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## PG Development ApS

Skibhusvej 52 A, st.
5000 Odense C
CVR No. 27721575

# Annual report 2023

The Annual General Meeting adopted the annual report on 24.06.2024

**Peter Grøftehauge**
Chairman of the General Meeting

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# Entity details

### Entity

PG Development ApS
Skibhusvej 52 A, st.
5000 Odense C

Business Registration No.: 27721575
Registered office: Odense
Financial year: 01.01.2023 - 31.12.2023

### Executive Board

Peter Grøftehauge

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Tværkajen 5
P. O. Box 10
5100 Odense

# Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of PG Development ApS for the financial year 01.01.2023 - 31.12.2023.

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

In my opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023.

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

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

Odense, 24.06.2024

**Executive Board**

**Peter Grøftehauge**

# Independent auditor's report

**To the shareholders of PG Development ApS**

## Opinion

We have audited the consolidated financial statements and the parent financial statements of PG Development ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

## Basis for opinion

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

## Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in

Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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 commentary

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Odense, 24.06.2024

**Deloitte**
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

**Per Krause Therkelsen**
State Authorised Public Accountant
Identification No (MNE) mne19698

# Management commentary

## Financial highlights

| | 2023<br>DKK'000 | 2022<br>DKK'000 | 2021<br>DKK'000 | 2020<br>DKK'000 | 2019<br>DKK'000 |
|---|---|---|---|---|---|
| **Key figures** | | | | | |
| Revenue | 95,128 | 0 | 0 | 0 | 0 |
| Gross profit/loss | (2,699) | (318) | (1,752) | (421) | (7) |
| Operating profit/loss | (36,049) | (318) | (318) | (421) | (7) |
| Net financials | 2,383 | 132 | (2,657) | 1,165 | 125 |
| Profit/loss for the year | 547,174 | 17,745 | 8,769 | 18,542 | 9,441 |
| Profit for the year excl. minority interests | 547,787 | 17,745 | 8,769 | 18,542 | 9,441 |
| Balance sheet total | 1,632,887 | 93,301 | 69,366 | 57,545 | 40,150 |
| Investments in property, plant and equipment | 98,493 | 0 | 0 | 0 | 0 |
| Equity | 640,536 | 79,076 | 64,185 | 57,220 | 40,009 |
| Equity excl. minority interests | 622,471 | 79,076 | 64,185 | 57,220 | 40,009 |
| Cash flows from operating activities | 23,141 | (45) | (1,752) | (421) | (7) |
| Cash flows from investing activities | (541,217) | (8,986) | | | |
| Cash flows from financing activities | 621,690 | 9,031 | | | |
| | | | | | |
| **Ratios** | | | | | |
| Gross margin (%) | (2.84) | 0.00 | 0.00 | 0.00 | 0.00 |
| EBIT margin (%) | (37.90) | 0.00 | 0.00 | 0.00 | 0.00 |
| Net margin (%) | 576.22 | 0.00 | 0.00 | 0.00 | 0.00 |
| Return on equity (%) | 156.17 | 24.77 | 14.45 | 38.14 | 26.81 |
| Equity ratio (%) | 38.12 | 84.75 | 92.53 | 99.44 | 99.65 |

Do to changes of the annual report where the company make the consolidated financial statement, there is a non -comparability in the financial higlights.

The financial year 2023 show the financial highlight of the consolidated Group. According to the Annual Accounts Act §128, stk. 4, we have omitted from including main and key figures for 2022 - 2019. previous financial year on group level. Please be aware that it is the parent company's key figures that have been used for 2022-2019.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

**Gross margin (%):**
Gross profit/loss * 100
Revenue

**EBIT margin (%):**
Operating profit/loss * 100
Revenue

**Net margin (%):**
Profit/loss for the year * 100
Revenue

**Return on equity (%):**
Profit/loss for the year excl. minority interests * 100
Average equity excl. minority interests

**Equity ratio (%):**
Equity excl. minority interests * 100
Balance sheet total

## Primary activities

PG Development is a diversified holding company with a portfolio of investments spanning several industries. The strategic approach centers around acquiring and nurturing smaller, high-potential businesses while maintaining a significant stake in the flagship company, Autorola Group Holding A/S. This dual focus allows PG Development to balance steady income from established entities with growth opportunities from emerging enterprises.

The major investment, Autorola Group Holding A/S, continues to be the cornerstone of the portfolio, contributing significantly to revenue and profitability. Over the past fiscal year, Autorola Group Holding A/S achieved substantial growth, driven by strategic expansions and innovative product offerings.

Autorola group delivers vehicle auction IT systems, vehicle fleet management IT systems and IT systems for market insights to the automobile business. The IT systems are mainly developed at Autorola headquarters in Denmark and sold and implemented through Autorola subsidiaries.

### Vehicle auction system

The vehicle auction system offers a process for describing a vehicle and register it to an auction. The vehicle is then published to an international set of buyers and sold in an auction process. Autorola invoices buyer and seller a transaction fee for the sold car. The vehicle auction system offers the buyer and seller facilities to follow the sales process real time.

### Vehicle fleet management system

The vehicle fleet management system offers fleet owners to handle the process from reception of the vehicle to final disposal. Vehicles on the fleet management system can easily be registered on auction.

### Market insights

By investigating online market data Autorola can derive insights on market days' supply, prices and trends.

Please refer to homepage http://www.autorolagroup.com/ for a description of main product lines.

### Investments in associates

CXFacts provides a platform for banks and their corporate customers and is on a mission to improve collaboration between businesses and their banking partners to assist with common challenges for banks and their corporate customers, in terms of structured customer feedback, insight, and collaboration.
Please refer to homepage http://www.cxfacts.com/ for a description of main product lines.

