RSM Danmark
Statsautoriseret
Revisionspartnerselskab
Birkemose Allé 39, 1. sal
6000 Kolding
T +45 76 34 40 00
CVR nr. 25 49 21 45
kolding@rsm.dk
www.rsm.dk

Topcap Budweg Caliper ApS

Industrivej 10, 5260 Odense S

Company reg. no. 39 23 86 91

Annual report

2022

The annual report was submitted and approved by the general meeting on the 29 June 2023.

Charlotte Holm
Chairman of the meeting

Notes to users of the English version of this document:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Contents

Management's statement

Today, the Managing Director has approved the annual report of Topcap Budweg Caliper ApS for the financial year 2022.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2022.

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

We recommend that the annual report be approved at the Annual General Meeting.

Odense S, 23 June 2023

Managing Director

Steven Brian Mesarick

Independent auditor's report

To the Shareholders of Topcap Budweg Caliper ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Topcap Budweg Caliper ApS for the financial year 1 January to 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 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 Consolidated Financial Statements and the Parent Company Financial Statements” section of our 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 Company Financial Statements

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group´s and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company 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 Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group´s and 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 consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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 Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, we conclude that 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 Management's Review.

Kolding, 23 June 2023

RSM Danmark
Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Konrad Jensen-Dahm
State Authorised Public Accountant
mne34321

Company information

The company	Topcap Budweg Caliper ApS Industrivej 10 5260 Odense S	
	Company reg. no.	39 23 86 91
	Established:	12 January 2018
	Domicile:	Odense S.
	Financial year:	1 January - 31 December
Managing Director	Steven Brian Mesarick	
Auditors	RSM Danmark Statsautoriseret Revisionspartnerselskab Birkemose Allé 39, 1. sal 6000 Kolding	

Consolidated financial highlights

DKK in thousands.	2022	2021	2020	2019	2018
Income statement:					
Profit from operating activities	10.811	32.345	38.617	24.005	26.091
Net financials	-2.350	-5.786	-7.236	-6.422	-8.796
Net profit or loss for the year	4.558	19.474	21.769	13.002	12.466
Statement of financial position:					
Balance sheet total	230.885	253.175	297.269	348.931	445.176
Investments in property, plant and equipment	5.395	5.357	10.076	7.197	4.862
Equity	167.800	178.352	228.331	206.849	192.381
Cash flows:					
Investing activities	6.489	-5.256	118.092	-6.558	-4.862
Financing activities	-17.319	-64.195	-82.511	-114.532	253.324
Employees:					
Average number of full-time employees	144	141	139	145	159
Key figures in %:					
Return on equity investment	4,5	12,7	13,0	6,9	5,9
Return on equity	2,6	21,8	10,0	6,5	13,0

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Return on equity investment
$$\frac{\text{Operating profit or loss (EBIT) x 100}}{\text{Average invested capital}}$$

Invested capital
Operational intangible and tangible assets and net working capital

Return on equity
$$\frac{\text{*Profit x 100}}{\text{Average equity exclusive of non-controlling interests}}$$

***Profit**
Net profit or loss for the year less non-controlling interests' share hereof

Description of key activities of the company

The key activity of Topcap Budweg Caliper Group is the remanufacturing and trading of brake calipers forpassenger cars and vans and the manufacture of parts to calipers.

Corporate Governance

The group is part of a group that has the American private equity firm Clearlake Capital Group, L.P. as its main shareholder through BBB Industries Ltd.

Companies owned by private equity funds and presenting the annual report according to large class C companies must incorporate DVCA's (Danish Venture Capital Association) guide for good corporate governance.

The group presents the annual report in accordance with the rules for medium-sized enterprises in accounting class C and is thus not fully covered by DVCA's guidelines. BBB Industries Ltd. is represented in the board of Directors by both chairman of board and 2 general members of board. Board meetings are held through the year, and no special Board committees is established.

Development in activities and financial matters

The income statement of the Company for 2022 shows a profit of TDKK 4.558, and at 31 December 2022 the balance sheet of the Company shows equity of TDKK 168.800.

Budweg Group was as of 1st. of April 2022 aquired by American BBB Industries Ltd. Who hereafter has 100% ownership of the Budweg Group.

BBB Industries activity is sustainable manufacturing of parts for the Automotive business among others. The acquisition of Budweg Group was BBB’s first acquisition of a sustainable manufacturing company in Europe within the Automotive business.

