

Africa Automotive A/S

Østre Havnevej 16A, 5700 Svendborg

CVR no. 31 07 13 48

Annual report 2023

Approved at the Company's annual general meeting on 14 May 2024

Chair of the meeting:



.....
Kim Ole Vandbæk

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Africa Automotive A/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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

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

Svendborg, 14 May 2024
Executive Board:



Kim Ole Vandbæk

Board of Directors:



Peter Pasgaard Madsen
Chairman



Leonid Zikeev



Kim Ole Vandbæk



Kenn Janerka Olsen

Independent auditor's report

To the shareholders of Africa Automotive A/S

Opinion

We have audited the financial statements of Africa Automotive A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

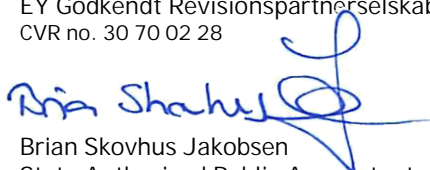
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

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

Odense, 14 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Brian Skovhus Jakobsen
State Authorised Public Accountant
mne27701

Management's review

Company details

| | |
|----------------------------|---|
| Name | Africa Automotive A/S |
| Address, Postal code, City | Østre Havnevej 16A, 5700 Svendborg |
| CVR no. | 31 07 13 48 |
| Established | 15 November 2007 |
| Financial year | 1 January - 31 December |
| Website | www.africaautomotive.dk |
| Telephone | +45 62 22 88 99 |
| Board of Directors | Peter Pasgaard Madsen, Chairman Leonid Zikeev Kim Ole Vandbæk Kenn Janerka Olsen |
| Executive Board | Kim Ole Vandbæk |
| Auditors | EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark |

Management's review

Financial highlights

| DKK'000 | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|--------|--------|--------|--------|--------|
| Key figures | | | | | |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 2,665 | 4,983 | 1,299 | 977 | 1,358 |
| Net financials | 190 | -379 | -848 | -962 | -1,634 |
| Profit for the year | 2,214 | 3,583 | 348 | 11 | -978 |
| Total assets | 57,363 | 61,296 | 60,176 | 32,336 | 63,878 |
| Investments in property, plant and equipment | 0 | 0 | 0 | 0 | 0 |
| Equity | 19,531 | 17,944 | 11,157 | 13,385 | 12,895 |
| Financial ratios | | | | | |
| Return on assets | 4.5% | 8.2% | 2.8% | 2.0% | 2.0% |
| Current ratio | 162.1% | 149.9% | 129.2% | 194.4% | 131.0% |
| Equity ratio | 34.0% | 29.3% | 18.5% | 41.4% | 20.2% |
| Return on equity | 11.8% | 24.6% | 2.8% | 0.1% | -7.2% |
| Average number of full-time employees | 3 | 3 | 4 | 4 | 4 |

For terms and definitions, please see the accounting policies.

Management's review

Business review

The company is similar to previous years engaged in specialized automotive solutions to Sub-Saharan Africa.

Financial review

The income statement for 2023 shows a profit before tax of DKK 2,854 thousand against a profit of DKK 4,604 thousand last year, and the balance sheet as of 31 December 2023 shows an equity of DKK 19,531 thousand.

The Company has continued its normal activities.

There has not been any isolated events during the year that requires mentioning in the Management 's review.

The result for the year is as expected and the result is considered acceptable.

Financial risks and use of financial instruments

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

Impact on the external environment

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

Events after the balance sheet date

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

Outlook

Management expects a profit before tax in the range of DKK 2.5-3 million for the fiscal year 2024.