### Other investments

Nexcom designs and delivers big data-driven, AI-powered software platforms that enable companies to automate routine tasks, monitor agent and system performance, and become more time-efficient.
Please refer to homepage www.nexcomglobal.com for a description of main product lines.

Sternula provides secure, global satellite-based connectivity for maritime authorities, ship owners, coast guards, and industrial services. The system provided AIS 2.0 is designed to securely connect ship and shore via satellite.
Please refer to homepage www.sternula.com for a description of main product lines.

## Development in activities and finances

This year's financial performance shows a profit after tax of DKK 548,143k. The balance sheet at 31 December 2023 shows an equity amount of DKK 641,505k and a balance sheet total of DKK 1,632,887k

Effective at December 1st, 2023, PG Development ApS has acquired 100 percent ownership of Autorola Group.

The acquisition of the remaining 50% share of Autorola Group has resulted in a significant gain. With the acquisition of the remaining 50%, PG Development has obtained control and therefore Autorola Group is included in the consolidated financial statements from December 1, 2023.

The acquisition of the 50% shares in Autorola Group is financed through a combination of bank loans, which will be repaid over the next 4 years, and mezzanine loans, which will remain outstanding for the first 4 years.

### Profit/loss for the year in relation to expected developments

The company finds the annual results and development satisfactory. The acquisition of the remaining 50% of Autorola Group has resulted in a significant gain.

### Uncertainty relating to recognition and measurement

There have been no material uncertainties or material unusual matters affecting recognition.

### Unusual circumstances affecting recognition and measurement

There have not been any unusual circumstances during the year.

### Outlook

Due to the investment and financing of the 50% shares in Autorola Group, the profit0 is expected to decrease.

Profit before tax and amortisation of acquired intangible assets is expected to reach between DKK 30-50m.

***Outlook Autorola Group***

Looking ahead to 2024, the automotive industry faces shifting dynamics.
Supply Rebound: OEM supply chains have rebounded, and traditional manufacturers now have excess production capacity to fill.

Electric Vehicle Regulations: Government regulations on electric vehicles are driving an oversupply into the market, even before genuine consumer demand fully materializes.

New Market Entrants: Companies like Tesla and various Chinese OEMs are introducing additional supply, aiming to capture market share through competitive pricing.

However, there's a mismatch: while the supply side expands, consumer demand is suppressed by inflation and rising interest rates. This realignment is putting downward pressure on used vehicle prices, requiring a 10-20% adjustment to return to pre-pandemic levels. Large fleets are struggling to offload vehicles at inflated prices.

The industry is shifting toward a "buyer's market," which could benefit Autorola. Additionally, environmental regulations and evolving OEM sales strategies will create a volatile landscape where Autorola Group can provide crucial support to dealers, OEMs, and fleet owners facing challenges.

***Outlook smaller investment***

Over the past year, these investments have shown strong performance and promising potential, contributing significantly to our portfolio's growth and stability.

Key achievements include notable revenue growth, successful market expansion, and continued innovation. The secondary investments have also benefited from operational improvements, resulting in enhanced efficiency and profitability.

Looking ahead, the plan is to increase capital allocation to high-performing investments, invest in talent acquisition and development, and form strategic partnerships to drive further growth. We are confident that these initiatives will unlock the full potential of our secondary investments.

## Knowledge resources

### Autorola values

All employees in Autorola are proud to present themselves with three core values, the 3R's:
**Result**: Produce results by adding value through everything you do. Honoring your part of the organizations mission and making a positive difference
**Responsibility**: Take responsibility by carrying your share of the load, having a positive attitude, and helping others to success – doing what is right. Mistakes cannot be avoided but should never be hidden.
**Respect**: Show respect for your co-workers, your customers, your organization and its resources and yourself.
In addition to our Autorola values we are currently in the process of defining our Autorola working values centered around the good employee, the good leader and good communication. All employees across Autorola group have had the opportunity to be a part of the process of defining Autorola working values through workshops and soon to come a group wide questionnaire to choose the top 5 working values within the areas of good employeeship, good leadership and good communication.

### Staff

At Autorola, we prioritize supporting the well-being and work-life balance of our employees. We offer flexible work arrangements and health insurance to ensure their needs are met. We also conduct exit interviews for all employees leaving Autorola and encourage open dialogue between all levels of the organization. In addition, we conduct an annual employee satisfaction survey to ensure we are meeting our employees' needs. We recognize the contributions of our long-term employees by celebrating their anniversaries.

Moreover, we are committed to the continuous personal and professional development of our employees. We encourage community engagement initiatives, such as providing paid time off for blood donations to all employees. Our organization prioritizes ethical business practices and transparency in all operations to build trust and foster accountability with all stakeholders.

### Supporting the community

With our organisation's roots coming from a Danish family business, a sense of community runs through our corporate DNA.

We exercise social responsibility by introducing and nurturing fresh talent into our organisation, via our work experience scheme. The scheme has been successful for several years, with some individuals being offered permanent placements after their studies have concluded.

We collaborate with the local municipality to offer internships and short-term job placements for employees who are currently outside the job market.

We also recognize the efforts carried out by our subsidiaries to support good causes and charities, with annual events being held by our subsidiaries and paid time off in DK for those who wish to donate blood.

Internally staff morale is nurtured by various social clubs, who organised events and activities, with management's full backing and support.

## Environmental performance

### Sustainability goals

PG Development is committed to minimizing our impact on the environment, promoting social equity, and ensuring economic sustainability. Our sustainability goals focus on areas where we believe we can make the most significant impact:

Sustainable transportation: PG Development advocates for the use of electric and hybrid vehicles and promotes active transportation. As our customer base is located worldwide, we encourage online training and support whenever feasible. In situations where traveling is necessary, PG Development supports the use of public transportation as much as possible, for the greatest benefit.