Budweg Group has as many felt the impact of the extraordinary socio-economic circumstances, which has affected both Denmark and Europe in general in 2022. Especially the high prices for both energy, freight and packaging has impacted our company. At the same time especially 2. Half of 2022 was affected by a general decrease in demand in the European markets. Based on these challenges the actual profit of the year ended at an acceptable level.

Expected developments

We have during the year worked on changes and efficiencies. Due to the outcome of this and also based on the increase in demand in 2023, an increase in revenue and net profit is expected in the coming year. The Topcap Budweg Caliper Group expect a net profit of 30-35 million DKK.

Environmental issues

Budweg Caliper's remanufacturing production does not have any high impact on the external environment. The company does not want to burden employees and the environment with unnecessarily use of chemicals. The company has in 2022 received our certification from ISO 14001. With base in this certification Budweg Caliper works continuously with development and improvement within the environment and working environment.

Financial risks and the use of financial instruments

There are no particular operational risks for Budweg Caliper. Revenue is mainly in EUR, while purchased materials are also in other currencies.

Events occurring after the end of the financial year

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

DKK thousand.

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Gross profit	**52.909**	**70.941**	**0**	**0**
	Distribution costs	-20.291	-17.262	0	0
	Administration expenses	-21.807	-21.334	-8	-6
	Operating profit	**10.811**	**32.345**	**-8**	**-6**
	Income from investments in group enterprises	0	-1.450	2.359	10.074
	Other financial income from group enterprises	0	0	2	0
	Other financial income	20	98	0	1
	Other financial expenses	-2.370	-4.434	0	-10
	Financing, net	-2.350	-5.786	2.361	10.065
	Pre-tax net profit or loss	**8.461**	**26.559**	**2.353**	**10.059**
3	Tax on net profit or loss for the year	-3.903	-7.085	1	3
4	**Net profit or loss for the year**	**4.558**	**19.474**	**2.354**	**10.062**
	Break-down of the consolidated profit or loss:				
	Shareholders in Topcap Budweg Caliper ApS	2.354	10.062		
	Non-controlling interests	2.204	9.412		
		4.558	**19.474**		

Balance sheet at 31 December

DKK thousand.

Assets

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Non-current assets				
5	Acquired intangible fixed assets	91	287	0	0
6	Goodwill	69.350	73.934	0	0
	Total intangible assets	69.441	74.221	0	0
7	Land and buildings	0	9.932	0	0
8	Other fixtures, fittings, tools and equipment	14.724	17.090	0	0
	Total property, plant, and equipment	14.724	27.022	0	0
9	Investments in group enterprises	0	0	86.702	92.156
10	Other financial investments	7.050	7.050	0	0
	Total investments	7.050	7.050	86.702	92.156
	Total non-current assets	**91.215**	**108.293**	**86.702**	**92.156**
	Current assets				
	Raw materials and consumables	82.009	68.363	0	0
	Work in progress	1.643	1.897	0	0
	Manufactured goods and goods for resale	24.089	22.709	0	0
	Total inventories	107.741	92.969	0	0
	Trade receivables	22.956	24.445	0	0
	Receivables from group enterprises	0	0	104	108
	Income tax receivables	0	1.050	0	1.050
	Tax receivables from group enterprises	0	0	221	0
11	Other receivables	2.354	1.002	0	0
12	Prepayments	1.679	2.042	0	0
	Total receivables	26.989	28.539	325	1.158

Balance sheet at 31 December

DKK thousand.

Note	Assets	Group 2022	Group 2021	Parent 2022	Parent 2021
	Cash and cash equivalents	4.940	23.374	0	0
	Total current assets	**139.670**	**144.882**	**325**	**1.158**
	Total assets	**230.885**	**253.175**	**87.027**	**93.314**

Balance sheet at 31 December

DKK thousand.

Equity and liabilities

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
	Equity				
13	Contributed capital	1.000	1.000	1.000	1.000
	Reserve for net revaluation according to the equity method	0	0	-88	306
	Reserve for foreign currency translation	-595	-575	0	0
	Reserve for hedging transactions	0	375	0	0
	Retained earnings	86.396	91.458	85.889	90.954
	Equity before non-controlling interest.	86.801	92.258	86.801	92.260
14	Non-controlling interests	80.999	86.094	0	0
	Total equity	**167.800**	**178.352**	**86.801**	**92.260**
	Provisions				
15	Provisions for deferred tax	665	725	0	0
16	Other provisions	737	1.943	0	0
	Total provisions	**1.402**	**2.668**	**0**	**0**
	Liabilities other than provisions				
	Lease liabilities	4.217	7.284	0	0
17	Total long term liabilities other than provisions	4.217	7.284	0	0

Balance sheet at 31 December

DKK thousand.

