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Autorola Group Holding A/S

Skibhusvej 52, st.
5000 Odense C
CVR No. 29193509

Annual report 2021

The Annual General Meeting adopted the annual report on 25.05.2022

Peter Grøftehauge
Chairman of the General Meeting

Contents

Entity details

Entity
Autorola Group Holding A/S
Skibhusvej 52, st.
5000 Odense C

Business Registration No.: 29193509
Registered office: Odense
Financial year: 01.01.2021 - 31.12.2021

Board of Directors
Michael Vilhelm Nielsen
Carl Erik Skovgaard
Peter Grøftehauge
Martin Grøftehauge

Executive Board
Peter Grøftehauge

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

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Autorola Group Holding A/S for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented 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 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

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

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

Odense, 25.05.2022

Executive Board

Peter Grøftehauge

Board of Directors

Michael Vilhelm Nielsen

Carl Erik Skovgaard

Peter Grøftehauge

Martin Grøftehauge

Independent auditor's report

To the shareholders of Autorola Group Holding A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Autorola Group Holding A/S for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 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 under the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Odense, 25.05.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

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

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Revenue	561,998	408,374	367,722	335,581	278,953
Gross profit/loss	273,645	244,630	219,806	187,063	182,522
Operating profit/loss	67,636	56,667	35,654	12,798	18,891
Net financials	(1,175)	(1,170)	(2,559)	(1,907)	(1,025)
Profit/loss for the year	51,612	42,260	23,045	9,881	12,795
Profit for the year excl. minority interests	43,903	35,550	18,524	10,777	10,192
Balance sheet total	351,116	320,341	291,196	247,711	216,780
Investments in property, plant and equipment	48,642	14,410	6,383	8,096	6,829
Equity	130,490	109,035	72,148	54,880	55,116
Equity excl. minority interests	121,006	100,598	67,598	54,644	52,006
Cash flows from operating activities	103,518	4,900	73,829	30,637	18,348
Cash flows from investing activities	(55,777)	(25,220)	(17,856)	(16,777)	(16,091)
Cash flows from financing activities	(21,190)	(665)	(6,000)	(6,000)	0
Ratios					
Gross margin (%)	48.69	59.90	59.78	55.74	65.43
Net margin (%)	9.18	10.35	6.27	2.94	4.59
Return on equity (%)	39.62	42.27	30.31	20.21	21.58
Equity ratio (%)	34.46	31.40	23.21	22.06	23.99

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

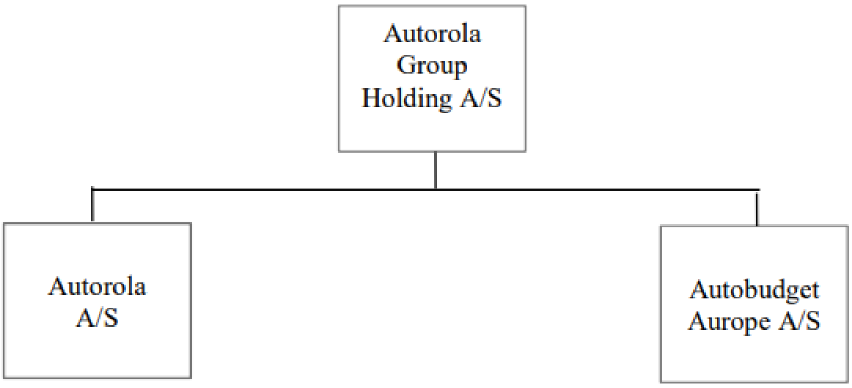
Gross margin (%):
Gross profit/loss * 100
Revenue

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

Group chart:



Primary activities

Autorola 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.

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

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 offer 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.

Development in activities and finances

This year's financial performance shows a profit after tax of DKK 43,903k for the Parent and a profit of DKK 43,903k for the group. The balance sheet at 31 December 2021 shows an equity amount of DKK 130,490k including minority interests and a balance sheet total of DKK 156,312k for the parent and DKK 351,116k for the group.

