

CA Auto Finance Danmark A/S

Park Allé 295,

2605 Brøndby

CVR No. 62857013

Annual Report 2023

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 5 July 2024

Michael Hald Wøhlk
Chairman

CA Auto Finance Danmark A/S

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CA Auto Finance Danmark A/S

Management's Statement

The board of Directors and executive boards have today approved the annual report of CA Auto Finance Danmark A/S for the financial year 1 January 2023 - 31 December 2023.

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

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

In our opinion, the management's review includes a true and fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be adopted by the company at the annual general meeting.

Copenhagen, 5 July 2024

Executive Board

Michael Hald Wøhlk

Board of Directors

Lucyna Zofia Bogusz
Chairman

Sylvia Boteva

Hans Peter Sørensen

CA Auto Finance Danmark A/S

Independent Auditors' Report

To the shareholders of CA Auto Finance Danmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of CA Auto Finance Danmark A/S for the financial year 1 January 2023 - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the 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 financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditors' Report

Management's responsibility for the financial statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control 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 about 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 these 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 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.

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.

CA Auto Finance Danmark A/S

Independent Auditors' Report

Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 05-07-2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-no. 33771231

Benny Voss

State Authorised Public Accountant

mne15009

Stefan Vastrup

State Authorised Public Accountant

mne32126

CA Auto Finance Danmark A/S

Company details

Company	CA Auto Finance Danmark A/S Park Allé 295, 2605 Brøndby
Website	www.ca-autofinance.dk
CVR No.	62857013
Date of formation	18 February 1963
Financial year	1 January 2023 - 31 December 2023

Board of Directors	Lucyna Zofia Bogusz Sylvia Boteva Hans Peter Sørensen
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Executive Board	Michael Hald Wøhlk
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Parent Company	CA Auto Bank S.p.A
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Group enterprises	The company is included in the group annual report of CA Auto Bank S.p.A. The group annual report of CA Auto Bank S.p.A. may be obtained at the following address: Corso Orbassano 367 10137 Turin Italy
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Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231
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CA Auto Finance Danmark A/S

Key Figures and Financial Ratios

The development in the Company's key figures, presented in TDKK and financial ratios can be described as follows:

	2023	2022	2021	2020	2019
Gross profit	158.307	108.002	116.422	118.072	76.391
Operating profit/loss	119.797	63.408	57.510	49.073	21.092
Profit/loss for the year	13.086	33.249	26.310	25.088	16.199
Total assets	3.049.913	2.542.899	2.306.049	2.287.134	1.971.849
Investment in non-current assets	2.272	2.214	9.527	83.487	148.175
Total equity	255.697	242.974	209.877	183.441	157.808
Avg. number of full-time employees	40	36	40	40	34
Financial ratios					
EBIT margin (%)	35,52	24,25	22,19	21,05	9,06
Return on assets (%)	4,28	2,62	2,50	2,30	1,18
Solvency ratio (%)	8,38	9,56	9,10	8,02	8,00
Return on equity (ROE) (%)	5,25	14,68	13,38	14,70	10,81

The key figures are prepared in accordance with the guidance of Den Danske Finansanalytikerforening's recommendation on 'Key Figures. Definitions can be found in the section on accounting practices.

CA Auto Finance Danmark A/S

Management's Review

The Company's principal activities

The company's principal activity is retail financing at variable and fixed rate interest, leasing and stock financing for dealers and importers in Denmark and Finland, primarily for the affiliated companies.

Uncertainty regarding recognition or measurement

There is no material uncertainty regarding recognition or measurement.

Unusual matters

The company's financial position at 31 December 2023 and the results of its operations for the financial year ended 31 December 2023 are not affected by any unusual matters.

Development in activities and the financial matters

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of DKK 13.086 and the Balance Sheet at 31 December 2023 a balance sheet total of DKK 3.049.913 and an equity of DKK 255.697.

For 2024, the company expects to realize a profit before tax in the interval of 20-40 million DKK.

It is expected that the inflation will be at a relatively high level and interest rates will decrease during 2024.

Special risks apart from generally occurring risks in industry

Financial risks

Through its engagement in Finland, the company has both debt and receivables in EUR. Due to the size of the net balance, a currency risk is not considered material. The company is exposed to an interest rate risk on the part of its lending that has a fixed rate interest since the company finances its activity through floating rate loans. This risk is covered by interest rate swaps through the company's owner.

