

Buk-Auto A/S

Østre Havnevej 16A, 5700 Svendborg

CVR no. 27 34 23 96

Annual report 2020

Approved at the Company's annual general meeting on 4 May 2021

Chair of the meeting:

.....
Kenn Janerka Olsen





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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Buk-Auto A/S for the financial year 1 January - 31 December 2020.

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

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 Company at 31 December 2020 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2020.

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

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

Svendborg, 4 May 2021
Executive Board:

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Kenn Janerka Olsen

Board of Directors:

.....
Leonid Zikeev
Chair

.....
Kim Ole Vandbæk

.....
Peter Pasgaard Madsen

.....
Kenn Janerka Olsen

Independent auditor's report

To the shareholders of Buk-Auto A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Buk-Auto A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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 2020, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements 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 the 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:

Independent auditor's report

- ▶ 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.
- ▶ 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 note 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.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Odense, 4 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Brian Skovhus Jakobsen
State Authorised Public Accountant
mne27701



Management's review

Company details

Name	Buk-Auto A/S
Address, Postal code, City	Østre Havnevej 16A, 5700 Svendborg
CVR no.	27 34 23 96
Established	15 September 2003
Registered office	Svendborg
Financial year	1 January - 31 December
Website	www.bukauto.com
Telephone	+45 62 22 88 88
Board of Directors	Leonid Zikeev, Chair Kim Ole Vandbæk Peter Pasgaard Madsen Kenn Janerka Olsen
Executive Board	Kenn Janerka Olsen
Auditors	EY Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark

Management's review

Financial highlights for the Group

DKK'000	2020	2019	2018	2017	2016
Key figures					
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	6,289	746	4,362	16,226	5,181
Net financials	-2,073	-2,754	-3,388	-7,570	-2,499
Profit/loss for the year	3,086	-1,623	635	6,368	1,852
Total assets	55,928	77,504	89,863	175,263	111,570
Equity	18,476	15,046	17,128	30,171	28,944
Amount relating to investments in property, plant and equipment	-36	-3	-87	0	0
Financial ratios					
Return on assets	9.3%	0.7%	3.2%	11.2%	5.8%
Current ratio	161.6%	130.0%	128.1%	120.5%	129.3%
Equity ratio	33.0%	19.4%	19.1%	14.7%	25.9%
Return on equity	18.4%	-10.1%	2.7%	21.5%	7.5%
Average number of employees	16	16	14	16	14

For terms and definitions, please see the accounting policies.

Management's review

Business review

The Company is similar to previous years engaged in trading with specialized vehicles, spare parts and related services.

Financial review

The Company has continued its normal activities. There has not been any isolated events during the year that require mentioning in the Management's review.

The result for the year is a profit of DKK 3.086 thousand which is a positive development compared to the loss in 2019 at DKK 1.623 thousand.

The result for the year is lower than expected and but within an acceptable limit and with the Covid-19 restrictions during 2020 the result is acceptable.

Financial risks and use of financial instruments

The Company has no special risks besides what is common for the business it operates in.

Impact on the external environment

The Company has no effect on the external environment besides what is to be expected by an office environment.

Events after the balance sheet date

No events of material importance for the Company's financial situation have occurred after the end of the financial year.

Outlook

Management expects a satisfactory result for the fiscal year 2021. It is, although, uncertain to which extend the Covid-19 will have an impact on the result for the fiscal year 2021.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

Note	DKK	Group		Parent company	
		2020	2019	2020	2019
	Gross profit	14,689,321	9,511,333	7,822,640	3,853,568
2	Staff costs	-8,400,307	-8,764,980	-4,934,059	-4,209,162
	Depreciation and impairment of plant and equipment	-101,178	-147,283	-52,192	-51,192
	Profit/loss before net financials	6,187,836	599,070	2,836,389	-406,786
	Income from investments in subsidiaries	0	0	1,284,701	-977,658
3	Financial income	893	72,262	424,628	653,028
4	Financial expenses	-2,074,390	-2,826,698	-950,240	-1,129,321
	Profit/loss before tax	4,114,339	-2,155,366	3,595,478	-1,860,737
5	Tax for the year	-1,028,470	532,860	-509,609	238,231
	Profit/loss for the year	3,085,869	-1,622,506	3,085,869	-1,622,506