Profit/loss for the year in relation to expected developments

The performance in 2021 is considered satisfactory. Outlook and expectations for 2021 was exceeded for the better which is caused by strong growth in certain markets (United Kingdom, France and Turkey). In general markets were heavily affected by Covid-19 and thereby related challenges in the supply chain hence many markets did realize decrease in turnover and result however being present in various countries proved beneficial under difficult market conditions. Enrollments decreased heavily in the second half of 2021 (in some months enrollments of cars on auction decreased by close to 30% year on year). Despite impact on lowered enrollments Autorola auctions was able to compensate for this by increased conversion rate and thereby succeeded to increase the number of sold vehicles.

All business units (Marketplace, Solution and Indicata) did ensure topline growth. However, business units Solution and Indicata still did not deliver positive results because of effects related from covid-19. Business units Marketplace and Solution did ensure improved profit ratio compared to the previous year however business unit indicata showed worsened profit ratio because of increased investments and less than expected topline growth.

As in the year before the result is positively affected by government compensation (Covid-19) of DKK 1,6k.

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

For the coming year a slightly decreased profit is to be expected. Profit before tax is expected to reach between DKK 40-60m. Next year it is very likely to see fewer rental cars as the rental business has slowed dramatically during Covid-19. New car sales dropped heavily because of covid-19 and related supply chain challenges. At present further supply challenges to the car industry is expected because of uncertainties with deliveries from car industry sub-contractors in Ukraine which takes up an important part of deliveries to the European new car industry. This is likely to impact the trade in volume for the years to come.

Particular risks

This section assesses the risk on social conditions, human rights, environment and anti-corruption from Autorola operation is business model.

Social and employee conditions

Autorola does not, by executing it's 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

Autorola 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

Autorola is not a production company in any way so we are not using resources or generating wast that can influence the environment or climate. Autorola 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 in order to implement their 100% renewable energy faster and by reducing number of flights.

Protection against corruption

The management of Autorola is aware for the possibility of corruption and bribery. The highest risk of fraud is by handling vehicles outside Autorola 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 2021

The main results from working with CSR in 2021 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 Autorola Group has no knowledge of any cases of corruption in the Group
4. Implemented whistle blower system throughout the Group

Knowledge resources

Autorola values

At Autorola we believe all employees should be treated fairly and with respect at all times. Respect is one of our core business values (Autorola's 3 Rs: Results-oriented, Responsibility and Respect), and is demonstrated through business activity and dialogue, not only within Autorola's workforce, but also through our interaction with suppliers and customers. Guidelines on Autorola's culture of respect form part of our recruitment guidelines and new employee induction programme.

Staff

Employee turnover

The Autorola Group annually analyses staff turnover and the distribution of age, seniority and roles of people leaving and joining the Group. We conduct exit interviews for all employees leaving Autorola HQ, which is also included in the analysis. Our research aims to provide a broader understanding of our workforce and to put actions in place to improve staff satisfaction and retention.

Employee satisfaction

As the most valued asset in our organization, Autorola encourages an open dialogue between all levels of its workforce. We aim to understand and overcome issues faced by employees, to improve employee satisfaction and encourage personal and career development within the Group.

To assess employee satisfaction we carry out an 'Employee satisfaction survey' every year. Responses are collated and reviewed by senior management during a day long workshop, and followed-up by meetings with individual managers to discuss how improvements to employee satisfaction can be made. Survey results and implementation plans are communicated by our Executive Board to all employees, via our intranet.

An employee satisfaction survey has been conducted in October 2018 and the next planned employee satisfaction survey will be conducted 2023 well after things has normalize after the Covid-19 pandemic.

Employee recognition

Autorola shares employee achievements, including duration of service, regularly via our intranet, and rewards employees through our 'Anniversary Policy'.

Education

For employees to perform well in their role, it is important to provide opportunities for learning that equip our workforce with the skills and knowledge they need. We support our employees through a suite of educations resources, which include;

- Autorola Academy - Internal eLearning platform, containing educational content covering business areas such as the automotive sector, Autorola's products, best practice case studies, user guides
- Knowledge Sharing Webinars - A program of live internal and external webinars, covering updates on new product releases (features and functionality), marketing presentations, global client best practice within our organization
- Super Users - A network of local Super Users; experts in their field, providing face-to-face support and advice, covering all areas of our business.

We will actively invest in R&D. We will be open to suggestions and listen carefully to ideas. Our company will try to continuously improve the way it operates.

