

Robert Bosch A/S

Telegrafvej 1, 2750 Ballerup

CVR no. 55 11 28 19

Annual report 2020

Approved at the Company's annual general meeting on 10 May 2021

Chair of the meeting:

.....
Thore Henjum Pedersen

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Robert Bosch A/S for the financial year 1 January - 31 December 2020.

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

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

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Ballerup, 10 May 2021
Executive Board:

.....
Thore Henjum Pedersen

Board of Directors:

.....
Karl Frederik Nilner
Chair

.....
Annette Kunkel Jensen

.....
Thore Henjum Pedersen

Independent auditor's report

To the shareholders of Robert Bosch A/S

Opinion

We have audited the financial statements of Robert Bosch A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 10 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Alex Petersen
State Authorised Public Accountant
mne28604

Karsten Faurholt
State Authorised Public Accountant
mne41309

Management's review

Company details

Name	Robert Bosch A/S
Address, Postal code, City	Telegrafvej 1, 2750 Ballerup
CVR no.	55 11 28 19
Established	29 August 1947
Registered office	Ballerup
Financial year	1 January - 31 December
Website	www.bosch.dk
E-mail	post@dk.bosch.com
Telephone	+45 44 89 89 89
Telefax	+45 44 89 86 68
Board of Directors	Karl Frederik Nilner, Chair Annette Kunkel Jensen Thore Henjum Pedersen
Executive Board	Thore Henjum Pedersen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights

DKKm	2020	2019	2018	2017	2016
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Key figures

Revenue	885	815	766	803	740
Profit before interest and tax (EBITA)	19	16	19	22	24
Net financials	-2	-1	-3	-2	-2
Profit for the year	13	11	12	15	17

Total assets	238	225	219	314	304
Investments in property, plant and equipment	21	4	3	2	3
Equity	63	61	62	65	67

Financial ratios

Gross margin	16.8%	17.8%	18.9%	17.3%	18.9%
EBITDA-margin	2.7%	2.6%	3.1%	3.4%	3.8%
Equity ratio	26.5%	27.1%	28.3%	20.7%	22.0%
Return on equity	21.0%	17.9%	18.9%	22.7%	25.4%

Average number of employees	187	189	186	189	186
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For terms and definitions, please see the accounting policies.

Management's review

Business review

Robert Bosch A/S is a subsidiary of Robert Bosch GmbH, the world's largest supplier to the automobile industry which is the core segment of the group. The group also operates within the segments Automotive Aftermarket, Power Tools and Thermotechnology which are marketed and sold in Denmark by Robert Bosch A/S.

Recognition and measurement uncertainties

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual matters having affected the financial statements

The financial position at 31 December 2020 of the Company and the results of the activities of the Company for the financial year for 2020 have not been affected by any unusual events.

Revenue was positively affected in 2020 by the Covid-19 situation. We had extensive working from home in several periods and had employees on governmental salary compensation scheme twice during the year.

We don't have negative effects on our assets and inventory because of covid19, and we also didn't experience significant increase in bad customer debt.

Financial review

The income statement for 2020 shows a profit of DKK 13,040 thousand against a profit of DKK 10,911 thousand last year, and the balance sheet at 31 December 2020 shows equity of DKK 63,040 thousand.

Profit on ordinary activities amounted to DKK 18,874 thousand compared to DKK 15,632 thousand in 2019.

Knowledge resources

In developing new products and opening up new areas of business, it is essential for our future market position that Bosch has first-class specialists on board and that we encourage them to use their potential to the full. We do that by building on the motivation and competence of our managers and associates. We systematically offer associates further training and keep them at the company long term. We are encouraging diversity, demographic complexity, and young talents.

In 2020 Robert Bosch A/S had 6 apprentices and 13 trainees and student on an average. We have a special two year junior management program in the Nordic region with 3 promising talents in average.

Impact on the external environment

The Bosch group is aware that their actions must be in harmony with economic and ecological needs and also reflect our responsibility for the community as a whole - especially with a view to future generations. Paying attention to human health and safety, economical use of resources, and keeping the environment clean are therefore key corporate principles at the Bosch group. The products of the Bosch group combine energy efficiency and resource conservation with cost savings for the benefit of our customers and the environment.

Management's review

Statutory CSR report

In the Bosch Principles of Social Responsibility, management and associate representatives profess to respect human rights, equal opportunities, and fair working conditions, and to uphold global standards in occupational health and safety. Bosch ensures the latter with a health and safety management system that is based on the internationally recognized OHSAS 18001 standard, which has been rolled out at all locations. Around 126 locations have been certified by an independent certification organization.