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK	Group		Parent company	
		2020	2019	2020	2019
		ASSETS			
		Fixed assets			
6	Property, plant and equipment				
	Plant and machinery	0	0	0	0
	Other fixtures and fittings, tools and equipment	48,007	217,543	48,007	48,503
	Leasehold improvements	32,012	48,008	32,012	48,008
		<u>80,019</u>	<u>265,551</u>	<u>80,019</u>	<u>96,511</u>
7	Investments				
	Investments in subsidiaries	0	0	14,934,877	13,118,239
	Deposits, investments	102,620	90,120	102,620	90,120
		<u>102,620</u>	<u>90,120</u>	<u>15,037,497</u>	<u>13,208,359</u>
	Total fixed assets	<u>182,639</u>	<u>355,671</u>	<u>15,117,516</u>	<u>13,304,870</u>
	Non-fixed assets				
	Inventories				
	Finished goods and goods for resale	8,133,681	13,650,049	3,388,349	1,736,224
	Prepayments for goods	19,302,391	26,663,335	8,853,191	2,290,072
		<u>27,436,072</u>	<u>40,313,384</u>	<u>12,241,540</u>	<u>4,026,296</u>
	Trade receivables	24,025,715	25,766,098	7,677,758	4,551,472
	Receivables from subsidiaries	0	0	12,308,016	20,202,137
9	Deferred tax assets	45,045	611,620	5,074	203,103
	Corporation tax receivable	0	286,259	0	44,704
	Other receivables	189,981	9,316,134	53,886	208,905
	Prepayments	95,633	120,733	63,116	58,551
		<u>24,356,374</u>	<u>36,100,844</u>	<u>20,107,850</u>	<u>25,268,872</u>
	Cash	<u>3,952,531</u>	<u>733,624</u>	<u>728,219</u>	<u>27,300</u>
	Total non-fixed assets	<u>55,744,977</u>	<u>77,147,852</u>	<u>33,077,609</u>	<u>29,322,468</u>
	TOTAL ASSETS	<u>55,927,616</u>	<u>77,503,523</u>	<u>48,195,125</u>	<u>42,627,338</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK	Group		Parent company	
		2020	2019	2020	2019
		EQUITY AND LIABILITIES			
		Equity			
8	Share capital	683,980	683,980	683,980	683,980
	Net revaluation reserve according to the equity method	0	0	6,448,375	4,819,597
	Retained earnings	17,792,154	14,362,209	11,343,779	9,542,612
	Total equity	18,476,134	15,046,189	18,476,134	15,046,189
		Liabilities other than provisions			
10	Non-current liabilities other than provisions				
11	Subordinate loan capital	2,960,000	2,960,000	640,000	640,000
	Other payables	0	167,358	0	114,280
		2,960,000	3,127,358	640,000	754,280
		Current liabilities other than provisions			
	Bank debt	11,292,985	37,263,268	8,661,774	9,953,121
	Prepayments received from customers	623,963	1,833,990	109,422	853,036
	Trade payables	4,817,081	3,306,514	2,417,756	473,089
	Payables to subsidiaries	0	0	669,136	148,574
	Corporation tax payable	224,309	0	311,603	0
	Payables to shareholders and management	644,325	685,864	558,244	608,374
	Other payables	16,888,819	16,240,340	16,351,056	14,790,675
		34,491,482	59,329,976	29,078,991	26,826,869
		37,451,482	62,457,334	29,718,991	27,581,149
	TOTAL EQUITY AND LIABILITIES	55,927,616	77,503,523	48,195,125	42,627,338

- 1 Accounting policies
- 13 Contractual obligations and contingencies, etc.
- 14 Collateral
- 15 Related parties
- 16 Appropriation of profit/loss



Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK	Group		
		Share capital	Retained earnings	Total
	Equity at 1 January 2019	683,980	16,443,842	17,127,822
	Transfer through appropriation of loss	0	-1,622,506	-1,622,506
	Adjustment of investments through foreign exchange adjustments	0	20,347	20,347
	Non-cash contribution	0	-614,710	-614,710
	Tax on items recognised directly in equity	0	135,236	135,236
	Equity at 1 January 2020	683,980	14,362,209	15,046,189
	Transfer through appropriation of profit	0	3,085,869	3,085,869
	Adjustment of investments through foreign exchange adjustments	0	-135,398	-135,398
	Non-cash contribution	0	614,710	614,710
	Tax on items recognised directly in equity	0	-135,236	-135,236
	Equity at 31 December 2020	683,980	17,792,154	18,476,134



Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity (continued)