Equity and liabilities

Note		Group 2022	Group 2021	Parent 2022	Parent 2021
17	Current portion of long term liabilities	2.715	2.617	0	0
	Bank loans	0	2.717	0	0
	Trade payables	20.869	24.304	6	6
	Income tax payable	220	0	220	0
	Income tax payable to group enterprises	0	0	0	1.047
	Other payables	33.662	35.233	0	1
	Total short term liabilities other than provisions	57.466	64.871	226	1.054
	Total liabilities other than provisions	**61.683**	**72.155**	**226**	**1.054**
	Total equity and liabilities	**230.885**	**253.175**	**87.027**	**93.314**

1 Gross profit/loss
2 Employee issues
18 Charges and security
19 Contingencies
20 Related parties

Consolidated statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for foreign currency translation	Reserve for hedging transactions	Retained earnings	Non-controlling interests	Total
Equity opening balance	1.000	-575	375	91.458	86.094	178.352
Net profit or loss for the year	0	0	0	2.354	2.204	4.558
Distributed extraordinary dividend adopted during the financial year	0	0	0	-7.419	-6.931	-14.350
Foreign currency translation adjustments	0	-19	0	0	-18	-37
Hedging adjustment	0	0	-375	0	-350	-725
	1.000	**-594**	**0**	**86.393**	**80.999**	**167.798**

Statement of changes in equity of the parent

DKK thousand.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Total
Equity opening balance	1.000	306	90.954	92.260
Share of profit or loss	0	0	-5.065	-5.065
Extraordinary dividend adopted during the financial year	0	0	7.419	7.419
Distributed extraordinary dividend adopted during the financial year	0	0	-7.419	-7.419
Foreign currency translation adjustments	0	-19	0	-19
Hedging adjustment	0	-375	0	-375
	1.000	**-88**	**85.889**	**86.801**

Statement of cash flows 1 January - 31 December

DKK thousand.

Note		Group 2022	2021
	Net profit or loss for the year	4.558	19.474
21	Adjustments	19.269	22.575
22	Change in working capital	-23.336	24.036
	Cash flows from operating activities before net financials	491	66.085
	Interest received, etc.	20	98
	Interest paid, etc.	-2.941	-4.434
	Cash flows from ordinary activities	-2.430	61.749
	Income tax paid	-2.458	-16.386
	Cash flows from operating activities	**-4.888**	**45.363**
	Purchase of intangible assets	-30	0
	Purchase of property, plant, and equipment	-5.395	-5.550
	Sale of property, plant, and equipment	11.912	294
	Sale of fixed asset investments	2	0
	Cash flows from investment activities	**6.489**	**-5.256**
	Long-term payables incurred	0	9.191
	Repayments of long-term payables	-2.969	-3.386
	Dividends distributed	-14.350	-70.000
	Cash flows from investment activities	**-17.319**	**-64.195**
	Change in cash and cash equivalents	**-15.718**	**-24.088**
	Cash and cash equivalents at opening balance	20.657	44.745
	Cash and cash equivalents at end of period	**4.939**	**20.657**
	Cash and cash equivalents		
	Cash and cash equivalents	4.939	20.657
	Cash and cash equivalents at end of period	**4.939**	**20.657**

Notes

DKK thousand.

1. Gross profit/loss

The following other operating income is included in the gross profit this year:
Wage compensation DKK 0,4 million in 2021 (2022: DKK 0 million).

	Group 2022	Group 2021	Parent 2022	Parent 2021
2. Employee issues				
Salaries and wages	68.747	58.127	0	0
Pension costs	4.959	4.795	0	0
Other costs for social security	1.322	974	0	0
	75.028	**63.896**	**0**	**0**
Executive board and board of directors	1.604	3.078	0	0
Average number of employees	144	141	0	0
3. Tax on net profit or loss for the year				
Tax on net profit or loss for the year	3.783	6.936	-1	-3
Adjustment of deferred tax for the year	144	149	0	0
Adjustment of tax for previous years	-24	0	0	0
	3.903	**7.085**	**-1**	**-3**

Notes

DKK thousand.

		Parent 2022	2021
4.	**Proposed distribution of net profit**		
	Extraordinary dividend distributed during the financial year	7.419	36.192
	Reserves for net revaluation according to the equity method	-5.148	0
	Transferred to retained earnings	83	0
	Allocated from retained earnings	0	-26.130
	Total allocations and transfers	**2.354**	**10.062**

Notes

DKK thousand.