Financial statements 1 January - 31 December

Income statement

| Note | DKK | <u>2023</u> | <u>2022</u> |
|------|-------------------------------------|-------------------------|-------------------------|
| | Gross profit | 6,688,040 | 7,704,146 |
| 2 | Staff costs | -4,023,165 | -2,720,785 |
| | Profit before net financials | <u>2,664,875</u> | <u>4,983,361</u> |
| 3 | Financial income | 2,547,705 | 947,676 |
| 4 | Financial expenses | -2,357,952 | -1,326,311 |
| | Profit before tax | <u>2,854,628</u> | <u>4,604,726</u> |
| 5 | Tax for the year | -640,483 | -1,021,250 |
| | Profit for the year | <u><u>2,214,145</u></u> | <u><u>3,583,476</u></u> |

Financial statements 1 January - 31 December

Balance sheet

| Note | DKK | <u>2023</u> | <u>2022</u> |
|------|-------------------------------------|--------------------------|--------------------------|
| | ASSETS | | |
| | Non-fixed assets | | |
| | Inventories | | |
| | Finished goods and goods for resale | 9,378,524 | 6,298,828 |
| | Prepayments for goods | <u>6,779,081</u> | <u>7,761,399</u> |
| | | <u>16,157,605</u> | <u>14,060,227</u> |
| | Receivables | | |
| | Trade receivables | 5,266,600 | 10,688,224 |
| | Receivables from subsidiaries | 35,507,719 | 31,521,621 |
| 9 | Deferred tax assets | 65,486 | 94,106 |
| | Other receivables | 75,219 | 41,864 |
| 7 | Prepayments | <u>214,328</u> | <u>1,028,383</u> |
| | | <u>41,129,352</u> | <u>43,374,198</u> |
| | Cash | <u>76,310</u> | <u>3,861,857</u> |
| | Total non-fixed assets | <u>57,363,267</u> | <u>61,296,282</u> |
| | TOTAL ASSETS | <u><u>57,363,267</u></u> | <u><u>61,296,282</u></u> |

Financial statements 1 January - 31 December

Balance sheet

| Note | DKK | 2023 | 2022 |
|------|--|-------------------|-------------------|
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| 8 | Share capital | 800,000 | 800,000 |
| | Hedging reserve | 0 | 627,416 |
| | Retained earnings | 18,730,757 | 16,516,612 |
| | Total equity | <u>19,530,757</u> | <u>17,944,028</u> |
| | Liabilities other than provisions | | |
| 10 | Non-current liabilities other than provisions | | |
| 11 | Subordinate loan capital | 2,320,000 | 2,320,000 |
| | Other payables | 133,710 | 129,189 |
| | | <u>2,453,710</u> | <u>2,449,189</u> |
| | Current liabilities other than provisions | | |
| | Bank debt | 22,806,103 | 23,040,782 |
| | Prepayments received from customers | 7,499,008 | 5,008,478 |
| | Trade payables | 2,862,547 | 5,936,734 |
| | Joint taxation contribution payable | 434,900 | 1,621,808 |
| | Payables to shareholders and management | 1,085,221 | 262,358 |
| | Other payables | 691,021 | 5,032,905 |
| | | <u>35,378,800</u> | <u>40,903,065</u> |
| | Total liabilities other than provisions | <u>37,832,510</u> | <u>43,352,254</u> |
| | TOTAL EQUITY AND LIABILITIES | <u>57,363,267</u> | <u>61,296,282</u> |

- 1 Accounting policies
- 6 Appropriation of profit
- 13 Contractual obligations and contingencies, etc.
- 14 Security and collateral
- 15 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