		Parent company			
		Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Note	DKK				
	Equity at 1 January 2019	683,980	6,256,382	10,187,460	17,127,822
16	Transfer, see "Appropriation of profit/loss"	0	-977,658	-644,848	-1,622,506
	Adjustment of investments through foreign exchange adjustments	0	20,347	0	20,347
	Non-cash contribution	0	-479,474	0	-479,474
	Equity at 1 January 2020	683,980	4,819,597	9,542,612	15,046,189
16	Transfer, see "Appropriation of profit/loss"	0	1,284,702	1,801,167	3,085,869
	Adjustment of investments through foreign exchange adjustments	0	-135,398	0	-135,398
	Non-cash contribution	0	479,474	0	479,474
	Equity at 31 December 2020	683,980	6,448,375	11,343,779	18,476,134

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK	Group	
		2020	2019
	Profit/loss for the year	3,085,869	-1,622,506
17	Adjustments	1,014,174	-326,697
	Cash generated from operations (operating activities)	4,100,043	-1,949,203
18	Changes in working capital	24,261,704	-11,293,269
	Cash generated from operations (operating activities)	28,361,747	-13,242,472
	Income taxes paid	-86,563	-45,096
	Cash flows from operating activities	28,275,184	-13,287,568
	Additions of property, plant and equipment	-35,700	-2,658
	Disposals of property, plant and equipment	100,130	0
	Purchase of financial assets	-12,500	0
	Cash flows to investing activities	51,930	-2,658
	Proceeds of debt, other related parties	862,076	1,973,405
	Cash flows from financing activities	862,076	1,973,405
	Net cash flow	29,189,190	-11,316,821
	Cash and cash equivalents at 1 January	-36,529,644	-25,212,823
19	Cash and cash equivalents at 31 December	-7,340,454	-36,529,644

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Buk-Auto A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates are recognised in the consolidated financial statements using the equity method.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

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

Gross profit

The items revenue, cost of sales, other income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation and impairment

The item comprises depreciation and impairment of plant and equipment.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

The item includes dividend received from subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Gains or losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

Impairment of fixed assets

The carrying amount of plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Treasury shares

Purchases of treasury shares are taken directly to equity under "Retained earnings".

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

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

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

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

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK	Group		Parent company	
	2020	2019	2020	2019
2 Staff costs				
Wages/salaries	8,311,634	8,660,939	4,868,581	4,137,523
Other social security costs	88,673	104,041	65,478	71,639
	<u>8,400,307</u>	<u>8,764,980</u>	<u>4,934,059</u>	<u>4,209,162</u>
	Group		Parent company	
	2020	2019	2020	2019
Average number of full-time employees	<u>16</u>	<u>16</u>	<u>10</u>	<u>10</u>
Group				
3 Financial income				
Interest receivable, subsidiaries	0	0	423,735	652,823
Other financial income	893	72,262	893	205
	<u>893</u>	<u>72,262</u>	<u>424,628</u>	<u>653,028</u>
4 Financial expenses				
Interest expenses, group entities	0	0	1,448	0
Other financial expenses	2,074,390	2,826,698	948,792	1,129,321
	<u>2,074,390</u>	<u>2,826,698</u>	<u>950,240</u>	<u>1,129,321</u>
5 Tax for the year				
Estimated tax charge for the year	597,131	1,820	311,603	0
Deferred tax adjustments in the year	431,339	-489,976	198,006	-193,527
Tax adjustments, prior years	0	-44,704	0	-44,704
	<u>1,028,470</u>	<u>-532,860</u>	<u>509,609</u>	<u>-238,231</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK	Group			Total
	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	
Cost at 1 January 2020	390,892	902,838	80,000	1,373,730
Foreign exchange adjustments	0	-40,905	0	-40,905
Additions	0	35,700	0	35,700
Disposals	0	-365,467	0	-365,467
Cost at 31 December 2020	390,892	532,166	80,000	1,003,058
Impairment losses and depreciation at 1 January 2020	390,892	685,295	31,992	1,108,179
Foreign exchange adjustments	0	-21,080	0	-21,080
Depreciation	0	85,281	15,996	101,277
Depreciation and impairment of disposals	0	-265,337	0	-265,337
Impairment losses and depreciation at 31 December 2020	390,892	484,159	47,988	923,039
Carrying amount at 31 December 2020	0	48,007	32,012	80,019

Note 14 provides more details on security for loans, etc. as regards plant and equipment.

