Buk-Auto A/S

Østre Havnevej 16A, 5700 Svendborg

CVR no. 27 34 23 96

Annual report 2022

Approved at the Company's annual general meeting on 17 May 2023

Chair of the meeting:

....
Kim Ole Vandbæk

Contents

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 2022.

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 2022 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 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Svendborg, 17 May 2023
Executive Board:

Kim Ole Vandbæk

Board of Directors:

Leonid Zikeev Chairman	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 2022, 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 2022, 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 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 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" (herinafter 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' 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.

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.

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, 17 May 2023
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, Chairman
	Kim Ole Vandbæk
	Peter Pasgaard Madsen
	Kenn Janerka Olsen
Executive Board	Kim Ole Vandbæk
Auditors	EY Godkendt Revisionspartnerselskab
	Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Financial highlights for the Group

DKK'000	2022	2021	2020	2019	2018
Key figures					
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	5,652	3,417	6,289	746	4,362
Net financials	-2,110	-1,285	-2,073	-2,754	-3,388
Profit for the year	**2,643**	**1,592**	**3,086**	**-1,623**	**635**
Total assets	77,653	78,795	55,928	77,504	89,863
Investments in property, plant and equipment	0	-36	-36	-3	-87
Equity	**18,612**	**12,660**	**18,476**	**15,046**	**17,128**
Financial ratios					
Return on assets	7.2%	5.0%	9.3%	0.7%	3.2%
Current ratio	138.7%	124.8%	161.6%	130.0%	128.1%
Equity ratio	24.0%	16.1%	33.0%	19.4%	19.1%
Return on equity	16.9%	10.2%	18.4%	-10.1%	2.7%
Average number of full-time employees	**13**	**15**	**16**	**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 income statement for 2022 shows a profit of DKK 2,643,028 against a profit of DKK 1,591,610 last year, and the balance sheet at 31 December 2022 shows equity of DKK 18,612,004.

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 lower than expected but within an acceptable limit and with the Covid-19 restrictions during 2022 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 profit before tax in the range of DKK 1.0 to 1.5 million for the fiscal year 2023 where the uncertainty is to which extend the present lack of supplies in the car industry will have an impact on the final result.

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

Income statement

Note	DKK	Group 2022	Group 2021	Parent company 2022	Parent company 2021
	Gross profit	13,048,587	10,747,116	3,410,449	5,844,109
2	Staff costs	-7,396,948	-7,330,492	-4,092,265	-4,422,525
	Depreciation and impairment of plant and equipment	-40,044	-50,909	-40,044	-50,909
	Profit/loss before net financials	5,611,595	3,365,715	-721,860	1,370,675
	Income from investments in subsidiaries	0	0	3,702,225	682,440
3	Financial income	242,145	176,969	401,390	465,625
4	Financial expenses	-2,352,557	-1,462,452	-1,036,531	-665,205
	Profit before tax	3,501,183	2,080,232	2,345,224	1,853,535
5	Tax for the year	-858,155	-488,622	297,805	-261,925
	Profit for the year	2,643,028	1,591,610	2,643,029	1,591,610

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

Balance sheet

		Group		Parent company	
Note	**DKK**	**2022**	**2021**	**2022**	**2021**
	ASSETS				
	Fixed assets				
6	**Property, plant and equipment**				
	Plant and machinery	0	0	0	0
	Other fixtures and fittings, tools and equipment	25,516	49,544	25,516	49,544
	Leasehold improvements	0	16,016	0	16,016
		25,516	65,560	25,516	65,560
7	**Investments**				
	Investments in subsidiaries	0	0	20,170,008	13,158,641
	Deposits, investments	38,900	38,900	38,900	38,900
		38,900	38,900	20,208,908	13,197,541
	Total fixed assets	64,416	104,460	20,234,424	13,263,101
	Non-fixed assets				
	Inventories				
	Finished goods and goods for resale	34,095,001	26,335,369	2,746,890	184,937
	Prepayments for goods	13,663,638	28,489,784	5,902,239	7,412,732
		47,758,639	54,825,153	8,649,129	7,597,669
	Receivables				
	Trade receivables	22,326,557	16,315,288	2,289,927	2,626,479
	Receivables from subsidiaries	0	0	8,590,405	18,270,221
10	Deferred tax assets	118,314	395,452	24,208	0
	Corporation tax receivable	0	153,755	325,959	0
	Other receivables	1,116,104	3,428,632	19,939	21,618
8	Prepayments	1,034,068	63,055	5,685	15,235
		24,595,043	20,356,182	11,256,123	20,933,553
	Cash	5,235,127	3,509,595	592,654	1,637,678
	Total non-fixed assets	77,588,809	78,690,930	20,497,906	30,168,900
	TOTAL ASSETS	77,653,225	78,795,390	40,732,330	43,432,001