Sustainable sourcing: PG Development is committed to considering the environmental, social, and economic impact of our procurement processes. We carefully choose who we collaborate with and where we source our goods and services from. For instance, when selecting employee Christmas presents, we prioritize local suppliers and those who share our commitment to corporate social responsibility.

Social equity: PG Development aims to ensure diversity and inclusion in hiring practices, promotions, and leadership roles
within the organization. We are working on implementing measures to reduce biases and increase transparency in recruitment and advancement processes. Our workplace culture is very inclusive and respectful, and it promotes cultural awareness and sensitivity among employees.

### Protecting the environment

In addition to our specific sustainability goals, PG Development is committed to reducing our environmental impact in various other areas. As a company that provides lean services in the automotive industry, we naturally require less movement of vehicles, thereby reducing emissions.

Furthermore, we have significantly reduced our power consumption by hosting our services in the cloud and have minimized paper consumption by providing employees with online knowledge sharing systems. We also promote recycling and energy conservation in our offices to minimize our environmental footprint.

## Statutory report on corporate social responsibility

### Introduction

The PG Development Group's Corporate Social Responsibility (CSR) policy outlines practices put in place to uphold the core values of the Group within our corporate eco-system and towards the wide environment.

PG Development Group Core Values (Autorola’s 3 Rs):

- Results-oriented
- Responsibility
- Respect

This policy applies to the PG Development Group and its subsidiaries. It may also refer to suppliers and partners. We aim to be a responsible organisation that meets the highest standards of ethics and professionalism. Our company's social responsibility falls under two categories: compliance and proactiveness. Compliance refers to our company's commitment to legality and willingness to observe community values. Proactiveness is every initiative to protect the environment, respect human rights, nurture our workforce and ensure we operate in an open and transparent environment.

Our company will:

- Respect the law
- Honor its internal policies
- Ensure that all its business operations are legitimate
- Keep every partnership and collaboration open and transparent

We will always conduct business with integrity and respect to human rights. We will promote:

- Safety and fair dealing
- Respect towards the consumer
- Anti-bribery and anti-corruption practices

**Particular risks**
This section assesses the risk on social conditions, human rights, environment and anti-corruption from PG Development operation is business model.

**Social and employee conditions**
PG Development does not, by executing its business model, impose any relevant risk to social conditions. We believe that our policies and processes within this area are a safeguard should a situation nevertheless occur.

**Respecting Human Rights**
PG Development is present with a subsidiary in Turkey which has a problematic view on human rights. It is our believe that by doing business with Turkey we influence the business community with human rights values and hereby provide our small contribution to improve human rights in Turkey.

**Environmental and climate conditions**
PG Development is not a production company in any way, so we are not using resources or generating waste that can influence the environment or climate. PG Development influences the environment and climate by flying employees around the world and from have a high-power consumption from hosting a large server farm in the cloud. The risk can be reduced by putting pressure on our Cloud supplier to implement their 100% renewable energy faster and by reducing number of flights.

**Protection against corruption**
The management of PG Development is aware for the possibility of corruption and bribery. The highest risk of fraud is by handling vehicles outside PG Development systems and processes and hereby providing an employee a personal financial benefit. This risk is mitigated through controlling, through HQ supervision and information campaigns.

**Results from CSR work during 2023**
The main results from working with CSR in 2023 are:
1. Continue to improve the implementation of the General Data Protection Regulation of the 25th of May 2018 which ensure the rights of the data subject
2. Implementing 100% cloud based IT infrastructure for maximum power consumption efficiency
3. The PG Development Group hans no knowledge of any cases of corruption in the Group

4. Implemented whistle blower system throughout the Group

**Respecting human rights**

Our company is dedicated to protecting human rights. We are a committed equal opportunity employer and will abide by all fair labour practices. We will ensure that our activities do not directly or indirectly violate human rights in any country.

In practice we have made sure that our employee contracts are compliant with national legislation and labour practices.

**Data protection**

PG Development has implemented strong governance policies and practices, including risk management, ethics, compliance, and data protection. The company is fully prepared to meet the regulatory requirements of the EU General Data Protection Regulation (GDPR) and has a dedicated GDPR taskforce to ensure data protection rights of employees, business partners, and customers are upheld.

**Anti-slavery and human trafficking policy**

We are committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains. We expect the same high standards from all of our contractors, suppliers and other business partners, and as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.

This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners.

**Anti-corruption**

Bribery and corruption are criminal offenses in many jurisdictions for both the individual and employer. The PG Development Group is committed to the prevention, deterrence and detection of bribery and all other corrupt business practices.

The PG Development Group has built a trustworthy and highly credible reputation as a leading global operator of remarketing and provider of software solutions. Our reputation, credibility and business ethics are of great importance and have come about by years of hard work by all our employees. This is one of our most important assets and of significant strategic advantage to our business.

The PG Development Group has adopted a zero-tolerance approach towards any breaches of this policy, and this is fully supported by the PG Development Group Executive Board. This is internally implemented through our Anti -corruption and bribery policy and externally through our products and services, which provide full transparency of processes and assets, to our vendors and buyers.

The PG Development Group has no knowledge of any cases of corruption in the Group.

**Whistleblower**

At PG Development we want our employees to operate in an open, transparent and safe working environment where employees feel able to speak up and report any serious and/or sensitive concerns in a responsible and confidential manner. Issues such as corruption, theft, fraud, bribery or unethical behavior can all have a negative impact on the business if left unchecked.

PG Development has implemented a Group Whistleblower service.

By having in place a policy and procedure for dealing with whistleblowing, we will demonstrate that information being brought to the attention of management is welcomed and actioned upon before any damage is incurred to our business or its reputation.

### Statutory report on the underrepresented gender

The Entity has no employees other than the Executive Board. The Executive Board consist of 1 person.

According to Section 99b, paragraph 4 of the Danish Financial Statements Act (ÅRL), the entity is exempt from setting targets as it has fewer than 50 employees.