Environmental performance

Protecting the environment

The nature of our business is to provide lean services within the automotive industry. This is the core of what we do, therefore we consider ourselves 'green' by default, compared to historic methods adopted by the industry. This can be seen in our upstream remarketing service, and online fleet service solutions. Both services, by their very nature, apply less movement of vehicles, than alternative methods e.g. physical auctions, and therefore less vehicle emissions.

As we continue to develop and provide vehicle lifecycle efficiencies, we aim to reduce vehicle emissions further and trail blaze in this area of our industry.

While our work aims to improve efficiencies within our industry, we are conscious that running a business creates its own impact. As an organization, Autorola works hard to manage our impact in order to reduce our effect on the environment. Apart from legal obligations, our company will proactively protect the environment. Examples of relevant activities include:

Reducing power consumption for servers by hosting in the Cloud
The IT systems offered by Autorola to customers executes on server hardware in the cloud. By using the more flexible could Autorola can utilize IT hardware more efficient and hereby reduce power consumption. Autorola uses Amazon Web Services as cloud provider and Amazon has a clear 100% renewable energy strategy. See https://aws.amazon.com/about-aws/sustainability/ for further information.

Low carbon travel
Video conferencing equipment within our subsidiaries allows us to meet with colleagues without the need to travel. Skype calls, video conferencing and webinars via the internet allows us to operate our business cross-borders, without contributing to global climate change. Flights are restricted to necessary travel only.

Reducing paper consumption
Throughout the Group we encourage all our employees to reduce paper consumption. We communicate this through an internal 'Think before you print' campaign, which is promoted via our Intranet. We encourage our local subsidiaries to measure and make reductions in the volume of paper consumed on our premises, year-on-year. We provide employees with advice on paper reduction activities, such as; Electronic document collaboration - e.g. Confluence, Paperless invoices (where possible), Printing on both sides Reuse scrap paper for recycling, Implementing electronic document storage rather than physical paper and purchasing recycled paper only

Recycling
We recycle the majority of our waste. Our waste hierarchy is applied in each of our subsidiaries to minimize the amount of waste produced. To find out what impact we are having, we monitor our waste streams to work out more ways to reduce impact. All possible waste is recycled including paper, cardboard, plastic, organic waste, glass, aluminum cans, batteries, CDs, printer toner cartridges and electronic equipment. We review our waste suppliers regularly to ensure they can continue to offer a broad range of recycling services.

Conserving energy
Within our offices and commercial premises we aim to monitor our energy consumption, minimize the use of energy resources, and promote energy efficiency behaviors. Our procurement process ensures where possible that only the most efficient appliances are bought in, from A+++ kitchen appliances to low energy monitors. We encourage all employees to switch off devices and appliances when not in use. Appliances are never unknowingly left on overnight or over the weekends.

Sustainability
Autorola is committed to procuring products and services which minimize our environmental impact, taking into account the lifecycle of any product purchased, complying with all applicable legislative requirements and continuously improving knowledge of environmentally responsible supply chain management.

Statutory report on corporate social responsibility

Introduction

The Autorola 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.

Autorola Group Core Values (Autorola's 3 Rs):

- Results-oriented
- Responsibility
- Respect

This policy applies to the Autorola 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

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

With the introduction of the EU General Data Protection Regulation (GDPR), in May 2018, Autorola is more than prepared to meet the regulatory requirements. With a dedicated GDPR taskforce, the company has invested resources into ensuring that data protection rights of its employees, business partners and customers are upheld. This includes appointing a GDPR Steering Committee, and 14 regional Data Protection Representatives (DPRs), trained via a range of university courses, workshops and webinars. The GDPR team will ensure that we are not only compliant with regulation, but a market-leader in respecting individuals and businesses data protection rights.

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.

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 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.

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

The Autorola 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 Autorola Group has adopted a zero tolerance approach towards any breaches of this policy and this is fully supported by the Autorola 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 Autorola Group has no knowledge of any cases of corruption in the Group.

Whistleblower
At Autorola 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.

Autorola has 2021 implemented a Group Whistleblower facility.

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

Autorola seeks to reflect the diversity of society around us and operate in an environment of inclusivity, and therefore does not tolerate discrimination based upon grounds such as; gender, age, race, disability, sexual orientation, gender reassignment, color, ethnic or national origin, religion or belief, marriage or civil partnership, pregnancy and maternity, or membership or non-membership of trade unions. This forms part of the Group's Recruitment Policy, which is implemented throughout our organization.

