

# Eberspächer Danmark ApS

Automatikvej 1, 3.  
2860 Søborg  
Denmark

CVR no. 31 49 56 28

## Annual report 2019

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

1 April 2020

**Lars Nilsson**

Elektroniskt undertecknad  
av Lars Nilsson  
Datum: 2020.04.01  
08:31:33 +02'00'

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 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

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.

Trollhättan, 1 April 2020  
Executive Board:

Lars  
Nilsson

Elektroniskt  
undertecknad av  
Lars Nilsson  
Datum: 2020.04.01  
08:32:04 +02'00'

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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 2019 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 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 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.
- 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 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, 1 April 2020

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



Henrik Kyhnau  
State Authorised  
Public Accountant  
mne40028

**Eberspächer Danmark ApS**  
Annual report 2019  
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: Søborg  
Financial year: 1 January – 31 December

### Executive Board

Lars Nilsson, CEO

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen  
Denmark

### Annual general meeting

The annual general meeting will be held on 1 April 2020.

## **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 business.

#### **Development in the year**

The Company's income statement for 2019 shows a profit of DKK 207 thousand (2018: 675 DKK thousand). The balance sheet at 31 December 2019 shows an equity of DKK 2,044 thousand (2018: 1,837 DKK thousand).

Management assesses that results are going in the right direction, but additional initiatives to increase sales with maintained lower cost structure are needed to achieve long-term satisfactory results.

#### **Significant events after the balance sheet date**

As our supplier of fuel-operated heating system for vehicles, Eberspächer AB has the following comments to COVID-19:

Our operation in Sweden is ongoing, but with a reduced workforce to supply heaters compared to plan. Our logistic plant in Poland is running with a limited, but fully operational workforce. From Monday 23 March 2020, our production site in Germany is entering into minimum operational level, but is still maintaining critical functions. Strict health measurements are introduced, including changes in working hours and breaks to minimize personal contact. Delivery delays occur due to border controls. This has been taken into account and must be considered in relation to orders with critical deliveries.

No events, other than the above, have occurred after the balance sheet date, which could significantly affect the assessment of the Company's financial position.

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2019	2018
<b>Gross profit</b>		2,378,885	3,316,423
Staff costs	2	-2,095,295	-2,592,127
<b>Operating profit</b>		283,590	724,296
Financial income		310	0
Financial expenses		-76,442	-33,681
<b>Profit before tax</b>		207,458	690,615
Tax on profit/loss for the year		0	-15,687
<b>Profit for the year</b>		207,458	674,928
<b>Proposed profit appropriation</b>			
Retained earnings		207,458	674,928
		207,458	674,928



## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2019	31/12 2018
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Investments</b>			
Deposits		53,953	44,428
<b>Total fixed assets</b>		53,953	44,428
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		2,876,695	1,875,049
Receivables from group entities		951,589	1,531,818
Prepayments		54,525	45,619
		3,882,809	3,452,486
<b>Cash at bank and in hand</b>		133,505	31,602
<b>Total current assets</b>		4,016,314	3,484,088
<b>TOTAL ASSETS</b>		4,070,267	3,528,516

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2019	31/12 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		127,000	127,000
Retained earnings		<u>1,917,440</u>	<u>1,709,982</u>
<b>Total equity</b>		<u>2,044,440</u>	<u>1,836,982</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		160,142	178,402
Payables to group entities		41,585	13,993
Other payables		<u>1,824,100</u>	<u>1,499,139</u>
		<u>2,025,827</u>	<u>1,691,534</u>
<b>Total liabilities</b>		<u>2,025,827</u>	<u>1,691,534</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>4,070,267</u>	<u>3,528,516</u>
<b>Contingent assets, liabilities and other financial obligations</b>			
<b>Related party disclosures</b>	3 4		

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Eberspächer Danmark ApS for 2019 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.

#### Other external costs

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

##### 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

### Notes

#### 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.

##### 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.

##### Equity

###### *Dividends*

The expected dividends payment for the year is disclosed as a separate item under equity.

##### 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.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

## Financial statements 1 January – 31 December

### Notes

#### 2 Staff costs

	2019	2018
DKK		
Wages and salaries	1,984,968	2,341,221
Pensions	140,141	180,389
Other social security costs	38,662	28,555
Other staff costs	-68,476	41,962
	<u>2,095,295</u>	<u>2,592,127</u>
Average number of full-time employees	<u>4</u>	<u>5</u>

#### 3 Contingent assets, liabilities and other financial obligations

At 31 December 2019, the Company had the following contractual obligations and contingencies:

Rent obligation, DKK 123,750 (2018: DKK 185,625)

Operating lease obligations, DKK 212,641 (2018: DKK 98,046)

Total obligations, DKK 336,391 (2018: DKK 283,671).

The rent obligation relates to a six-month notice period. Maturities of lease obligations are 12 to 36 months 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)  
Kardenvägen 34  
461 38 Trollhättan  
Sweden

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