DKK	Parent company			Total
	Other fixtures and fittings, tools and equipment	Leasehold improvements		
Cost at 1 January 2020	105,575	80,000		185,575
Additions	35,700	0		35,700
Cost at 31 December 2020	141,275	80,000		221,275
Impairment losses and depreciation at 1 January 2020	57,072	31,992		89,064
Depreciation	36,196	15,996		52,192
Impairment losses and depreciation at 31 December 2020	93,268	47,988		141,256
Carrying amount at 31 December 2020	48,007	32,012		80,019

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

7 Investments

	Group
	Deposits, investments
DKK	
Cost at 1 January 2020	90,120
Additions	12,500
Cost at 31 December 2020	102,620
Carrying amount at 31 December 2020	102,620

	Parent company		
	Investments in subsidiaries	Deposits, investments	Total
DKK			
Cost at 1 January 2020	8,298,642	90,120	8,388,762
Additions	187,860	12,500	200,360
Cost at 31 December 2020	8,486,502	102,620	8,589,122
Value adjustments at 1 January 2020	4,819,597	0	4,819,597
Foreign exchange adjustments	-135,397	0	-135,397
Profit/loss for the year	1,284,701	0	1,284,701
Changes in equity	479,474	0	479,474
Value adjustments at 31 December 2020	6,448,375	0	6,448,375
Carrying amount at 31 December 2020	14,934,877	102,620	15,037,497

Parent company

Name	Domicile	Interest	Equity DKK	Profit/loss DKK
Subsidiaries				
Africa Automotive A/S	Svendborg	100.00%	13,385,495	10,937
Buk-Auto Denmark ApS	Svendborg	100.00%	249,046	25,890
Global Automotive Inc.	USA	100.00%	1,300,337	1,247,869

	Parent company	
	2020	2019
DKK		
8 Share capital		
Analysis of the share capital:		
683,980 shares of DKK 1.00 nominal value each	683,980	683,980
	683,980	683,980

The capital was increased from 500,000 DKK to 683,980 DKK in 2018 as a part of the change in the ownership structure of the Group.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK	Group		Parent company	
	2020	2019	2020	2019
9 Deferred tax				
Deferred tax at 1 January	-611,620	13,592	-203,103	-9,576
Annual adjustment of deferred tax in equity transactions	135,236	-135,236	0	0
Annual adjustment of deferred tax in income statement	431,339	-489,976	198,029	-193,527
Deferred tax at 31 December	-45,045	-611,620	-5,074	-203,103
Deferred tax relates to:				
Property, plant and equipment	910	-3,372	910	-3,372
Inventories	-52,343	20,112	-12,372	-287
Receivables	6,388	5,383	6,388	5,383
Tax loss	0	-633,743	0	-204,827
	-45,045	-611,620	-5,074	-203,103

10 Non-current liabilities other than provisions

DKK	Group			
	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Subordinate loan capital	2,960,000	0	2,960,000	0
	2,960,000	0	2,960,000	0

Other payables consist of holiday liabilities in connection with the New Danish Holiday Act to be paid in 2021.

DKK	Parent company			
	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Subordinate loan capital	640,000	0	640,000	0
	640,000	0	640,000	0

Other payables consist of holiday liabilities in connection with the New Danish Holiday Act to be paid in 2021.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

11 Subordinate loan capital

Group

Loan DKK 2.960 thousand has been granted by shareholders and is subordinated in relation to all other creditors. The term to maturity depends on other funding. The interest is paid on a quarterly basis.

Parent company

Loan DKK 640 thousand has been granted by shareholders and is subordinated in relation to all other creditors. The term to maturity depends on other funding. The interest is paid on a quarterly basis.

12 Derivative financial instruments

Group

The Group uses hedging instruments such as forward exchange contracts and currency swaps to hedge recognised transactions.

Group

Recognised transactions

Hedging of recognised transactions primarily includes receivables and payables.

At 31 December 2020 the value according to contract amounts to DKK 10,935 thousand and the net position amounts to DKK 10 thousand.

13 Contractual obligations and contingencies, etc.

Other contingent liabilities

DKK	Group		Parent company	
	2020	2019	2020	2019
Rent agreement	262,500	160,000	262,500	160,000
	<u>262,500</u>	<u>160,000</u>	<u>262,500</u>	<u>160,000</u>

Parent company

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes for income year 2018 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 31 December 2020.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

14 Collateral

Group

The subsidiary Africa Automotive A/S has provided a company charge comprising all the Company's assets, however with an upper limit of DKK 20 million, as collateral for the Group's commitments with Jyske Bank. At 31 December 2020, the amount drawn in respect of these commitments was DKK 9.4 million.

Buk-Auto A/S, Buk-Auto Denmark ApS' and Africa Automotive A/S has provided a guarantee whereby the guarantor assumes primary liability in relation to Buk-Auto Ltd.'s commitments with Jyske Bank. At 31 December 2020, the amount drawn in respect of these commitments was DKK 1.4 million.