Operating within the automotive industry, Autorola recognizes that historically the industry does not adequately reflect the gender balance within society. Autorola believes that the best dynamic is obtained by having not only the most qualified and talented candidates for the job, but also an equal gender composition across all levels of the company. Therefore Autorola aims to ensure that;

- A gender balanced composition of external members of the Board of Directors with at least one member being female before end 2022.

This objective is obtained by implementing the Policy to avoid underrepresented gender in management which states the following principles:

1. During the recruiting work ensure that a specific gender is not excluded in any way.
2. During the work with recruitment companies and recruitment professionals ensure that it is stated precisely that the group of candidates should include both genders.
3. Female employees experience equal career opportunities and equal opportunities for obtaining a management position, as their male co-workers.

The status end 2021 for the gender balance of the Board of directors is 4 men and 0 female.
The status end 2021 for the gender balance of the Executive board is 1 man and 0 female.

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 Autorola. 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. Autorola also processes "user" data in order to provide users with the most optimal user experience possible.

It is an important principle for Autorola 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 Autorola, 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.

Autorola 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 2021

	Notes	2021 DKK'000	2020 DKK'000
Revenue	2	561,998	408,374
Other operating income	3	1,684	4,605
Cost of sales		(219,424)	(100,546)
Other external expenses	4	(70,613)	(67,803)
Gross profit/loss		**273,645**	**244,630**
Staff costs	5	(187,800)	(169,192)
Depreciation, amortisation and impairment losses	6	(18,209)	(18,771)
Operating profit/loss		**67,636**	**56,667**
Other financial income	7	3,450	1,877
Other financial expenses	8	(4,625)	(3,047)
Profit/loss before tax		**66,461**	**55,497**
Tax on profit/loss for the year	9	(14,849)	(13,237)
Profit/loss for the year	10	**51,612**	**42,260**

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Acquired intangible assets		32,239	35,964
Intangible assets	11	**32,239**	**35,964**
Land and buildings		37,513	0
Other fixtures and fittings, tools and equipment		19,666	18,217
Property, plant and equipment	12	**57,179**	**18,217**
Fixed assets		**89,418**	**54,181**
Manufactured goods and goods for resale		22,803	11,378
Inventories		**22,803**	**11,378**
Trade receivables		72,993	69,292
Deferred tax	13	2,592	2,707
Other receivables		63,376	102,159
Tax receivable		594	887
Prepayments	14	5,118	4,374
Receivables		**144,673**	**179,419**
Other investments		5	17
Investments		**5**	**17**
Cash		**94,217**	**75,346**
Current assets		**261,698**	**266,160**
Assets		**351,116**	**320,341**

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital	15	500	500
Retained earnings		120,506	80,098
Proposed dividend for the financial year		0	20,000
Equity belonging to Parent's shareholders		**121,006**	**100,598**
Equity belonging to minority interests		**9,484**	**8,437**
Equity		**130,490**	**109,035**
Deferred tax	13	6,598	7,108
Provisions		**6,598**	**7,108**
Other payables		0	6,041
Non-current liabilities other than provisions	16	**0**	**6,041**
Bank loans	17	42,857	44,122
Prepayments received from customers		4,644	5,515
Trade payables		111,558	98,069
Payables to owners and management		50	0
Tax payable		6,615	4,084
Other payables		48,304	46,367
Current liabilities other than provisions		**214,028**	**198,157**
Liabilities other than provisions		**214,028**	**204,198**
Equity and liabilities		**351,116**	**320,341**
Events after the balance sheet date	1		
Fair value information	19		
Contingent assets	20		
Contingent liabilities	21		
Assets charged and collateral	22		
Transactions with related parties	23		
Group relations	24		
Subsidiaries	25		

Consolidated statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend for the financial year DKK'000	Equity belonging to Parent's shareholders DKK'000	Equity belonging to minority interests DKK'000
Equity beginning of year	500	80,098	20,000	100,598	8,437
Ordinary dividend paid	0	0	(20,000)	(20,000)	(1,230)
Exchange rate adjustments	0	(3,495)	0	(3,495)	(5,484)
Other entries on equity	0	0	0	0	52
Profit/loss for the year	0	43,903	0	43,903	7,709
Equity end of year	**500**	**120,506**	**0**	**121,006**	**9,484**

