

Eberspächer Danmark ApS

Automatikvej 1, 3.
DK-2860 Søborg

CVR no. 31 49 56 28

Annual report 2020

The annual report was presented and approved at the
Company's annual general meeting on

4 March 2021

Lars Nilsson
Chairman

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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Eberspächer Danmark ApS for the financial year 1 January – 31 December 2020.

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

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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

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

Gladsaxe, 4 March 2021
Executive Board:

Lars Nilsson
CEO

Independent auditor's report

To the shareholder of Eberspächer Danmark ApS

Opinion

We have audited the financial statements of Eberspächer Danmark ApS for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet 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 Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these 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 company 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.

Independent auditor's report

- 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.
- 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 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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 4 March 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Christian Engelbrecht Friis
State Authorised
Public Accountant
mne44180

Eberspächer Danmark ApS
Annual report 2020
CVR no. 31 49 56 28

Management's review

Company details

Eberspächer Danmark ApS
Automatikvej 1, 3.
2860 Søborg
Denmark

Telephone: +45 44 85 30 30

CVR no.: 31 49 56 28
Established: 1 June 2008
Registered office: Gladsaxe
Financial year: 1 January – 31 December

Executive Board

Lars Nilsson, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
Denmark
CVR no. 25 57 81 98

Annual general meeting

The annual general meeting will be held on 4 March 2021.

Management's review

Operating review

Principal activities

The principal activities of the Company comprise purchase and sale of car heaters and related components as well as other affiliated businesses.

Development in the year

The Company's income statement for 2020 shows loss of DKK -18,670 as against DKK 207,458 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 2,025,770 as against DKK 2,044,440 at 31 December 2019.

Significant events after the balance sheet date

The COVID-19 Pandemic has impacted businesses across the globe, and Eberspächer Danmark ApS has also experienced losses as a consequence of the virus. This has however not affected the short-term liquidity of the business.

Moreover, reference is made to note , in which the matter is described in further detail.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2020	2019
Gross profit		1,518,609	2,447,361
Staff costs	2	-1,458,377	-2,163,771
Profit before financial income and expenses		60,232	283,590
Other financial income		19,560	310
Other financial expenses		-98,462	-76,442
Profit/loss before tax		-18,670	207,458
Tax on profit/loss for the year		0	0
Profit/loss for the year		-18,670	207,458
Proposed profit appropriation/distribution of loss			
Retained earnings		-18,670	207,458
		-18,670	207,458

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
ASSETS			
Fixed assets			
Investments			
Deposits		56,628	53,953
Total fixed assets		56,628	53,953
Current assets			
Receivables			
Trade receivables		2,038,227	2,876,695
Receivables from group entities		1,766,912	951,589
Prepayments		54,525	54,525
		3,859,664	3,882,809
Cash at bank and in hand		57,140	133,505
Total current assets		3,916,804	4,016,314
TOTAL ASSETS		3,973,432	4,070,267

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		127,000	127,000
Retained earnings		<u>1,898,770</u>	<u>1,917,440</u>
Total equity		<u>2,025,770</u>	<u>2,044,440</u>
Liabilities			
Current liabilities			
Trade payables		201,086	160,142
Payables to group entities		18,204	41,585
Other payables		<u>1,728,372</u>	<u>1,824,100</u>
		<u>1,947,662</u>	<u>2,025,827</u>
Total liabilities		<u>1,947,662</u>	<u>2,025,827</u>
TOTAL EQUITY AND LIABILITIES		<u>3,973,432</u>	<u>4,070,267</u>
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Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of Eberspächer Danmark ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

With reference to Section 32 of the Danish Financial Statement Act, the income statement items - revenue, other operating income and other external costs - have been combined to the item gross profit.

Revenue

Income from the sale of goods, comprising the sale of climate systems, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Turnover is measured at the fair value of the agreed remuneration, excluding VAT, discounts and general sales tax.

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Other external costs

Other external costs comprise costs for distribution, sales, advertising, administration, premises, losses on debtors, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

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

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less, which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Other liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

2 Staff costs

DKK	2020	2019
Wages and salaries	1,334,672	1,984,968
Pensions	110,720	140,141
Other social security costs	12,985	38,662
	<u>1,458,377</u>	<u>2,163,771</u>

Financial statements 1 January – 31 December

Notes

Average number of full-time employees	3	4
	<u> </u>	<u> </u>

3 Contingent assets, liabilities and other financial obligations

At 31 December 2020, the Company had the following contractual obligations and contingencies:

Rent obligation, DKK 41.183 (2019: DKK 123,750)

Operating lease obligations, DKK 111.662 (2019: DKK 212,641)

Total obligations, DKK 152.845 (2019: DKK 336,391).

The rent obligation relates to a six-month notice period. Maturities of lease obligations are 15 to 5 month notice from the balance sheet date.

4 Related party disclosures

Eberspächer AB owns 100% of the contributed capital.

The consolidated financial statements of Eberspächer Danmark ApS can be obtained at the following addresses:

Eberspächer Climate Control Systems GmbH & Co. KG (ultimate group)
Eberspächerstrasse 24
73730 Esslingen
Germany

Eberspächer AB (smallest group)
Kardanvägen 34
461 38 Trollhättan
Sweden

Other related parties comprise other group companies and the Company's Management.

Related party transactions

DKK	2020	2019
	<u> </u>	<u> </u>
	0	0
	<u> </u>	<u> </u>
	0	0
	<u> </u>	<u> </u>

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note #.