Robert Bosch A/S does not have its own independent policies for Corporate Social Responsibility and consequently does not prepare an independent statement on the topic. Robert Bosch A/S is included in the statement issued by the Parent Company, Robert Bosch GmbH.

For a statement regarding Corporate Social Responsibility at group level and actions and results during 2020, we refer to the policies laid down by our owner Robert Bosch GmbH, and could be find following: https://assets.bosch.com/media/global/sustainability/reporting_and_data/2020/bosch-sustainability-report-2020-factbook.pdf.

The Bosch Group has joined the UN Global Compact.

Account of the gender composition of Management

We consider our diverse workforce the key factor to financial success as unique ideas arise irrespective of where people with different competences and experience work together. Diversity and equal opportunities also have a positive effect on the work environment and bring people outside and inside our Company closer together. Besides giving men and women equal opportunities for executive positions, it is, in our opinion, also important that employees from a mix of generations, nationalities and working cultures work together and appreciate what each member of the team offers.

One woman and two men hold seats on the Board of Directors of Robert Bosch A/S thus providing a balanced gender representation.

The Bosch Group's target at other executive levels is to have at least 20% women in executive positions by 2020.

As we operate in an industry with an overweight of men, we are constantly working on increasing the representation of women among our employees. This means that for all open positions we try to include both genders among the final candidates interviewed. In respect of our graduate program under which we employ candidates that we consider potential leaders, we always aim for a 50/50 representation in the assessment centre where the final candidate is selected.

Every year, we moreover perform appraisal interviews with all of our employees and offer executive development training in our Nordic LEAD program if the talent is there. In 2020, in average three talents of whom one were women participated in our two-year talent program, the Junior Management Program.

The gender distribution in the management team of Robert Bosch A/S in 2020 was 33,3% women and 66,6% men; unchanged from last year.

Our efforts to reach a better gender representation at management level have resulted in an increased number of female executives, and we have already now exceeded our target of 20% female executives in Bosch Global.

In 2020 we have continued our effort; we had again an awareness week with focus on Diversity, training in Biased thinking and still making sure to include both genders in application shortlists.

Management's review

Events after the balance sheet date

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

Outlook

The outlook for 2021 is positive despite continued Covid-19. In first quarter of 2021 we had a revenue increase of 15% and our expectation for the whole year is slightly above last year. We have not experienced significant delivery problems in 2021.

In 2021 we will start building a new location on the existing premises. It's expected to be finished in 2023.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2020	2019
2	Revenue	885,221	815,440
3	Other operating income	108,594	103,825
	Raw materials and consumables	-722,298	-641,016
	Other external expenses	-122,572	-132,927
	Gross profit	148,945	145,322
4	Staff costs	-124,663	-123,859
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-5,408	-5,831
	Profit before net financials	18,874	15,632
5	Financial income	1,012	646
6	Financial expenses	-3,051	-1,951
	Profit before tax	16,835	14,327
7	Tax for the year	-3,795	-3,416
	Profit for the year	13,040	10,911

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	ASSETS		
	Fixed assets		
8	Intangible assets		
	Goodwill	3,428	4,635
		<u>3,428</u>	<u>4,635</u>
9	Property, plant and equipment		
	Land and buildings	24,587	26,207
	Fixtures and fittings, other plant and equipment	6,309	8,556
	Property, plant and equipment under construction	24,687	3,900
		<u>55,583</u>	<u>38,663</u>
	Total fixed assets	<u>59,011</u>	<u>43,298</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	8,004	9,172
		<u>8,004</u>	<u>9,172</u>
	Receivables		
	Trade receivables	131,817	143,636
	Receivables from group enterprises	33,701	26,529
	Corporation tax receivable	2,534	0
	Other receivables	1,652	1,873
10	Prepayments	1,772	869
		<u>171,476</u>	<u>172,907</u>
	Total non-fixed assets	<u>179,480</u>	<u>182,079</u>
	TOTAL ASSETS	<u>238,491</u>	<u>225,377</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	50,000	50,000
	Retained earnings	13,040	11
	Dividend proposed	0	10,900
	Total equity	<u>63,040</u>	<u>60,911</u>
	Provisions		
12	Deferred tax	830	1,001
14	Other provisions	18,456	17,767
	Total provisions	<u>19,286</u>	<u>18,768</u>
	Liabilities other than provisions		
13	Non-current liabilities other than provisions		
	Other payables	12,753	3,853
		<u>12,753</u>	<u>3,853</u>
	Current liabilities other than provisions		
	Trade payables	25,155	13,685
	Payables to group enterprises	74,594	93,197
	Corporation tax payable	0	459
	Other payables	43,663	34,504
		<u>143,412</u>	<u>141,845</u>
		<u>156,165</u>	<u>145,698</u>
	TOTAL EQUITY AND LIABILITIES	<u>238,491</u>	<u>225,377</u>