Credit risks

The company's current liabilities exceed the company's current assets. At 31 December 2023, the parent company had a net receivable from CA Auto Finance Danmark A/S of TDKK 2.497.923. The company's management has obtained confirmation from the parent company that the parent company will continue to support the company financially by making adequate credit facilities available to the company thereby enabling the company to maintain and continue its current activities over the coming 12 months.

Foreign branches

The company has a branch in Finland.

Influence on the external environment

We do not believe that our business - in all materiality - has a significant impact on the external environment.

CA Auto Finance Danmark A/S

Management's Review

Net profit/loss for the year compared with expected developments in the most recently published annual report

In 2023 profit before tax shows a profit of TDKK 21.969 against an expected profit before tax of TDKK 40.000-80.000 (as stated in the Annual Report for 2022). The result is negatively influenced by extraordinary development of inflation and interest rates. Under these circumstances, management considers the result satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

CA Auto Finance Danmark A/S

Income Statement

	Note	2023 TDKK	2022 TDKK
Gross profit		158.307	108.002
Staff expenses	2	-32.845	-28.184
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		-5.665	-16.410
Operating profit /loss		119.797	63.408
Finance income	3	15.015	2.733
Finance expences	4	-112.841	-29.338
Profit from ordinary activities before tax		21.971	36.803
Tax expense on ordinary activities	5	-8.885	-3.554
Profit/loss for the year		13.086	33.249
Proposed distribution of results	6		

CA Auto Finance Danmark A/S

Balance Sheet as of 31 December

	Note	2023 TDKK	2022 TDKK
Assets			
Completed development projects	7	13.919	0
Acquired intangible assets	8	463	12.577
Development projects in progress	9	999	0
Intangible assets		15.381	12.577
Fixtures, fittings, tools and equipment	10	13.824	28.533
Property, plant and equipment		13.824	28.533
Long-term investments in group enterprises	11, 12	121	121
Other long-term receivables		2.035.295	1.733.561
Investments		2.035.416	1.733.682
Fixed assets		2.064.621	1.774.792
Inventories		79.742	37.719
Inventories		79.742	37.719
Other short-term receivables		716.334	625.404
Prepayments	13	183.807	102.024
Receivables		900.141	727.428
Cash and cash equivalents		5.409	2.960
Current assets		985.292	768.107
Assets		3.049.913	2.542.899

CA Auto Finance Danmark A/S

Balance Sheet as of 31 December

	Note	2023 TDKK	2022 TDKK
Liabilities and equity			
Contributed capital		14.154	14.154
Reserve for net revaluation of investment assets		10.857	9.300
Other reserves		-1.242	-883
Retained earnings		231.928	220.403
Equity		255.697	242.974
Provisions for deferred tax	14	23.432	21.197
Provisions		23.432	21.197
Debt to banks		7.096	75.503
Payables to group enterprises		2.497.923	2.071.179
Tax payables		3.702	3.451
Other payables		29.406	27.321
Deferred income	15	232.657	101.274
Short-term liabilities		2.770.784	2.278.728
Total liabilities		2.770.784	2.278.728
Liabilities and equity		3.049.913	2.542.899
Capital resources	1		
Contingent liabilities	16		
Ownership	17		
Financial instruments	18		

CA Auto Finance Danmark A/S

Statement of changes in Equity

	TDKK	TDKK	TDKK	TDKK	TDKK
	Share	Reserve for	Other	Retained	
	capital	development	reserves	earnings	Total
		costs			
Equity 1 January 2023	14.154	9.301	-883	220.398	242.970
Equity transfers to reserves			-359		-359
Profit (loss)				13.086	13.086
Development costs for the year		1.556		-1.556	0
Equity 31 December 2023	14.154	10.857	-1.242	231.928	255.697

The share capital has remained unchanged for the last 5 years.

Number of shares: 14.154 each of DKK 1.000 (one share certificate)

Notes

2023

2022

1. Capital resources

The company's current liabilities exceed the company's current assets. At 31 December 2023, the parent company had a net receivable from the company of TDKK 2.497.923. The company's management has obtained confirmation from the parent company that the parent company will continue to support the company financially by making adequate credit facilities available to the company thereby enabling the company to maintain and continue its current activities over the coming 12 months.