### Statutory report on data ethics policy

The policy for data ethics is implemented on a daily basis by the information security group working with the trinity information security, GDPR and data ethics. The work is carried out in practice via the group's knowledge of the data and the projects carried out in PG Development. The group is involved in new projects at an early stage in order to include information security, GDPR and data ethics in the design phase as early as possible.

Autorola's 3 business areas are all about vehicles. The data we process is typically the vehicle's description and condition, the value of a vehicle as well as the status of a vehicle in a fleet owner process. PG Development also processes "user" data in order to provide users with the most optimal user experience possible.

It is an important principle for PG Development that we try to minimize the information we receive from partners as well as otherwise collect to include only exactly what is needed to perform the transaction in the best possible way. In every project where we receive or otherwise collect data, we will try to minimize the amount of information. This work is performed in the development departments under the "privacy by default and design" processes.

At PG Development, we continuously assess whether the authority we have for the collection and use of data is still valid. If a user has given consent for us to collect usage data on a system, this data is not used to optimize other systems or even to do marketing against the person.

PG Development uses advanced technology such as artificial intelligence to recognize vehicles so we can provide a more accurate treatment. This system is not known to persons as owners, buyers or users and is used exclusively for advanced vehicle identification.

The information security group continuously teaches the organization concepts such as data minimization, privacy by default design and code of conduct.

### Events after the balance sheet date

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

# Consolidated income statement for 2023

| | Notes | 2023<br>DKK | 2022<br>DKK |
|---|---|---|---|
| Revenue | 2 | 95,127,792 | 0 |
| Other operating income | | 183,339 | 0 |
| Cost of sales | | (51,050,488) | 0 |
| Other external expenses | 3 | (46,960,004) | (318,248) |
| **Gross profit/loss** | | **(2,699,361)** | **(318,248)** |
| | | | |
| Staff costs | 4 | (22,442,245) | 0 |
| Depreciation, amortisation and impairment losses | 5 | (10,907,609) | 0 |
| **Operating profit/loss** | | **(36,049,215)** | **(318,248)** |
| | | | |
| Income from investments in associates | 6 | 577,412,862 | 17,930,819 |
| Other financial income | 7 | 3,720,871 | 377,369 |
| Other financial expenses | 8 | (1,338,236) | (245,121) |
| **Profit/loss before tax** | | **543,746,282** | **17,744,819** |
| | | | |
| Tax on profit/loss for the year | 9 | 3,427,574 | 0 |
| **Profit/loss for the year** | 10 | **547,173,856** | **17,744,819** |

# Consolidated balance sheet at 31.12.2023

## Assets

| | Notes | 2023 DKK | 2022 DKK |
|---|---|---|---|
| Acquired intangible assets | | 1,133,137,273 | 0 |
| **Intangible assets** | 11 | **1,133,137,273** | **0** |
| Land and buildings | | 42,675,571 | 0 |
| Other fixtures and fittings, tools and equipment | | 34,368,773 | 0 |
| **Property, plant and equipment** | 12 | **77,044,344** | **0** |
| Investments in associates | | 673,100 | 82,975,738 |
| Other investments | | 11,382,205 | 9,610,858 |
| **Financial assets** | 13 | **12,055,305** | **92,586,596** |
| **Fixed assets** | | **1,222,236,922** | **92,586,596** |
| Manufactured goods and goods for resale | | 15,997,816 | 0 |
| **Inventories** | | **15,997,816** | **0** |
| Trade receivables | | 136,016,331 | 0 |
| Receivables from associates | | 0 | 244,870 |
| Deferred tax | 14 | 4,003,008 | 0 |
| Other receivables | | 130,925,226 | 469,159 |
| Tax receivable | | 10,492,788 | 0 |
| Prepayments | 15 | 9,592,715 | 0 |
| **Receivables** | | **291,030,068** | **714,029** |
| Other investments | | 7,396 | 0 |
| **Investments** | | **7,396** | **0** |
| **Cash** | | **103,614,606** | **0** |
| **Current assets** | | **410,649,886** | **714,029** |
| **Assets** | | **1,632,886,808** | **93,300,625** |

## Equity and liabilities

| | Notes | 2023<br>DKK | 2022<br>DKK |
|---|---|---|---|
| Contributed capital | 16 | 125,000 | 125,000 |
| Reserve for net revaluation according to equity method | | 0 | 80,063,587 |
| Retained earnings | | 622,345,883 | (1,113,037) |
| **Equity belonging to Parent's shareholders** | | **622,470,883** | **79,075,550** |
| **Equity belonging to minority interests** | | **18,065,000** | **0** |
| **Equity** | | **640,535,883** | **79,075,550** |
| Deferred tax | 14 | 9,991,058 | 0 |
| **Provisions** | | **9,991,058** | **0** |
| Bank loans | | 169,216,048 | 0 |
| Debt to other credit institutions | | 365,286,951 | 0 |
| Deposits | | 663,447 | 0 |
| **Non-current liabilities other than provisions** | 17 | **535,166,446** | **0** |
| Current portion of non-current liabilities other than provisions | 17 | 56,250,000 | 0 |
| Bank loans | | 45,990,046 | 14,083,657 |
| Prepayments received from customers | | 6,218,039 | 0 |
| Trade payables | | 206,298,874 | 0 |
| Payables to owners and management | | 71,517 | 0 |
| Tax payable | | 10,760,177 | 0 |
| Other payables | | 121,604,768 | 141,418 |
| **Current liabilities other than provisions** | | **447,193,421** | **14,225,075** |
| **Liabilities other than provisions** | | **982,359,867** | **14,225,075** |
| **Equity and liabilities** | | **1,632,886,808** | **93,300,625** |
| Events after the balance sheet date | 1 | | |
| Fair value information | 19 | | |
| Contingent assets | 20 | | |
| Contingent liabilities | 21 | | |
| Assets charged and collateral | 22 | | |
| Non-arm’s length related party transactions | 23 | | |
| Group relations | 24 | | |
| Subsidiaries | 25 | | |