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

Balance sheet

		Group		Parent company	
Note	**DKK**	**2022**	**2021**	**2022**	**2021**
	EQUITY AND LIABILITIES				
	Equity				
9	Share capital	683,980	683,980	683,980	683,980
	Net revaluation reserve according to the equity method	0	0	11,683,508	4,672,140
	Translation reserve	108,002	2,327	0	0
	Hedging reserve	627,416	-2,576,053	0	0
	Retained earnings	17,192,606	14,549,578	6,244,516	7,303,712
	Total equity	18,612,004	12,659,832	18,612,004	12,659,832
	Provisions				
10	Deferred tax	0	0	0	1,638
	Total provisions	0	0	0	1,638
	Liabilities other than provisions				
11	**Non-current liabilities other than provisions**				
12	Subordinate loan capital	2,640,000	2,640,000	320,000	320,000
	Other payables	465,317	455,737	336,128	329,205
		3,105,317	3,095,737	656,128	649,205
	Current liabilities other than provisions				
	Bank debt	29,921,274	24,242,719	6,701,426	12,314,716
	Prepayments received from customers	8,219,079	15,626,117	1,201,459	134,709
	Trade payables	8,590,977	6,382,065	1,986,040	4,036,910
	Payables to subsidiaries	0	0	8,345,126	435,167
	Corporation tax payable	607,305	0	0	255,213
	Payables to shareholders and management	2,799,937	2,695,973	2,537,579	2,695,973
	Other payables	5,797,332	14,092,947	692,568	10,248,638
		55,935,904	63,039,821	21,464,198	30,121,326
	Total liabilities other than provisions	59,041,221	66,135,558	22,120,326	30,770,531
	TOTAL EQUITY AND LIABILITIES	77,653,225	78,795,390	40,732,330	43,432,001

1 Accounting policies
14 Contractual obligations and contingencies, etc.
15 Collateral
16 Related parties
17 Appropriation of profit

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

Statement of changes in equity

		Group				
Note	DKK	Share capital	Translation reserve	Hedging reserve	Retained earnings	Total
	Equity at 1 January 2021	683,980	-115,051	0	17,907,205	18,476,134
	Transfer through appropriation of profit	0	0	0	1,591,610	1,591,610
	Adjustment of investments through foreign exchange adjustments	0	117,378	0	0	117,378
	Adjustment of hedging instruments at fair value	0	0	-3,302,632	0	-3,302,632
	Tax on items recognised directly in equity	0	0	726,579	0	726,579
	Purchase of treasury shares	0	0	0	-4,949,237	-4,949,237
	Equity at 1 January 2022	683,980	2,327	-2,576,053	14,549,578	12,659,832
	Transfer through appropriation of profit	0	0	0	2,643,028	2,643,028
	Adjustment of investments through foreign exchange adjustments	0	105,675	0	0	105,675
	Adjustment of hedging instruments at fair value	0	0	4,107,009	0	4,107,009
	Tax on items recognised directly in equity	0	0	-903,540	0	-903,540
	Equity at 31 December 2022	683,980	108,002	627,416	17,192,606	18,612,004

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

Statement of changes in equity (continued)

		Parent company			
Note	**DKK**	**Share capital**	**Net revaluation reserve according to the equity method**	**Retained earnings**	**Total**
	Equity at 1 January 2021	683,980	6,448,375	11,343,779	18,476,134
17	Transfer, see "Appropriation of profit"	0	682,440	909,170	1,591,610
	Non-cash contribution	0	-2,458,675	0	-2,458,675
	Purchase of treasury shares	0	0	-4,949,237	-4,949,237
	Equity at 1 January 2022	683,980	4,672,140	7,303,712	12,659,832
17	Transfer, see "Appropriation of profit"	0	3,702,225	-1,059,196	2,643,029
	Non-cash contribution	0	3,309,143	0	3,309,143
	Equity at 31 December 2022	683,980	11,683,508	6,244,516	18,612,004

The company owns treasury shares for a nominal value of DKK 171 thousand.

