, 28.06.2023

Executive Board

Per Johan Almhed

Board of Directors

Per Johan Almhed

Bjarke Staunberg Andersen

Independent auditor's report

To the shareholders of Westfalia-Automotive Denmark ApS

Opinion

We have audited the financial statements of Westfalia-Automotive Denmark ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 28.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Wolff Mikkelsen

State Authorised Public Accountant
Identification No (MNE) mne33747

Martin Lund Nielsen

State Authorised Public Accountant
Identification No (MNE) mne45861

Management commentary

Primary activities

The company's business includes towbar and trade of other automotive accessories.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss	2	2,571,110	7,210,722
Staff costs	3	(4,439,539)	(4,771,294)
Depreciation, amortisation and impairment losses		(69,930)	(81,892)
Operating profit/loss		(1,938,359)	2,357,536
Other financial income		221,722	0
Other financial expenses	4	(1,188,525)	(1,086,594)
Profit/loss before tax		(2,905,162)	1,270,942
Tax on profit/loss for the year	5	(2,235,510)	(345,405)
Profit/loss for the year		(5,140,672)	925,537
Proposed distribution of profit and loss			
Retained earnings		(5,140,672)	925,537
Proposed distribution of profit and loss		(5,140,672)	925,537

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		76,678	146,608
Property, plant and equipment	6	76,678	146,608
Deposits		261,602	256,482
Financial assets		261,602	256,482
Fixed assets		338,280	403,090
Raw materials and consumables		102,539	112,925
Manufactured goods and goods for resale		6,411,970	7,155,531
Inventories		6,514,509	7,268,456
Trade receivables		3,998,250	5,925,949
Receivables from group enterprises		553,281	521,886
Deferred tax	7	0	2,235,510
Other receivables		501,955	136,508
Receivables		5,053,486	8,819,853
Cash		4,051,786	4,761,122
Current assets		15,619,781	20,849,431
Assets		15,958,061	21,252,521

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		500,000	500,000
Retained earnings		(6,642,935)	(1,502,263)
Equity		(6,142,935)	(1,002,263)
Payables to group enterprises		9,734,054	9,199,001
Non-current liabilities other than provisions	8	9,734,054	9,199,001
Trade payables		741,793	765,339
Payables to group enterprises		8,370,962	6,836,274
Other payables		3,254,187	5,454,170
Current liabilities other than provisions		12,366,942	13,055,783
Liabilities other than provisions		22,100,996	22,254,784
Equity and liabilities		15,958,061	21,252,521
Going concern	1		
Unrecognised rental and lease commitments	9		
Contingent assets	10		
Group relations	11		

Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	(1,502,263)	(1,002,263)
Profit/loss for the year	0	(5,140,672)	(5,140,672)
Equity end of year	500,000	(6,642,935)	(6,142,935)

Notes

1 Going concern

The company has worked on streamlining operations since the restructuring of its Nordic activities in 2018.

Unfortunately, in 2022, this work was not rewarded, due to the global supply chain and energy crisis, that showed a negative effect on the company's financial statement.

Management expects this negative trend to turn, and that the company will again be profitable and create a positive cash flow. In addition, the European parent company has issued a letter of support for Westfalia Denmark valid at least until June 30, 2024.

Based on the above, this financial statements is presented in accordance with the principle of continued operation.

2 Gross profit/loss

Other operating income comprises of salary compensation from COVID-19 . Other operating income accounted for 0 t.DKK in 2022 and 161 t.DKK in 2021

3 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	3,799,942	4,085,643
Pension costs	537,391	565,664
Other staff costs	102,206	119,987
	4,439,539	4,771,294
Average number of full-time employees	9	9

4 Other financial expenses

	2022 DKK	2021 DKK
Financial expenses from group enterprises	535,521	535,513
Other interest expenses	12,441	29,143
Exchange rate adjustments	640,563	495,919
Other financial expenses	0	26,019
	1,188,525	1,086,594

5 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Change in deferred tax	2,235,510	345,405
	2,235,510	345,405

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	1,500,690
Cost end of year	1,500,690
Depreciation and impairment losses beginning of year	(1,354,082)
Depreciation for the year	(69,930)
Depreciation and impairment losses end of year	(1,424,012)
Carrying amount end of year	76,678

7 Deferred tax

	2022 DKK	2021 DKK
Property, plant and equipment	0	117,509
Inventories	0	149,814
Tax losses carried forward	0	1,968,187
Deferred tax	0	2,235,510

Deferred tax assets

In the current year, there has been conducted a writ down of the deferred tax asset, due to uncertainty regarding the usage of the asset within a period of 3-5 years.

8 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK
Payables to group enterprises	9,734,054
	9,734,054

9 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	1,451,640	686,292

10 Contingent assets

The company possesses a contingent asset, due to previous years' tax losses. The tax losses carried forward per 31.12.2022 amount to 11.590 t.DKK.

11 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Horizon Global Corporation, USA

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Balance sheet items are translated using the exchange rates at the balance sheet date.

Public grants

Public grants are recognised when a final commitment has been received from the grantor and it is probable that the conditions of the grant will be fulfilled. Grants are recognised as income in the income statement as earned. Grants awarded for acquisition of assets are recognised as deferred income in the balance sheet, which is taken to income on a straight-line basis over the useful life of the asset.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of goods sold, consumables and external expenses.

Revenue

Revenue from the sale of goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Costs of goods sold

Costs of goods sold comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other financial income

Other financial income comprises interest income on receivables from group enterprises or exchange gains on securities, payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses on receivables from group enterprises or exchange losses on securities, payables and transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	5-7 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Cash

Cash comprises cash in bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.