# Consolidated statement of changes in equity for 2023

| | Contributed capital DKK | Reserve for net revaluation according to equity method DKK | Retained earnings DKK | Equity belonging to Parent's shareholders DKK | Equity belonging to minority interests DKK |
|---|---|---|---|---|---|
| Equity beginning of year | 125,000 | 80,063,587 | (1,113,037) | 79,075,550 | 0 |
| Effect of mergers and business combinations | 0 | 0 | 0 | 0 | 19,383,894 |
| Exchange rate adjustments | 0 | 0 | (4,391,500) | (4,391,500) | (705,917) |
| Profit/loss for the year | 0 | (80,063,587) | 627,850,420 | 547,786,833 | (612,977) |
| **Equity end of year** | **125,000** | **0** | **622,345,883** | **622,470,883** | **18,065,000** |

| | Total DKK |
|---|---|
| Equity beginning of year | 79,075,550 |
| Effect of mergers and business combinations | 19,383,894 |
| Exchange rate adjustments | (5,097,417) |
| Profit/loss for the year | 547,173,856 |
| **Equity end of year** | **640,535,883** |

# Consolidated cash flow statement for 2023

| | Notes | 2023<br>DKK | 2022<br>DKK |
|---|---|---|---|
| Operating profit/loss | | (36,049,215) | (318,248) |
| Amortisation, depreciation and impairment losses | | 10,907,609 | 0 |
| Working capital changes | 18 | 46,250,127 | 518,288 |
| **Cash flow from ordinary operating activities** | | **21,108,521** | **200,040** |
| Financial income received | | 2,401,524 | 0 |
| Financial expenses paid | | (369,236) | (245,121) |
| **Cash flows from operating activities** | | **23,140,809** | **(45,081)** |
| Acquisition etc. of intangible assets | | (2,045,167) | 0 |
| Acquisition etc. of property, plant and equipment | | (1,973,083) | 0 |
| Acquistion of financial assets | | (537,198,341) | (9,235,933) |
| Sale of financial assets | | 0 | 250,000 |
| **Cash flows from investing activities** | | **(541,216,591)** | **(8,985,933)** |
| **Free cash flows generated from operations and investments before financing** | | **(518,075,782)** | **(9,031,014)** |
| Loans raised | | 621,690,388 | 9,031,014 |
| **Cash flows from financing activities** | | **621,690,388** | **9,031,014** |
| **Increase/decrease in cash and cash equivalents** | | **103,614,606** | **0** |
| **Cash and cash equivalents end of year** | | **103,614,606** | **0** |
| Cash and cash equivalents at year-end are composed of: | | | |
| Cash | | 103,614,606 | 0 |
| **Cash and cash equivalents end of year** | | **103,614,606** | **0** |

# Notes to consolidated financial statements

### 1 Events after the balance sheet date

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

### 2 Revenue

| | 2023<br>DKK |
|---|---|
| Revenue from fee and liense activity | 55,621,601 |
| Revenue from sale of cars | 39,506,191 |
| **Total revenue by activity** | **95,127,792** |

### 3 Fees to the auditor appointed by the Annual General Meeting

| | 2023<br>DKK | 2022<br>DKK |
|---|---|---|
| Statutory audit services | 218,000 | 12,500 |
| Other assurance engagements | 120,300 | 0 |
| Other services | 932,000 | 24,375 |
| | **1,270,300** | **36,875** |

### 4 Staff costs

| | 2023<br>DKK | 2022<br>DKK |
|---|---|---|
| Wages and salaries | 16,522,681 | 0 |
| Pension costs | 619,895 | 0 |
| Other social security costs | 3,589,156 | 0 |
| Other staff costs | 1,710,513 | 0 |
| | **22,442,245** | **0** |

| | | |
|---|---|---|
| Average number of full-time employees | **648** | **0** |

Referring to Section 98b(3) of the Danish Financial Statements Act, no remuneration has been disclosed to the management

## 5 Depreciation, amortisation and impairment losses

| | 2023<br>DKK | 2022<br>DKK |
|---|---|---|
| Amortisation of intangible assets | 10,613,348 | 0 |
| Depreciation on property, plant and equipment | 294,261 | 0 |
| | **10,907,609** | **0** |

## 6 Income from investments in associates

PG Development has in the financial year sold investment in associate company with an accounting gain of 548,613k DKK. This is a special item that is classified as income from investments in associates.

## 7 Other financial income

| | 2023<br>DKK | 2022<br>DKK |
|---|---|---|
| Other interest income | 3,720,871 | 377,369 |
| | **3,720,871** | **377,369** |

## 8 Other financial expenses

| | 2023<br>DKK | 2022<br>DKK |
|---|---|---|
| Other financial expenses | 1,338,236 | 245,121 |
| | **1,338,236** | **245,121** |

## 9 Tax on profit/loss for the year

| | 2023<br>DKK | 2022<br>DKK |
|---|---|---|
| Current tax | (5,193,159) | 0 |
| Change in deferred tax | 1,662,339 | 0 |
| Adjustment concerning previous years | 103,246 | 0 |
| | **(3,427,574)** | **0** |

## 10 Proposed distribution of profit/loss

| | 2023<br>DKK | 2022<br>DKK |
|---|---|---|
| Retained earnings | 547,786,833 | 17,744,819 |
| Minority interests' share of profit/loss | (612,977) | 0 |
| | **547,173,856** | **17,744,819** |

## 11 Intangible assets

| | Acquired intangible assets DKK |
|---|---|
| Addition through business combinations etc | 1,141,705,454 |
| Additions | 2,045,167 |
| **Cost end of year** | **1,143,750,621** |
| Amortisation for the year | (10,613,348) |
| **Amortisation and impairment losses end of year** | **(10,613,348)** |
| **Carrying amount end of year** | **1,133,137,273** |