		Group		Parent	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
5.	**Acquired intangible fixed assets**				
	Cost opening balance	8.506	8.123	0	0
	Translation at the exchange rate at the balance sheet date end of period	0	-6	0	0
	Additions during the year	30	193	0	0
	Disposals during the year	0	-426	0	0
	Transfers	0	622	0	0
	Cost end of period	**8.536**	**8.506**	**0**	**0**
	Amortisation and write-down opening balance	-8.219	-7.900	0	0
	Translation at the exchange rate at the balance sheet date end of period	0	2	0	0
	Amortisation and depreciation for the year	-226	-348	0	0
	Reversal of depreciation, amortisation, and impairment loss, assets disposed of	0	372	0	0
	Transfers	0	-345	0	0
	Amortisation and write-down end of period	**-8.445**	**-8.219**	**0**	**0**
	Carrying amount, end of period	**91**	**287**	**0**	**0**

DKK thousand.

	Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
6. Goodwill				
Cost opening balance	91.692	91.691	0	0
Cost end of period	**91.692**	**91.691**	**0**	**0**
Amortisation and write-down opening balance	-17.758	-13.173	0	0
Amortisation and depreciation for the year	-4.584	-4.584	0	0
Amortisation and write-down end of period	**-22.342**	**-17.757**	**0**	**0**
Carrying amount, end of period	**69.350**	**73.934**	**0**	**0**

	Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
7. Land and buildings				
Cost opening balance	12.935	13.049	0	0
Translation at the exchange rate at the balance sheet date end of period	0	-114	0	0
Disposals during the year	-12.935	0	0	0
Cost end of period	**0**	**12.935**	**0**	**0**
Depreciation and write-down opening balance	-3.003	-3.833	0	0
Correction due to changes in accounting policies	0	9	0	0
Amortisation and depreciation for the year	0	-309	0	0
Reversal of depreciation, amortisation and impairment loss, assets disposed of	3.003	1.130	0	0
Depreciation and write-down end of period	**0**	**-3.003**	**0**	**0**
Carrying amount, end of period	**0**	**9.932**	**0**	**0**

DKK thousand.

	Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
8. Other fixtures, fittings, tools and equipment				
Cost opening balance	54.924	53.886	0	0
Translation at the exchange rate at the balance sheet date end of period	0	-47	0	0
Additions during the year	5.395	5.357	0	0
Disposals during the year	-2.947	-3.649	0	0
Transfers	0	-622	0	0
Cost end of period	**57.372**	**54.925**	**0**	**0**
Depreciation and write-down opening balance	-37.835	-35.766	0	0
Translation at the exchange rate at the balance sheet date end of period	0	40	0	0
Amortisation and depreciation for the year	-7.125	-5.593	0	0
Reversal of depreciation, amortisation and impairment loss, assets disposed of	2.312	3.139	0	0
Transfers	0	345	0	0
Depreciation and write-down end of period	**-42.648**	**-37.835**	**0**	**0**
Carrying amount, end of period	**14.724**	**17.090**	**0**	**0**
Lease assets are recognised at a carrying amount of	7.210	11.781	0	0

DKK thousand.

		Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
9.	**Investments in group enterprises**				
	Cost opening balance	0	0	91.850	91.850
	Cost end of period	**0**	**0**	**91.850**	**91.850**
	Revaluations, opening balance opening balance	0	0	306	26.140
	Translation at the exchange rate at the balance sheet date	0	0	0	-91
	Net profit or loss for the year before amortisation of goodwill	0	0	2.359	10.074
	Dividend	0	0	-7.419	-36.192
	Hedging adjustment	0	0	-375	375
	Exchange rate at the balance sheet date	0	0	-19	0
	Revaluation end of period	**0**	**0**	**-5.148**	**306**
	Carrying amount, end of period	**0**	**0**	**86.702**	**92.156**

		Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
10.	**Other financial investments**				
	Cost opening balance	11.039	11.039	0	0
	Cost end of period	**11.039**	**11.039**	**0**	**0**
	Depreciation opening balance	-3.989	-3.989	0	0
	Depreciation end of period	**-3.989**	**-3.989**	**0**	**0**
	Carrying amount, end of period	**7.050**	**7.050**	**0**	**0**

DKK thousand.

	Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
11. Other receivables				
Other receivables	2.354	1.002	0	0
	2.354	**1.002**	**0**	**0**

Dervative financial instruments have been recognized in other receivables in 2021 (2022: DKK 0). The campany has entered into currency contracts to secure future purchases of goods in Chinese CNY.

12. Prepayments

Accruals consist of prepaid rent and prepaid bills.

	Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
13. Contributed capital				
Contributed capital opening balance	1.000	1.000	1.000	1.000
	1.000	**1.000**	**1.000**	**1.000**
14. Non-controlling interests				
Non-controlling interests opening balance	86.094	110.226	0	0
Distributed extraordinary dividend adopted during the financial year	-6.931	-33.808	0	0
Foreign currency translation adjustments	-18	-85	0	0
Hedging adjustment	-350	449	0	0
Tax on equity movement	0	-100	0	0
Share of the profit or loss for the year	2.204	9.412	0	0
	80.999	**86.094**	**0**	**0**

DKK thousand.

	Group 31/12 2022	Group 31/12 2021	Parent 31/12 2022	Parent 31/12 2021
15. Provisions for deferred tax				
Provisions for deferred tax opening balance	725	371	0	0
Deferred tax relating to the net profit or loss for the year	144	150	0	0
Deferred tax recognised directly in equity	-204	204	0	0
	665	**725**	**0**	**0**

16. Other provisions

The conpany provides a 1 to 5 year warranty on certain products and undertakes to repair or replace products that are not satisfactory. Other provisions og T.DKK 700 (2021: T.DKK 1,200) have been recognized for expected warranty claims based on previous experience regarding the level of repairs and returned goods.

17. Long term labilities other than provisions

	Total payables 31 Dec 2022	Current portion of long term payables	Long term payables 31 Dec 2022	Outstanding payables after 5 years
Group				
Lease liabilities	6.932	2.715	4.217	0
	6.932	**2.715**	**4.217**	**0**

DKK thousand.

18. Charges and security

For bank loans, the group has provided security in group assets representing a nominal value of DKK 10.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	107.741
Trade receivables	9.771
Other fixtures, fittings, tools and equipment	7.514
Acquired intangible fixed assets	91

The group has provided a payment guarantee to Danske Leasing A/S. The amount per 31 December 2022 is 7.267 T.DKK.

19. Contingencies

Contingent liabilities

The group has signed a lease for residential property with a remaining term of 155 months. The total rent obligation is calculated at T.DKK 96.808.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

20. Related parties

Controlling interest

BBB Industries LLC has controlling interest.	Majority shareholder

Consolidated financial statements

Name and registered office of the parent company that prepares group accounting for the group's largest group: BBB Industies, 29627 Renaissance Blvd. Daphne, Alabama 36526, USA. The consolidated accounts can be requested from BBB Industries either per emial or telephone.

Name and registered office of the parent company that prepares group accounting for the group's smallest group: Topcap Budweg Caliper ApS, Industrivej 10, 5260 Odense S.

DKK thousand.

		Group 2022	2021
21.	**Adjustments**		
	Depreciation, amortisation, and impairment	12.083	9.704
	Income from investments in group enterprises	0	1.450
	Other financial income	-20	-98
	Other financial expenses	3.299	4.434
	Tax on net profit or loss for the year	3.903	7.085
		19.265	**22.575**
22.	**Change in working capital**		
	Change in inventories	-14.773	-5.556
	Change in receivables	501	25.424
	Change in trade payables and other payables	-5.004	4.168
	Other changes in working capital	-4.060	0
		-23.336	**24.036**

Accounting policies

The annual report for Topcap Budweg Caliper ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

The consolidated financial statements

The consolidated income statements comprise the parent company Topcap Budweg Caliper ApS and those group enterprises of which Topcap Budweg Caliper ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests
Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Gross profit
Gross profit comprises revenue, production costs, and other operating income.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Production costs include the manufacturing and procurement costs incurred to achieve the revenue for the year. Direct and indirect manufacturing costs are recognized, including costs for raw materials and consumables, wages and salaries, energy consumption, maintenance, leasing and depreciation on production facilities, with adjustments for changes in finished goods inventories and work in progress.

Distribution costs
Distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year. Also, costs concerning sales staff, advertising and exhibitions costs, and amortisations.

Administration expenses
Administration expenses comprise expenses incurred during the year concerning management and administration, including expenses concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

Financial income and expenses
Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual entities are recognised in the income statement of the parent as a proportional share of the entities' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the group holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Other financial instruments

Other unlisted financial instruments are measured at cost. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories
Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables
Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments
Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand.

Equity
Reserve for net revaluation according to the equity method
The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Reserve for foreign currency translation
The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Reserve for hedging transactions
The reserve for hedging transactions arises when hedging instruments are subject to fair value adjustments.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Income tax and deferred tax
As administration company, Topcap Budweg Caliper ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the group has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the group.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and short-term financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.