- 1 Accounting policies
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Related parties
- 18 Fee to the auditors appointed by the Company in general meeting
- 19 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Dividend proposed	Total
	Equity at 1 January 2019	50,000	0	12,215	62,215
19	Transfer, see "Appropriation of profit"	0	11	10,900	10,911
	Dividend distributed	0	0	-12,215	-12,215
	Equity at 1 January 2020	50,000	11	10,900	60,911
19	Transfer, see "Appropriation of profit"	0	13,040	0	13,040
	Transfer	0	-11	11	0
	Dividend distributed	0	0	-10,911	-10,911
	Equity at 31 December 2020	50,000	13,040	0	63,040

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Robert Bosch A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the company, as its cash flows are included in the consolidated financial statements of Robert Bosch GmbH.

Basis of recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

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

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

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

Information on business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Other external expenses

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

Staff costs

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

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

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

Fixtures and fittings, other plant and equipment	3-12 years
Buildings	3-33 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

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

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

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

Balance sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The cost of self constructed assets includes the cost of direct materials and labour, etc. directly used in the production process and a portion of the relating production overheads.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

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

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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.

Prepayments

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

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

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

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

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

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

Liabilities

Liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

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

Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
EBITDA-margin	$\frac{\text{Earnings before interest, taxes and amortisations (EBITDA)} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

DKK'000

	<u>2020</u>	<u>2019</u>
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2 Segment information

Breakdown of revenue by business segment:

Automotive technology	275,434	235,945
Consumables	408,112	393,061
Energy and building technology	201,675	186,434
	<u>885,221</u>	<u>815,440</u>

Breakdown of revenue by geographical segment:

Revenue, Denmark	857,220	791,708
Revenue, exports	28,001	23,732
	<u>885,221</u>	<u>815,440</u>

3 Other operating income

Services to other entities, including management fees to group companies	102,079	103,764
Gain on disposal of fixed assets	48	61
Covid-19 Government grants (salary compensation)	6,467	0
	<u>108,594</u>	<u>103,825</u>

4 Staff costs

Wages/salaries	112,453	110,922
Pensions	10,138	10,040
Other social security costs	2,072	2,897
	<u>124,663</u>	<u>123,859</u>

Average number of full-time employees	<u>187</u>	<u>189</u>
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Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2020	2019
5 Financial income		
Interest receivable, group entities	0	1
Other interest income	43	213
Exchange gain	969	432
	1,012	646
6 Financial expenses		
Interest expenses, group entities	152	270
Other interest expenses	20	51
Exchange losses	2,792	1,547
Other financial expenses	87	83
	3,051	1,951
7 Tax for the year		
Estimated tax charge for the year	3,966	4,208
Deferred tax adjustments in the year	-171	-811
Tax adjustments, prior years	0	19
	3,795	3,416
8 Intangible assets		
DKK'000		Goodwill
Cost at 1 January 2020		6,313
Additions		240
Disposals		-181
Cost at 31 December 2020		6,372
Impairment losses and amortisation at 1 January 2020		1,678
Amortisation for the year		1,308
Reversal of accumulated amortisation and impairment of assets disposed		-42
Impairment losses and amortisation at 31 December 2020		2,944
Carrying amount at 31 December 2020		3,428

Financial statements 1 January - 31 December

Notes to the financial statements

9 Property, plant and equipment

DKK'000	Land and buildings	Fixtures and fittings, other plant and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2020	84,416	23,626	3,900	111,942
Additions	0	365	20,787	21,152
Disposals	0	-1,280	0	-1,280
Cost at 31 December 2020	84,416	22,711	24,687	131,814
Impairment losses and depreciation at 1 January 2020	58,209	15,070	0	73,279
Depreciation	1,610	2,490	0	4,100
Reversal of accumulated depreciation and impairment of assets disposed	0	-1,196	0	-1,196
Adjustment to prior years	10	38	0	48
Impairment losses and depreciation at 31 December 2020	59,829	16,402	0	76,231
Carrying amount at 31 December 2020	24,587	6,309	24,687	55,583

10 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions, etc.