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

Cash flow statement

Note	DKK	Group 2022	Group 2021
	Profit for the year	2,643,028	1,591,610
18	Adjustments	1,003,874	656,906
	Cash generated from operations (operating activities)	3,646,902	2,248,516
19	Changes in working capital	-1,841,851	-4,482,125
	Cash generated from operations (operating activities)	1,805,051	-2,233,609
	Income taxes paid	-723,497	-490,515
	Cash flows from operating activities	1,081,554	-2,724,124
	Additions of property, plant and equipment	0	-36,450
	Refunded deposit	0	63,720
	Cash flows to investing activities	0	27,270
	Subordinated loans	0	-320,000
	Proceeds of debt, other related parties	-5,034,577	-5,426,578
	Acquisition of treasury shares	0	-4,949,238
	Cash flows from financing activities	-5,034,577	-10,695,816
	Net cash flow	-3,953,023	-13,392,670
	Cash and cash equivalents at 1 January	-20,733,124	-7,340,454
20	**Cash and cash equivalents at 31 December**	-24,686,147	-20,733,124

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 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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.

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

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

Notes to the financial statements

1 Accounting policies (continued)

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of subsidiaries which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

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.

Foreign currency translation

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

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

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

Notes to the financial statements

1 Accounting policies (continued)

Foreign group entities

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

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

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

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.

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

Notes to the financial statements

1 Accounting policies (continued)

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.

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

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In subsidiaries, the full elimination of internal profit and loss is carried out without regard to ownership shares., only proportional elimination of profit and loss is carried out, taking into account ownership shares.

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.

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

Notes to the financial statements

1 Accounting policies (continued)

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.

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 and 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.

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

Notes to the financial statements

1 Accounting policies (continued)

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.

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

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

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

Impairment losses are calculated as the difference between the carrying amount of the receivables and the expected cash flows.

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.

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

Notes to the financial statements

1 **Accounting policies (continued)**

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

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".

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.

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

Notes to the financial statements

1 Accounting policies (continued)

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.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

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.

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

Notes to the financial statements

1 **Accounting policies (continued)**

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	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

		Group		Parent company	
	DKK	2022	2021	2022	2021
2	**Staff costs**				
	Wages/salaries	7,324,651	7,245,660	4,042,825	4,367,017
	Other social security costs	72,297	84,832	49,440	55,508
		7,396,948	7,330,492	4,092,265	4,422,525
	Average number of full-time employees	13	15	8	9
3	**Financial income**				
	Interest receivable, subsidiaries	0	0	195,261	386,990
	Other financial income	242,145	176,969	206,129	78,635
		242,145	176,969	401,390	465,625
4	**Financial expenses**				
	Interest expenses, group entities	0	0	47,965	18,272
	Other financial expenses	2,352,557	1,462,452	988,566	646,933
		2,352,557	1,462,452	1,036,531	665,205
5	**Tax for the year**				
	Estimated tax charge for the year	581,016	112,451	-271,960	255,213
	Deferred tax adjustments in the year	277,139	376,171	-25,845	6,712
		858,155	488,622	-297,805	261,925

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

Notes to the financial statements

6 Property, plant and equipment

DKK	Group: Plant and machinery	Group: Other fixtures and fittings, tools and equipment	Group: Leasehold improvements	Group: Total
Cost at 1 January 2022	390,892	177,725	80,000	648,617
Cost at 31 December 2022	390,892	177,725	80,000	648,617
Impairment losses and depreciation at 1 January 2022	390,892	128,181	63,984	583,057
Depreciation	0	24,028	16,016	40,044
Impairment losses and depreciation at 31 December 2022	390,892	152,209	80,000	623,101
Carrying amount at 31 December 2022	0	25,516	0	25,516

Note 15 provides more details on security for loans, etc. as regards plant and equipment.