	Total DKK'000
Equity beginning of year	109,035
Ordinary dividend paid	(21,230)
Exchange rate adjustments	(8,979)
Other entries on equity	52
Profit/loss for the year	51,612
Equity end of year	**130,490**

Consolidated cash flow statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Operating profit/loss		67,636	56,667
Amortisation, depreciation and impairment losses		18,209	18,771
Working capital changes	18	32,282	(55,809)
Cash flow from ordinary operating activities		**118,127**	**19,629**
Financial income received		3,450	1,877
Financial expenses paid		(4,625)	(3,047)
Taxes refunded/(paid)		(13,434)	(13,559)
Cash flows from operating activities		**103,518**	**4,900**
Acquisition etc. of intangible assets		(10,205)	(13,020)
Acquisition etc. of property, plant and equipment		(49,621)	(14,639)
Sale of property, plant and equipment		4,089	2,439
Acquisition of fixed asset investments		(40)	0
Cash flows from investing activities		**(55,777)**	**(25,220)**
Free cash flows generated from operations and investments before financing		**47,741**	**(20,320)**
Dividend paid		(21,230)	(665)
Acquisition of treasury shares		40	0
Cash flows from financing activities		**(21,190)**	**(665)**

Increase/decrease in cash and cash equivalents	**26,551**	**(20,985)**
Cash and cash equivalents beginning of year	31,224	57,042
Currency translation adjustments of cash and cash equivalents	(6,415)	(4,833)
Cash and cash equivalents end of year	**51,360**	**31,224**
Cash and cash equivalents at year-end are composed of:		
Cash	94,217	75,346
Short-term bank loans	(42,857)	(44,122)
Cash and cash equivalents end of year	**51,360**	**31,224**

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

	2021 DKK'000	2020 DKK'000
Sale to private individuals	10,643	11,155
Sale to others	551,355	397,219
Total revenue by activity	**561,998**	**408,374**

3 Other operating income

Other operating income, DKK 1.684k consists of government grants. Income from Government grants as a result of the COVID-19 pandemic have been recognised in other operating income. The group has received government assistance for operations in Denmark and England. There are no unfilled conditions or other contingencies attached to these grants.

4 Fees to the auditor appointed by the Annual General Meeting

	2021 DKK'000	2020 DKK'000
Statutory audit services	878	635
Other assurance engagements	230	445
Other services	1,523	536
	2,631	**1,616**

5 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	152,868	137,943
Pension costs	6,266	5,702
Other social security costs	23,214	20,120
Other staff costs	5,452	5,427
	187,800	**169,192**

Average number of full-time employees	**470**	**425**

	Remuneration of management 2021 DKK'000	Remuneration of management 2020 DKK'000
Executive Board	4,687	5,332
Board of Directors	403	320
	5,090	**5,652**

6 Depreciation, amortisation and impairment losses

	2021 DKK'000	2020 DKK'000
Amortisation of intangible assets	13,841	14,216
Depreciation on property, plant and equipment	4,581	4,805
Profit/loss from sale of intangible assets and property, plant and equipment	(213)	(250)
	18,209	**18,771**

7 Other financial income

	2021 DKK'000	2020 DKK'000
Other financial income	3,450	1,877
	3,450	**1,877**

8 Other financial expenses

	2021 DKK'000	2020 DKK'000
Financial expenses from associates	0	112
Other financial expenses	4,625	2,935
	4,625	**3,047**

9 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	14,474	12,464
Change in deferred tax	(395)	(268)
Adjustment concerning previous years	485	795
Refund in joint taxation arrangement	285	246
	14,849	**13,237**

10 Proposed distribution of profit/loss

	2021 DKK'000	2020 DKK'000
Ordinary dividend for the financial year	0	20,000
Retained earnings	43,903	15,550
Minority interests' share of profit/loss	7,709	6,710
	51,612	**42,260**

11 Intangible assets

	Acquired intangible assets DKK'000
Cost beginning of year	179,767
Exchange rate adjustments	(8)
Additions	10,212
Disposals	(158)
Cost end of year	**189,813**
Amortisation and impairment losses beginning of year	(143,803)
Exchange rate adjustments	1
Amortisation for the year	(13,841)
Reversal regarding disposals	69
Amortisation and impairment losses end of year	**(157,574)**
Carrying amount end of year	**32,239**