## 12 Property, plant and equipment

| | Land and buildings DKK | Other fixtures and fittings, tools and equipment DKK |
|---|---|---|
| Addition through business combinations etc | 44,136,900 | 52,382,917 |
| Additions | 0 | 1,973,083 |
| **Cost end of year** | **44,136,900** | **54,356,000** |
| Addition through business combinations etc | (1,402,148) | (19,752,147) |
| Depreciation for the year | (59,181) | (235,080) |
| **Depreciation and impairment losses end of year** | **(1,461,329)** | **(19,987,227)** |
| **Carrying amount end of year** | **42,675,571** | **34,368,773** |

## 13 Financial assets

| | Investments in associates DKK | Other investments DKK |
|---|---|---|
| Cost beginning of year | 2,912,151 | 11,875,695 |
| Additions | 0 | 454,000 |
| Disposals | (262,150) | 0 |
| **Cost end of year** | **2,650,001** | **12,329,695** |
| Revaluations beginning of year | 80,063,587 | 0 |
| Exchange rate adjustments | (3,715,500) | 0 |
| Share of profit/loss for the year | 28,799,821 | 0 |
| Reversal of revaluations | (107,124,809) | 0 |
| **Revaluations end of year** | **(1,976,901)** | **0** |
| Impairment losses beginning of year | 0 | (2,264,837) |
| Fair value adjustments | 0 | 1,317,347 |
| **Impairment losses end of year** | **0** | **(947,490)** |
| **Carrying amount end of year** | **673,100** | **11,382,205** |

| Associates | Registered in | Ownership % |
|---|---|---|
| CXFacts ApS | Kirke Værløse | 29.35 |

## 14 Deferred tax

| | 2023 DKK |
|---|---|
| Tax losses carried forward | 3,939,000 |
| Other taxable temporary differences | (9,927,050) |
| **Deferred tax** | **(5,988,050)** |

| Changes during the year | 2023 DKK |
|---|---|
| Recognised in the income statement | (1,662,339) |
| Addition through business combinations etc. | (4,325,711) |
| **End of year** | **(5,988,050)** |

| Deferred tax has been recognised in the balance sheet as follows | 2023 DKK |
|---|---|
| Deferred tax assets | 4,003,008 |
| Deferred tax liabilities | (9,991,058) |
| | **(5,988,050)** |

**Deferred tax assets**
Based on the budgets, Management has found it probable that there will be future taxable profits against which unutilised tax losses can be deducted.

## 15 Prepayments

Prepayments relate to prepaid expenses.

## 16 Contributed capital

| | Number | Par value DKK | Nominal value DKK |
|---|---|---|---|
| Anparter | 1,250 | 100.00 | 125,000 |
| | **1,250** | | **125,000** |

There has been no changes in the contributed capital in the last 5 years.

## 17 Non-current liabilities other than provisions

| | Due within 12 months 2023 DKK | Due after more than 12 months 2023 DKK |
|---|---|---|
| Bank loans | 56,250,000 | 169,216,048 |
| Debt to other credit institutions | 0 | 365,286,951 |
| Deposits | 0 | 663,447 |
| | **56,250,000** | **535,166,446** |

Of the non-current liabilities 0k DKK are due for payment later than five years from the balance sheet date.

## 18 Changes in working capital

| | 2023 DKK | 2022 DKK |
|---|---|---|
| Increase/decrease in inventories | (15,997,816) | 0 |
| Increase/decrease in receivables | (275,827,639) | 505,181 |
| Increase/decrease in trade payables etc. | 334,051,780 | 13,107 |
| Other changes | 4,023,802 | 0 |
| | **46,250,127** | **518,288** |

## 19 Fair value information

| | Other investments DKK |
|---|---|
| Fair value end of year | 4,935,206 |
| Unrealised fair value adjustments recognised in the income statement | 1,319,347 |

## 20 Contingent assets

The Group has contingent assets consisting of unrecognised deferred tax assets of DKK 7,280k

## 21 Contingent liabilities

The Group has the following contingent liabiliities

The rental obligation amounts to DKK 30,196k.
Lease commitments amount to DKK 947k.
Other obligations amounts to DKK 569k.

Autorola A/S is subjected to an ongoing transfer pricing tax audit in Denmark. The tax authorities have sent their decision for the years 2016 to 2018, in which the Danish taxable income has been increased by DKK 29,744 thousand to DKK 26,323 thousand. Autorola has complained to the Danish National Tax Tribunal about the tax authorities' decision for 2016 to 2018. If Autorola, contrary to expectation, loses the case at the Danish National Tax Tribunal, the foreign subsidiaries' taxable incomes may be reduced correspondingly, and therefore, the cost of losing at the Danish National Tax Tribunal will only be the payment of interest. The tax authorities' final decision on this tax audit is still pending for the following years, and we are continuing our discussions with them. The Danish Tax Agency has included an increase in income for the years subject to the tax audit in their proposed assessment. However, while the final assessment could result in a higher income, the exact amount is still unknown. The transfer pricing model applied and the elements affecting this transfer pricing model are still being discussed. Management of the Autorola Group still finds that the applied model aligns with the arm's length principle. The Autorola Group can request a corresponding decrease abroad if the ongoing tax audit results in an increase in the taxable income in Denmark. Autorola assesses that the case outcome will not significantly affect its financial position, but if the outcome differs from expectations, it could potentially affect its results and equity.