DKK	Parent company: Other fixtures and fittings, tools and equipment	Parent company: Leasehold improvements	Parent company: Total
Cost at 1 January 2022	177,725	80,000	257,725
Cost at 31 December 2022	177,725	80,000	257,725
Impairment losses and depreciation at 1 January 2022	128,181	63,984	192,165
Depreciation	24,028	16,016	40,044
Impairment losses and depreciation at 31 December 2022	152,209	80,000	232,209
Carrying amount at 31 December 2022	25,516	0	25,516

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

Notes to the financial statements

7 Investments

DKK	Group Deposits, investments
Cost at 1 January 2022	38,900
Cost at 31 December 2022	38,900
Carrying amount at 31 December 2022	38,900

DKK	Parent company Investments in subsidiaries	Deposits, investments	Total
Cost at 1 January 2022	8,486,502	38,900	8,525,402
Cost at 31 December 2022	8,486,502	38,900	8,525,402
Value adjustments at 1 January 2022	4,672,139	0	4,672,139
Foreign exchange adjustments	105,675	0	105,675
Profit/loss for the year	3,702,225	0	3,702,225
Changes in equity	3,203,467	0	3,203,467
Value adjustments at 31 December 2022	11,683,506	0	11,683,506
Carrying amount at 31 December 2022	20,170,008	38,900	20,208,908

Parent company

Name	Domicile	Interest
Africa Automotive A/S	Svendborg	100.00%
Buk-Auto Denmark ApS	Svendborg	100.00%
Global Automotive Inc.	USA	100.00%

8 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, including fair value adjustments of derivative financial instruments, based on fair value level 2, DKK 1.0 million.

DKK	Parent company 2022	2021
9 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 2022	Group 2021	Parent company 2022	Parent company 2021
10 Deferred tax				
Deferred tax at 1 January	-395,452	-45,045	1,638	-5,074
Annual adjustment of deffered tax in equity transactions	0	-726,579	0	0
Annual adjustment of deffered tax in income statement	277,138	376,172	-25,846	6,712
Deferred tax at 31 December	-118,314	-395,452	-24,208	1,638
Deferred tax relates to:				
Inventories	-73,768	25,965	-10,462	0
Receivables	-44,546	0	-13,746	0
Provisions	0	1,638	0	1,638
Tax loss	0	-423,055	0	0
	-118,314	-395,452	-24,208	1,638

The asset valuation is based on forcasts for the next 3 years.

11 Non-current liabilities other than provisions

	Group			
DKK	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Subordinate loan capital	2,640,000	0	2,640,000	0
Other payables	465,317	0	465,317	424,982
	3,105,317	0	3,105,317	424,982

Other payables consist of holiday liabilities in connection with the New Danish Holiday Act.

	Parent company			
DKK	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Subordinate loan capital	320,000	0	320,000	0
Other payables	336,128	0	336,128	295,792
	656,128	0	656,128	295,792

Other payables consist of holiday liabilities in connection with the New Danish Holiday Act.

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

Notes to the financial statements

12 Subordinate loan capital

Group

Loan DKK 2.640 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.

Parent company

Loan DKK 320 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.

13 Derivative financial instruments

Group

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

Group

Recognised transactions

Hedging of recognised transactions primarily includes receivables and payables.

At 31 December 2022 the value according to contract amounts to DKK 17,291 thousand and the net position amounts to DKK 303 thousand, which are reconised in the income statement.

Group

Forecast transactions

The Group uses forward exchange contracts to hedge expected currency risks relating to sale and purchase of goods in the coming year.

At 31 December 2022 the value according to contract amounts to DKK 63,901 thousand and the net position amounts to DKK 804 thousand, which are reconised in the hedging reserve.

Fair value disclosures

The Group has the following assets and liabilities measured at fair value:

DKK	Financial instruments
Group	
Fair value at year end	1,106,878
Unrealised fair value adjustments for the year, recognised in the income statement	265,259
Unrealised fair value adjustments for the year, recognised in hedging reserve	4,107,009
Fair value level	2
Parent Company	
Fair value at year end	71,639
Unrealised fair value adjustments for the year, recognised in the income statement	71,639
Fair value level	2

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

Notes to the financial statements

13 Derivative financial instruments (continued)

Parent company

Recognised transactions

Hedging of recognised transactions primarily includes receivables and payables.

At 31 December 2022 the value according to contract amounts to DKK 7,300 thousand and the net position amounts to DKK 72 thousand.

14 Contractual obligations and contingencies, etc.

Other contingent liabilities

	Group		Parent company	
DKK	**2022**	**2021**	**2022**	**2021**
Rent agreement	37,500	112,500	37,500	112,500
	37,500	112,500	37,500	112,500

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 2022.

15 Collateral

Group

The subsidary 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 2021, the amount drawn in respect of these commitments was DKK 25.3 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 2022, the amount drawn in respect of these commitments was DKK 3.2 million.