12 Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	0	34,083
Exchange rate adjustments	0	(2,110)
Additions	37,607	11,035
Disposals	0	(8,300)
Cost end of year	**37,607**	**34,708**
Depreciation and impairment losses beginning of year	0	(15,866)
Exchange rate adjustments	0	404
Depreciation for the year	(94)	(4,488)
Reversal regarding disposals	0	4,908
Depreciation and impairment losses end of year	**(94)**	**(15,042)**
Carrying amount end of year	**37,513**	**19,666**

13 Deferred tax

	2021 DKK'000	2020 DKK'000
Tax losses carried forward	2,424	2,379
Other taxable temporary differences	(6,430)	(6,780)
Deferred tax	**(4,006)**	**(4,401)**

Changes during the year	2021 DKK'000	2020 DKK'000
Beginning of year	(4,401)	(4,669)
Recognised in the income statement	395	268
End of year	**(4,006)**	**(4,401)**

Deferred tax has been recognised in the balance sheet as follows	2021 DKK'000	2020 DKK'000
Deferred tax assets	2,592	2,707
Deferred tax liabilities	(6,598)	(7,108)
	(4,006)	**(4,401)**

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

14 Prepayments

Prepayments relate to prepaid expenses.

15 Contributed capital

	Number	Par value DKK'000	Nominal value DKK'000
A-aktier	5,000	0,1	500
	5,000		**500**

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

16 Non-current liabilities other than provisions

Of the long term debt DKK 0k are due for payment later than 5 years from the balance sheet date.

17 Bank loans

The group is part of a cash pool agreement managed by Autorola A/S.

The currency exposure in the cash pool agreement is as follows:

Cash-pool accounts in DKK pr. 31. december 2021	(18.829) t.kr
Cash-pool accounts in EUR pr. 31. december 2021	29.502 t.kr.
Cash-pool accounts in NOK pr. 31. december 2021	157 t.kr.
Cash-pool accounts in SEK pr. 31. december 2021	(538) t.kr.
Total	**10.292 t.kr.**

18 Changes in working capital

	2021 DKK'000	2020 DKK'000
Increase/decrease in inventories	(13,554)	2,347
Increase/decrease in receivables	34,974	(46,166)
Increase/decrease in trade payables etc.	10,862	(11,990)
	32,282	**(55,809)**

19 Fair value information

	Other investments DKK'000
Fair value end of year	5
Unrealised fair value adjustments recognised in the income statement	1

20 Contingent assets

The Group has contingent assets consisting of unrecognised deferred tax assets of DKK 9,179k

21 Contingent liabilities

The Group has the following contingent liabiliities

The rental obligation amounts to DKK 22,224k.
Lease commitments amount to DKK 1,430k.
Other liabilities amounts to DKK 3k

Autorola A/S is subjected to an ongoing transfer pricing tax audit in Denmark. The tax authorities' final decision on this tax audit is still pending at the present moment. Consequently, it remains unclear whether the Danish Tax Agency's final decision may involve an increase in the taxable income of Autorola A/S in Denmark. The Group will have the possibility of requesting a corresponding decrease abroad if the ongoing tax audit results in an increase in taxable income in Denmark.

22 Assets charged and collateral

All bank debt has been secured by a company charge of DKK 28,000k. Carrying amount of mortgaged assets is DKK 185,214k at 31 December 2021.

Intangible assets	DKK 32.239k
Property, plant and equipment	DKK 57.179k
Inventories	DKK 22.803k
Trade receivables	DKK 72.993k
Total	**DKK 185.214k**

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:
Autorola Group Holding A/S, 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
Autorola Ejendomme ApS	Denmark	ApS	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

Parent income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Other external expenses		(480)	(266)
Gross profit/loss		**(480)**	**(266)**
Income from investments in group enterprises		44,565	35,867
Other financial expenses	2	(369)	(158)
Profit/loss before tax		**43,716**	**35,443**
Tax on profit/loss for the year	3	187	107
Profit/loss for the year	4	**43,903**	**35,550**