## 22 Assets charged and collateral

Bank debt at 45,990k has been secured by a company charge of DKK 28,000k. Carrying amount of mortgaged assets is DKK 232,228k at 31 December 2023.

| | | |
|---|---|---|
| Intangible assets | DKK | 45,162k |
| Property, plant and equipment | DKK | 34,369k |
| Inventories | DKK | 15,998k |
| Trade receivables | DKK | 136,016k |
| **Total** | **DKK** | **232,228k** |

## 23 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

## 24 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
PG Development ApS, Odense

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Autorola Group Holding A/S, Odense

## 25 Subsidiaries

| | Registered in | Corporate form | Ownership % |
|---|---|---|---|
| Autorola A/S | Denmark | A/S | 100.00 |
| Autobudget Europe A/S | Denmark | A/S | 100.00 |
| Autocom A/S | Denmark | A/S | 100.00 |
| Autorola GmbH | Germany | GmbH | 100.00 |
| Autorola Limited | England | Ltd. | 100.00 |
| Autorola BV | Netherlands | BV | 100.00 |
| Autorola Spain S.L. | Spain | S.L. | 100.00 |
| Autorola BVBA | Belgium | BVBA | 100.00 |
| Autorola GmbH (AT) | Austria | GmbH | 100.00 |
| Autorola S.r.L. | Italy | S.r.L. | 100.00 |
| S.V.V Autorola France | France | SAS | 100.00 |
| Autorola s.r.o. | Czech Republic | s.r.o | 100.00 |
| Autorola Sp. z o.o. | Poland | z o.o. | 100.00 |
| Autorola Pty Ltd. | Australia | Pty ltd. | 100.00 |
| Autorola AB | Sweden | AB | 100.00 |
| Autorola Oy | Finland | Oy | 100.00 |
| Leilonline, Unipessoal, Lda. | Portugal | Lda. | 100.00 |
| Autorola Brasil Leiloes | Brazil | Ltda. | 100.00 |
| Autorola AS | Norway | AS | 100.00 |
| Autorola de Mexico S.A. de C.V. | Mexico | C.V. | 100.00 |
| Autotola Motorlu Araclar Ticarete A.S. | Turkey | A.S. | 51.00 |
| Autorola Middle East Limited | UAE | Limited | 100.00 |
| Autorola MENA Holding Limited | UAE | Limited | 50.00 |
| Marvel ApS | Denmark | ApS | 100.00 |
| Autorola Group Holding A/S | Denmark | A/S | 100.00 |
| Autorola Ejendomme ApS | Denmark | ApS | 100.00 |

# Parent income statement for 2023

| | Notes | 2023 DKK | 2022 DKK |
|---|---|---|---|
| Other external expenses | | (20,464,609) | (318,248) |
| **Gross profit/loss** | | **(20,464,609)** | **(318,248)** |
| | | | |
| Income from investments in group enterprises | | (8,330,580) | 250,000 |
| Income from investments in associates | 2 | 577,412,862 | 17,680,819 |
| Other financial income | 3 | 1,347,243 | 377,369 |
| Other financial expenses | 4 | (2,178,083) | (245,121) |
| **Profit/loss for the year** | 5 | **547,786,833** | **17,744,819** |

# Parent balance sheet at 31.12.2023

## Assets

| | Notes | 2023<br>DKK | 2022<br>DKK |
|---|---|---|---|
| Investments in group enterprises | | 609,697,536 | 0 |
| Investments in associates | | 673,100 | 82,975,738 |
| Other investments | | 11,382,205 | 9,610,858 |
| **Financial assets** | 6 | **621,752,841** | **92,586,596** |
| **Fixed assets** | | **621,752,841** | **92,586,596** |
| Receivables from group enterprises | | 1,096,363 | 0 |
| Receivables from associates | | 0 | 244,870 |
| Other receivables | | 969,159 | 469,159 |
| **Receivables** | | **2,065,522** | **714,029** |
| **Cash** | | **19,175,897** | **0** |
| **Current assets** | | **21,241,419** | **714,029** |
| **Assets** | | **642,994,260** | **93,300,625** |

## Equity and liabilities

| | Notes | 2023<br>DKK | 2022<br>DKK |
|---|---|---|---|
| Contributed capital | | 125,000 | 125,000 |
| Reserve for net revaluation according to equity method | | 0 | 80,063,587 |
| Retained earnings | | 622,345,883 | (1,113,037) |
| **Equity** | | **622,470,883** | **79,075,550** |
| Bank loans | | 0 | 14,083,657 |
| Other payables | | 20,523,377 | 141,418 |
| **Current liabilities other than provisions** | | **20,523,377** | **14,225,075** |
| **Liabilities other than provisions** | | **20,523,377** | **14,225,075** |
| **Equity and liabilities** | | **642,994,260** | **93,300,625** |
| Events after the balance sheet date | 1 | | |
| Employees | 7 | | |
| Fair value information | 8 | | |
| Contingent liabilities | 9 | | |
| Assets charged and collateral | 10 | | |
| Related parties with controlling interest | 11 | | |
| Non-arm’s length related party transactions | 12 | | |

# Parent statement of changes in equity for 2023

| | Contributed capital DKK | Reserve for net revaluation according to the equity method DKK | Retained earnings DKK | Total DKK |
|---|---|---|---|---|
| Equity beginning of year | 125,000 | 80,063,587 | (1,113,037) | 79,075,550 |
| Exchange rate adjustments | 0 | (4,391,500) | 0 | (4,391,500) |
| Profit/loss for the year | 0 | (75,672,087) | 623,458,920 | 547,786,833 |
| **Equity end of year** | **125,000** | **0** | **622,345,883** | **622,470,883** |

# Notes to parent financial statements

### 1 Events after the balance sheet date

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

### 2 Income from investments in associates

As of December 1, 2023, the entity has acquired the remaining 50% shares in Autorola Group. The acquisition has resulted in a gain of 548,613 K DKK due to accounting rules for step acquisition. This is a gain is classified as income from investments in associates.