Parent company

The parent company has provided a guarantee whereby the guarantor assumes primary liability in relation to subsidaries' and Buk-Auto Ltd.'s commitments with Jyske Bank. At 31 December 2022, the amount drawn in respect of these commitments was DKK 22.4 million.

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

Notes to the financial statements

16 Related parties

Group

Related party transactions

DKK	2022	2021
Group		
Sale of goods to other related party	17,055,446	16,145,322
Purchase of goods other related party	12,375,328	3,442,029
Management fee from other related party	133,755	121,365
Bonus to shareholders and management	1,420,912	1,034,159
Salery to shareholders	2,070,000	2,100,000
Interest income from other related party	204,916	290,835
Interest expenses to other related party	22,707	53,513
Interest expenses to shareholders	254,474	303,145
Payable to other related party	4,936,677	9,971,254
Payable to shareholders and management	0	5,335,973
Parent Company		
Sale of goods to subsidiaries	19,338,889	5,230,325
Sale of goods to other related party	17,055,446	14,074,589
Purchase of goods from subsidiaries	1,423,804	1,366,592
Purchase of goods from other related party	12,375,328	3,442,029
Management fee from subsidiaries and other related party	1,514,557	1,577,513
Bonus to shareholders	0	541,578
Interest income from subsidiaries and other related party	400,176	386,990
Interest expenses to subsidiaries and other related party	47,965	273,186
Interest expenses to shareholders	115,274	50,899
Receivables from subsidiaries	8,590,405	18,270,221
Payables to subsidiaries	8,089,912	435,167
Payables to other related party (Included in Other payables)	552,431	9,971,254
Payables to shareholders and management	2,857,579	3,015,973

By reference to section 98b(3), (i), of the Danish Financial Statements Act, total remuneration to Management amounts to DKK 1,069 thousand in 2022 (2021: DKK 1,167 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
CPT Invest ApS	Svendborg
Leonid Zikeev	Portugal

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

Notes to the financial statements

		Parent company	
	DKK	2022	2021
17	**Appropriation of profit**		
	Recommended appropriation of profit		
	Net revaluation reserve according to the equity method	3,702,225	682,440
	Retained earnings/accumulated loss	-1,059,196	909,170
		2,643,029	1,591,610
18	**Adjustments**		
	Amortisation/depreciation and impairment losses	40,044	50,909
	Tax for the year	858,155	488,621
	Exchange rate adjustment etc.	105,675	117,376
		1,003,874	656,906
19	**Changes in working capital**		
	Change in inventories	7,066,514	-26,349,543
	Change in receivables	-3,597,334	4,504,355
	Change in trade and other payables	-5,311,031	17,363,063
		-1,841,851	-4,482,125
20	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	5,235,127	3,509,595
	Short-term debt to banks	-29,921,274	-24,242,719
		-24,686,147	-20,733,124

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

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

Kim Ole Vandbæk
Executive Board
On behalf of: Buk-Auto A/S
Serial number: 12a9ecd9-557a-45ce-98fb-29a4ebe600cc
IP: 152.115.xxx.xxx
2023-05-17 11:31:49 UTC

Kim Ole Vandbæk
Chair of the meeting
On behalf of: Buk-Auto A/S
Serial number: 12a9ecd9-557a-45ce-98fb-29a4ebe600cc
IP: 152.115.xxx.xxx
2023-05-17 11:31:49 UTC

Kim Ole Vandbæk
Board of Directors
On behalf of: Buk-Auto A/S
Serial number: 12a9ecd9-557a-45ce-98fb-29a4ebe600cc
IP: 152.115.xxx.xxx
2023-05-17 11:31:49 UTC

Kenn Janerka Olsen
Board of Directors
On behalf of: Buk-Auto A/S
Serial number: 16dff4c4-ce4b-491e-bac2-af0ffa570a73
IP: 87.48.xxx.xxx
2023-05-17 14:46:03 UTC

Peter Pasgaard Madsen (SSN validated)
Board of Directors
On behalf of: Buk-Auto A/S
Serial number: d89110aa-3a42-4dff-9773-9ec82747227c
IP: 87.48.xxx.xxx
2023-05-18 00:40:05 UTC

Brian Skovhus Jakobsen
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:90136501
IP: 83.75.xxx.xxx
2023-05-18 05:44:02 UTC

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