Buk-Auto A/S has established bank guarantees for a total amount of DKK 0 million (2019: DKK 0.9 million).

Parent company

The parent company has provided a guarantee whereby the guarantor assumes primary liability in relation to subsidiaries' and Buk-Auto Ltd.'s commitments with Jyske Bank. At 31 December 2019, the amount drawn in respect of these commitments was DKK 29.3 million.

The parent company has established bank guarantees for a total amount of DKK 0 million (2019: DKK 0.9 million).

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

15 Related parties

Group

Related party transactions

DKK	2020	2019
Group		
Sale of goods to other related party	2,547,172	1,661,348
Purchase of goods other related party	0	2,680,152
Management fee from other related party	210,609	286,722
Bonus to shareholders	4,322,401	2,927,841
Interest income from other related party	0	29,634
Interest expenses to other related party	350,064	358,288
Interest expenses to shareholders	177,760	186,980
Payable to other related party	15,397,832	14,535,756
Payable to shareholders and management	3,604,325	3,925,875
Parent Company		
Sale of goods to subsidiaries	9,539,215	533,897
Sale of goods to other related party	2,547,172	1,661,348
Purchase of goods from subsidiaries	0	404,829
Purchase of goods from other related party	0	2,680,152
Management fee from subsidiaries and other related party	1,997,882	1,866,968
Bonus to shareholders	1,760,252	982,236
Interest income from subsidiaries and other related party	423,735	682,457
Interest expenses to subsidiaries and other related party	351,513	313,411
Interest expenses to shareholders	38,560	47,780
Receivables from subsidiaries	12,308,016	20,154,442
Payables to subsidiaries	669,136	148,574
Payables to other related party (Included in Other payables)	15,397,832	14,535,756
Payables to shareholders and management	1,198,244	1,409,590

By reference to section 98b(3), (i), of the Danish Financial Statements Act, total remuneration to Management amounts to DKK 1.106 thousand in 2019 (2019: DKK 757 thousand).

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
KJO1965 ApS	Svendborg
Hasselriis ApS	Odense
CPT Invest ApS	Svendborg
Leonid Zikeev	Portugal

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK	Parent company	
	2020	2019
16 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Net revaluation reserve according to the equity method	1,284,702	-977,658
Retained earnings/accumulated loss	1,801,167	-644,848
	<u>3,085,869</u>	<u>-1,622,506</u>
17 Adjustments		
Amortisation/depreciation and impairment losses	101,277	147,283
Tax for the year	1,028,308	-488,156
Exchange rate adjustment etc.	-115,411	14,176
	<u>1,014,174</u>	<u>-326,697</u>
18 Changes in working capital		
Change in inventories	11,837,774	-12,273,452
Change in receivables	10,891,636	14,662,642
Change in trade and other payables	1,532,294	-13,682,459
	<u>24,261,704</u>	<u>-11,293,269</u>
19 Cash and cash equivalents at year-end		
Cash according to the balance sheet	3,952,531	733,624
Short-term debt to banks	-11,292,985	-37,263,268
	<u>-7,340,454</u>	<u>-36,529,644</u>

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"By my signature I confirm all dates and content in this document."

Kenn Janerka Olsen

Executive Board

On behalf of: Buk-Auto A/S

Serial number: PID:9208-2002-2-814216244841

IP: 87.48.xxx.xxx

2021-05-07 08:10:05Z

NEM ID 

Kenn Janerka Olsen

Chairman

On behalf of: Buk-Auto A/S

Serial number: PID:9208-2002-2-814216244841

IP: 87.48.xxx.xxx

2021-05-07 08:10:05Z

NEM ID 

Kenn Janerka Olsen

Board of Directors

On behalf of: Buk-Auto A/S

Serial number: PID:9208-2002-2-814216244841

IP: 87.48.xxx.xxx

2021-05-07 08:14:13Z

NEM ID 

The name is withheld (SSN validated)

Board of Directors

On behalf of: Buk-Auto A/S

Serial number: PID:9208-2002-2-394779482710

IP: 87.48.xxx.xxx

2021-05-07 11:35:36Z

NEM ID 

The name is withheld (SSN validated)

Board of Directors

On behalf of: Buk-Auto A/S

Serial number: PID:9208-2002-2-712341636783

IP: 50.216.xxx.xxx

2021-05-10 13:40:42Z

NEM ID 

Brian Skovhus Jakobsen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:90136501

IP: 145.62.xxx.xxx

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