### 3 Other financial income

| | 2023<br>DKK | 2022<br>DKK |
|---|---|---|
| Financial income from group enterprises | 535 | 0 |
| Other interest income | 1,346,708 | 377,369 |
| | **1,347,243** | **377,369** |

### 4 Other financial expenses

| | 2023<br>DKK | 2022<br>DKK |
|---|---|---|
| Other interest expenses | 2,137,044 | 231,544 |
| Other financial expenses | 41,039 | 13,577 |
| | **2,178,083** | **245,121** |

### 5 Proposed distribution of profit and loss

| | 2023<br>DKK | 2022<br>DKK |
|---|---|---|
| Retained earnings | 547,786,833 | 17,744,819 |
| | **547,786,833** | **17,744,819** |

## 6 Financial assets

| | Investments in group enterprises DKK | Investments in associates DKK | Other investments DKK |
|---|---|---|---|
| Cost beginning of year | 0 | 2,912,151 | 11,875,695 |
| Additions | 1,930,596,800 | 0 | 454,000 |
| Disposals | (1,312,000,000) | (262,150) | 0 |
| **Cost end of year** | **618,596,800** | **2,650,001** | **12,329,695** |
| Revaluations beginning of year | 0 | 80,063,587 | 0 |
| Exchange rate adjustments | (676,000) | (3,715,500) | 0 |
| Share of profit/loss for the year | (8,330,580) | 28,799,821 | 0 |
| Dividend | (141,165,251) | 0 | 0 |
| Reversal of revaluations | 141,272,567 | (107,124,809) | 0 |
| **Revaluations end of year** | **(8,899,264)** | **(1,976,901)** | **0** |
| Impairment losses beginning of year | 0 | 0 | (2,264,837) |
| Fair value adjustments | 0 | 0 | 1,317,347 |
| **Impairment losses end of year** | **0** | **0** | **(947,490)** |
| **Carrying amount end of year** | **609,697,536** | **673,100** | **11,382,205** |
| Goodwill or negative goodwill recognised during the financial year | 1,097,118,764 | 0 | |

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

| Investments in associates | Registered in | Corporate form | Ownership % |
|---|---|---|---|
| CXFacts ApS | Kirke Værløse | ApS | 29.35 |

## 7 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

## 8 Fair value information

| | Other investments DKK |
|---|---|
| Fair value end of year | 4,928,206 |
| Unrealised fair value adjustments recognised in the income statement | 1,317,347 |

## 9 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

### 10 Assets charged and collateral

To secure bank loans and debt to other credit institutions in a subsidiary, which as of December 31, 2023 amounts to 591,416k, a pledge has been given in the shares of Marvel ApS. The book value of the shares as of December 31, 2023 amounts to 568,476k.

### 11 Related parties with controlling interest

Peter Grøftehauge owns all shares in the entity, thus exercising control.

### 12 Non-arm’s length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

As of December 1, 2023, the entity has obtained control over subsidiaries and is obligated to prepare consolidated financial statements. Therefore, the entity has prepare consolidated financial statements for the first time in accordance with Accounting Class C enterprises (large).

The accounting policies applied to parent financial statements are consistent with those applied last year apart from the additional requirements in accordance with reporting class C enterprises (large).

## Hyperinflation in Turkey

The company has operations in Turkey. Turkish Lira is a hyperinflationary currency. The Danish Financial Statement Act includes no requirements or guidance for inflation adjustments to the financial statements. Consequently, the Turkish operations are included in the consolidated financial statements following the same principles as prior years and hence, no inflation adjustment has been applied. In case inflation adjustment was applied based on IAS 29, Financial Reporting in Hyperinflationary Economies, the equity would have been adjusted approximately 2,2 mDKK for the group by 31 December 2023. The equity for the parent by 31 December 2023 would have been adjusted approximately 1,1 mDKK.

## Recognition and measurement

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

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

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

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

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

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

### Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

### Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised in intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

### Profit or loss from divestment of enterprises

Profits or losses from divestment or winding-up of enterprises are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment and winding-up, respectively.

### Foreign currency translation

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

When recognising foreign subsidiaries and associates that are independent entities, the income statements

are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

## Income statement

**Revenue**

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

**Other operating income**

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

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. If conditions are attached to the grant which must be satisfied before the group is eligible to receive the contribution.

**Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

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

**Depreciation, amortisation and impairment losses**

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

**Income from investments in group enterprises**
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

**Income from investments in associates**
Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

**Other financial income**
Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Balance sheet

**Intellectual property rights etc.**
Intellectual property rights acquired consist of software measured at cost less accumulated amortisation. The rights are amortised on a straight-line basis over the estimated useful life. The amortisation period is 5 years, however, not more than the residual life of the rights concerned. In some cases, the amortisation period may be up to 10 years if the longer amortisation period is found to better reflect the Company's benefit from the product developed etc.

Software in the Autorola Group is proprietary intelligent Java-based software for our global online vehicle auctions as well as a proprietary platform for the management of the stocks of used vehicles. The amortisation period for software is 3-10 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

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

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

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

| | **Useful life** |
|---|---|
| Buildings | 50 years |
| Other fixtures and fittings, tools and equipment | 3-5 years |

Estimated useful lives and residual values are reassessed annually.

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

**Investments in group enterprises**

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost  of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years.  Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

**Investments in associates**

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value

Associates with negative equity value are measured at DKK 0. Any receivables from these associates are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in these consolidated financial statements they have been presented as investments in associates because this designation reflects more accurately the Group's involvement in the relevant entities.

**Other investments**
Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date, and unlisted equity investments measured at the lower of cost and net realisable value.

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

Cost consists of purchase price plus delivery costs.

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

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

**Deferred tax**
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

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

**Tax payable or receivable**
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Prepayments**
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Other investments (current assets)**
Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

**Cash**
Cash comprises cash in hand and bank deposits.

**Minority interests**
On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

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

**Prepayments received from customers**
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

## Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.