| Note | DKK | Share capital | Hedging reserve | Retained earnings | Total |
|------|---|---------------|-----------------|-------------------|------------|
| | Equity at | | | | |
| | 1 January 2022 | 800,000 | -2,576,051 | 12,933,136 | 11,157,085 |
| 6 | Transfer, see | | | | |
| | "Appropriation of profit" | 0 | 0 | 3,583,476 | 3,583,476 |
| | Adjustment of hedging instruments at fair value | 0 | 4,107,009 | 0 | 4,107,009 |
| | Tax on items recognised directly in equity | 0 | -903,542 | 0 | -903,542 |
| | Equity at | | | | |
| | 1 January 2023 | 800,000 | 627,416 | 16,516,612 | 17,944,028 |
| 6 | Transfer, see | | | | |
| | "Appropriation of profit" | 0 | 0 | 2,214,145 | 2,214,145 |
| | Adjustment of hedging instruments at fair value | 0 | -804,379 | 0 | -804,379 |
| | Tax on items recognised directly in equity | 0 | 176,963 | 0 | 176,963 |
| | Equity at | | | | |
| | 31 December 2023 | 800,000 | 0 | 18,730,757 | 19,530,757 |

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Africa Automotive A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year except that individual reclassifications have been made in comparison figures.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Buk-Auto A/S.

Reporting currency

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

Foreign currency translation

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

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

Derivative financial instruments

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

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

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

Income statement

Revenue

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

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

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gross profit

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

Cost of sales

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

Other external expenses

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

Staff costs

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

Amortisation/depreciation and impairment

The item comprises depreciation of plant and equipment.

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

| | |
|---------------------|---------|
| Plant and equipment | 5 years |
|---------------------|---------|

Profit/loss from investments in group entities, associates and participating interests

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax.

Financial income and expenses

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

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Inventories

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

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

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables. Receivables are measured at amortised cost.

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

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

Prepayments

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

Equity

Hedging reserve

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

Proposed dividends

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

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

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

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

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

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

Other liabilities are measured at net realisable value.

Subordinate loan capital

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Fair value

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

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

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

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

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

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

Financial ratios

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

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

Financial statements 1 January - 31 December

Notes to the financial statements

| DKK | 2023 | 2022 |
|---|-----------|-----------|
| 2 Staff costs | | |
| Wages/salaries | 4,001,443 | 2,697,928 |
| Other social security costs | 21,722 | 22,857 |
| | 4,023,165 | 2,720,785 |
| Average number of full-time employees | 3 | 3 |
| 3 Financial income | | |
| Interest receivable, group entities | 2,348,635 | 918,757 |
| Other interest income | 199,070 | 28,919 |
| | 2,547,705 | 947,676 |
| 4 Financial expenses | | |
| Other financial expenses | 2,357,952 | 1,326,311 |
| | 2,357,952 | 1,326,311 |
| 5 Tax for the year | | |
| Estimated tax charge for the year | 611,863 | 718,266 |
| Deferred tax adjustments in the year | 28,620 | 302,984 |
| | 640,483 | 1,021,250 |
| DKK | 2023 | 2022 |
| 6 Appropriation of profit | | |
| Recommended appropriation of profit | | |
| Retained earnings | 2,214,145 | 3,583,476 |
| | 2,214,145 | 3,583,476 |

7 Prepayments

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

Financial statements 1 January - 31 December

Notes to the financial statements

| DKK | 2023 | 2022 |
|---|----------------|----------------|
| 8 Share capital | | |
| Analysis of the share capital: | | |
| 800 A shares of DKK 1,000.00 nominal value each | 800,000 | 800,000 |
| | <u>800,000</u> | <u>800,000</u> |

The Company's share capital has remained DKK 800,000 over the past 5 years.

| | | |
|---|----------------|----------------|
| 9 Deferred tax | | |
| Deferred tax at 1 January | -94,106 | -397,090 |
| Annual adjustment of deferred tax in income statement | 28,620 | 302,984 |
| Deferred tax at 31 December | <u>-65,486</u> | <u>-94,106</u> |
| Deferred tax relates to: | | |
| Inventories | -34,686 | -63,306 |
| Receivables | -30,800 | -30,800 |
| | <u>-65,486</u> | <u>-94,106</u> |

Tax asset valuation is based on forecasts for the next 3 years.