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Investments in group enterprises		148,663	115,253
Financial assets	5	**148,663**	**115,253**
Fixed assets		**148,663**	**115,253**
Other receivables		65	7
Tax receivable		7,338	7,785
Prepayments	6	42	41
Receivables		**7,445**	**7,833**
Cash		**204**	**0**
Current assets		**7,649**	**7,833**
Assets		**156,312**	**123,086**

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		500	500
Reserve for net revaluation according to equity method		122,818	79,125
Retained earnings		(2,312)	973
Proposed dividend for the financial year		0	20,000
Equity		**121,006**	**100,598**
Bank loans		0	3
Payables to group enterprises		33,020	18,686
Tax payable		2,153	3,692
Other payables		133	107
Current liabilities other than provisions		**35,306**	**22,488**
Liabilities other than provisions		**35,306**	**22,488**
Equity and liabilities		**156,312**	**123,086**
Events after the balance sheet date	1		
Contingent liabilities	7		
Assets charged and collateral	8		
Related parties with controlling interest	9		
Transactions with related parties	10		

Parent statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend for the year DKK'000	Total DKK'000
Equity beginning of year	500	79,125	973	20,000	100,598
Ordinary dividend paid	0	0	0	(20,000)	(20,000)
Exchange rate adjustments	0	(3,495)	0	0	(3,495)
Profit/loss for the year	0	47,188	(3,285)	0	43,903
Equity end of year	**500**	**122,818**	**(2,312)**	**0**	**121,006**

Subsidiaries have proposed a dividend of a total of DKK 25 million, which is expected to be decided at the general meeting.

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 Other financial expenses

	2021 DKK'000	2020 DKK'000
Financial expenses from group enterprises	368	46
Financial expenses from associates	0	112
Other interest expenses	1	0
	369	**158**

3 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	(187)	(93)
Adjustment concerning previous years	0	(14)
	(187)	**(107)**

4 Proposed distribution of profit and loss

	2021 DKK'000	2020 DKK'000
Ordinary dividend for the financial year	0	20,000
Retained earnings	43,903	15,550
	43,903	**35,550**

5 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	29,970
Disposals	(4,125)
Cost end of year	**25,845**
Revaluations beginning of year	85,283
Exchange rate adjustments	(3,495)
Share of profit/loss for the year	44,565
Dividend	(7,500)
Reversal regarding disposals	3,965
Revaluations end of year	**122,818**
Carrying amount end of year	**148,663**

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

6 Prepayments

Prepayments relate to prepaid expenses.

7 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.

Autorola A/S is subjected to an ongoing transfer pricing tax audit in Denmark. The tax authorities' final decision on this tax audit is still pending at the present moment. Consequently, it remains unclear whether the Danish Tax Agency's final decision may involve an increase in the taxable income of Autorola A/S in Denmark. The Group will have the possibility of requesting a corresponding decrease abroad if the ongoing tax audit results in an increase in taxable income in Denmark.

8 Assets charged and collateral

The Company has guaranteed the group entities' bank loans. The guarantee is unlimited. The loans total DKK 78,744k at 31 December 2021.

All bank debt has been secured by a company charge of DKK 28,000k. Carrying amount of mortgaged assets is DKK 0k at 31 December 2021.

9 Related parties with controlling interest

PG Development ApS, Odense owns 50 percent of the shares in the Entity.
MG Development ApS, Odense owns 50 percent of the shares in the Entity.

There are no parties with controlling interests over the Entity.

10 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).

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

Non-comparability

In the comparison year, the company reclassified costs relating to sales transactions, as these cost in the comparison year was deducted in the revenue. The reclassification has no result effect, but only affects the presentation of turnover and consumption of goods. Key figures and ratios for all 5 years, is also corrected accordingly.

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.

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 takeover date, with net assets having been calculated at fair value.

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 ordinary 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.

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, tther 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: 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.

Profits and losses from the sale of property, plant and equipment are calculated as the difference be-tween selling price less selling costs and the carrying amount at the time of sale. Profits or losses are recognised in the income statement as an adjustment to amortisation and impairment losses.

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.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises 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 enterprise, 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 group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

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

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

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

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

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

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.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

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 of the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year. No separate cash flow statement has been prepared for the Parent as it is included in the consolidated cash flow statement.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows from acquired enterprises are recognised in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognised up to the time of sale.

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

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

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on in-terest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.