11 Share capital

The share capital consists of 100 shares of a nominal value of TDKK 500,000. No shares carry any special rights.

DKK'000	2020	2019
12 Deferred tax		
Deferred tax at 1 January	1,001	1,812
Amounts recognised in the income statement for the year	-170	-811
Deferred tax at 31 December	831	1,001
Deferred tax relates to:		
Intangible assets	-98	-7
Property, plant and equipment	3,088	3,351
Inventories	-280	-290
Receivables	125	-312
Provisions	-2,004	-1,741
	831	1,001

Financial statements 1 January - 31 December

Notes to the financial statements

13 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other payables	12,753	0	12,753	0
	12,753	0	12,753	0

Non-current liabilities consists of frozen holiday pay obligation, which the Company wasn't obliged to settle in 2021, hence the liability is classified as long-term. The liability has been paid to Feriefonden in 2021.

14 Other provisions

The provisions are expected to be payable in:

DKK'000	2020	2019
0-1 year	14,852	14,162
1-5 year	142	145
> 5 year	3,462	3,460
	18,456	17,767

Other provisions consists of warranty obligations of DKK 14,852 thousand (2019: DKK 14,162 thousand) and provision for redundancy payment and anniversary bonus of DKK 3,604 thousand (2019: DKK 3,605 thousand).

15 Contractual obligations and contingencies, etc.

Other contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Other financial obligations

Other lease liabilities:

DKK'000	2020	2019
Lease liabilities	13,969	16,899

The Company has liabilities under operating leases for cars and office equipment, totalling DKK 13,969 thousand (2019: DKK 16,899 thousand), of which DKK 6,196 thousand (2019: DKK 8,360 thousand) is due within a year.

Furthermore, the Company has established work- and deliverable guarantees amounting to DKK 4,777 thousand towards clients.

16 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2020.

Financial statements 1 January - 31 December

Notes to the financial statements

17 Related parties

Robert Bosch A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Robert Bosch Investment Nederland B.V.	Netherlands	Kruisbroeksestraat 1 5281 RV Boxtel Netherlands

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Robert Bosch GmbH	Germany	Robert-Bosch Platz 1 D-70839 Gerlingen- Schillerhöhe Germany

Related party transactions

Robert Bosch A/S was engaged in the below related party transactions:

<u>DKK'000</u>	<u>2020</u>	<u>2019</u>
Sales of goods to group entities	333	573
Sales of service to group entities	99,084	100,902
Purchase of goods from group entities	-683,706	-635,100
Purchase of service from group entities	-29,896	-28,158
Interest expense to group entities	-152	-269
Receivables from group entities	33,701	26,113
Payables to group entities	-56,991	-42,547
Cashpool balance	-17,603	-50,403

18 Fee to the auditors appointed by the Company in general meeting

Referring to the Danish Statements Act § 96, sub section 3, information on fees to Auditors elected on a general meeting, has been omitted. We refer to the financial statement of Robert Bosch GmbH.

<u>DKK'000</u>	<u>2020</u>	<u>2019</u>
19 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	0	10,900
Retained earnings	13,040	11
	<u>13,040</u>	<u>10,911</u>

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Thore Henjum Pedersen

Executive Board

På vegne af: Robert Bosch A/S
Serienummer: 9578-5993-4-3564433
IP: 194.39.xxx.xxx
2021-05-18 11:46:43Z



Thore Henjum Pedersen

Chair of the meeting

På vegne af: Robert Bosch A/S
Serienummer: 9578-5993-4-3564433
IP: 194.39.xxx.xxx
2021-05-18 11:46:43Z



Thore Henjum Pedersen

Board of Directors

På vegne af: Robert Bosch A/S
Serienummer: 9578-5993-4-3564433
IP: 194.39.xxx.xxx
2021-05-18 11:46:43Z



Karl Frederik Nilner

Chair

På vegne af: Robert Bosch A/S
Serienummer: PID:9208-2002-2-401424625122
IP: 194.39.xxx.xxx
2021-05-18 11:48:25Z



Annette Kunkel Jensen

Board of Directors

På vegne af: Robert Bosch A/S
Serienummer: PID:9208-2002-2-915276062596
IP: 194.39.xxx.xxx
2021-05-19 08:57:30Z



Alex Petersen

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:10889661
IP: 2.131.xxx.xxx
2021-05-21 11:23:50Z



Karsten Faurholt

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:55166445
IP: 80.166.xxx.xxx
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