10 Non-current liabilities other than provisions

| DKK | Total debt at 31/12 2023 | Short-term portion | Long-term portion | Outstanding debt after 5 years |
|--------------------------|-----------------------------|-----------------------|----------------------|-----------------------------------|
| Subordinate loan capital | 2,320,000 | 0 | 2,320,000 | 0 |
| Other payables | 133,710 | 0 | 133,710 | 133,710 |
| | <u>2,453,710</u> | <u>0</u> | <u>2,453,710</u> | <u>133,710</u> |

11 Subordinate loan capital

Loan DKK 2,320 thousand has been granted by shareholder and is subordinated in relation to all other creditors. The term to maturity depends on other funding. The interest is paid on a quarterly basis.

Financial statements 1 January - 31 December

Notes to the financial statements

12 Derivative financial instruments

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

Recognised transactions

Hedging of recognised transactions primarily includes receivables and payables.

At 31 December 2023 the value according to contract amounts to DKK 9,661 thousand and the net position amounts to DKK 220 thousand, which are recognised in the income statement.

Forecast transactions

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

At 31 December 2023 there are no contracts regarding sale and purchase of goods in the coming year.

Fair value disclosures

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

| DKK | <u>Financial instruments</u> |
|--|------------------------------|
| Fair value at year end | 220,435 |
| Unrealised fair value adjustments for the year, recognised in the income statement | -10,425 |
| Unrealised fair value adjustments for the year, recognised in hedging reserve | -804,379 |
| Fair value level | 2 |

13 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its parent, Buk-Auto A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2018 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 31 December 2018.

14 Security and collateral

A company charge comprising all the Company's assets, however with an upper limit of DKK 20 million, has been provided as collateral for the Company's and the parent company's commitments with Jyske Bank. At 31 December 2023, the amount drawn in respect of these commitments was DKK 37.3 million.

The Company has provided a guarantee whereby the guarantor assumes primary liability in relation to Buk-Auto A/S', Global Automotive Inc.'s and Buk-Auto Ltd.'s commitments with Jyske bank. At 31 December 2023, the amount drawn in respect of these commitments was DKK 17.6 million.

Financial statements 1 January - 31 December

Notes to the financial statements

15 Related parties

Africa Automotive A/S' related parties comprise the following:

Parties exercising control

| <u>Related party</u> | <u>Domicile</u> | <u>Basis for control</u> |
|----------------------|--------------------|--------------------------|
| Buk-Auto A/S | Svendborg, Denmark | Shareholders' agreement |

Information about consolidated financial statements

| <u>Parent</u> | <u>Domicile</u> | <u>Requisitioning of the parent company's consolidated financial statements</u> |
|---------------|--------------------|---|
| Buk-Auto A/S | Svendborg, Denmark | www.cvr.dk |

Related party transactions

Africa Automotive A/S was engaged in the below related party transactions:

| <u>DKK</u> | <u>2023</u> | <u>2022</u> |
|---|-------------|-------------|
| Sale of goods to parent company | 5,240,088 | 1,423,804 |
| Sale of goods to other related parties | 2,598,833 | 9,249,864 |
| Purchase of goods from parent company | 1,335,865 | 1,557,646 |
| Management fee to parent company and other related parties | 1,061,616 | 504,952 |
| Bonus to shareholders and management | 1,115,579 | 262,358 |
| Interest income from parent company and other related parties | 2,348,636 | 918,757 |
| Interest expenses to parent company and other related parties | 285 | 22,707 |
| Interest expenses to shareholder, subordinate loan capital | 139,200 | 139,200 |
| Receivables from parent company | 9,013,321 | 7,639,834 |
| Receivables from other related parties | 26,494,398 | 23,590,832 |
| Subordinate loan capital from shareholders | 2,320,000 | 2,320,000 |
| Payable to shareholders | 1,085,221 | 0 |

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

Ownership

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

| <u>Name</u> | <u>Domicile</u> |
|--------------|--------------------|
| Buk-Auto A/S | Svendborg, Denmark |