2. Staff expenses

Wages and salaries	25.879	24.011
Pension	3.876	2.643
Other social security costs	1.072	506
Other employee expense	2.018	1.024
	32.845	28.184
Average number of employees	43	36

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

The board of directors has not received any remuneration.

3. Financial income

Financial income from group enterprises	15.010	2.734
Other financial income	5	-1
	15.015	2.733

4. Finance expenses

Finance expenses arising from group enterprises	-108.687	-27.469
Other finance expenses	-4.154	-1.869
	-112.841	-29.338

CA Auto Finance Danmark A/S

Notes

	2023	2022
5. Tax on profit/loss for the year		
Current tax for the year	6.840	5.299
Deferred tax for the year	2.787	3.177
Adjustment of deferred tax concerning previous years	-552	-6.559
Adjustment of tax concerning previous years	-190	1.637
	<u>8.885</u>	<u>3.554</u>
6. Distribution of profit		
Retained earnings	13.086	33.249
	<u>13.086</u>	<u>33.249</u>
7. Completed development projects		
Addition during the year, incl. improvements	14.349	0
Cost at the end of the year	<u>14.349</u>	<u>0</u>
Impairment losses for the year	-430	0
Impairment losses and amortisation at the end of the year	<u>-430</u>	<u>0</u>
Carrying amount at the end of the year	<u>13.919</u>	<u>0</u>
8. Acquired intangible assets		
Cost at the beginning of the year	15.026	5.606
Addition during the year	228	9.420
Disposal during the year	-11.924	0
Cost at the end of the year	<u>3.330</u>	<u>15.026</u>
Depreciation and amortisation at the beginning of the year	-2.449	-1.829
Amortisation for the year	-418	-620
Impairment losses and amortisation at the end of the year	<u>-2.867</u>	<u>-2.449</u>
Carrying amount at the end of the year	<u>463</u>	<u>12.577</u>

Development projects in progress had a total value of TDKK 11.924 in 2022. The project was a new main IT system, and development was completed in september 2023.

CA Auto Finance Danmark A/S

Notes

	2023	2022		
9. Development projects in progress				
Addition during the year, incl. improvements	999	0		
Cost at the end of the year	999	0		
Carrying amount at the end of the year	999	0		
10. Fixtures, fittings, tools and equipment				
Cost at 1 January	45.806	138.680		
Addition during the year	2.272	2.214		
Disposal during the year	-18.976	-95.088		
Cost at 31 December	29.102	45.806		
Impairment losses and depreciation at 1 January	-17.273	-51.552		
Amortisation for the year	-837	-15.790		
Reversal of impairment losses and amortisation of disposed assets	2.832	50.069		
Impairment losses and depreciation at 31 December	-15.278	-17.273		
Carrying amount at 31 December	13.824	28.533		
11. Long-term investments in group enterprises				
Cost at 1 January	121	121		
Cost at 31 December	121	121		
Carrying amount at 31 December	121	121		
12. Disclosure in long-term investments in group enterprises				
Name	Registered office	Ownership	Equity	Profit/loss
CA Auto Finance Norge AS	Norway	100,00	15.678	-4.867
CA Auto Finance Sverige AB	Sweden	100,00	39.792	-11.678
			55.470	-16.545

13. Prepayments

Prepayments include bonus to distributors that are accrued at the time of contract opening and charged as expense, in the subsequent periods when the recognitions criteria are satisfied.

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2023

2022

14. Provision for deferred tax

Deferred tax mainly consists of timing differences on lease assets and software.

15. Deferred income

Deferred income comprises payments relating to contract opening fees and future interests which will not be recognised as income until the subsequent financial year when the recognition criteria are satisfied.

16. Contingent liabilities

Rent and lease liabilities include a rent obligation of TDKK 3.529 (2022: TDKK 5.689)

The company has issued guarantees totalling TDKK 2.500 (2022: TDKK 2.500)

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

17. Related parties and ownership structure

Controlling interest

CA Auto Bank S.p.A
Corso Orbassano 367
10137 Turin
Italy

Transactions are made within market conditions.

CA Auto Finance Danmark A/S

Notes

2023

2022

18. Financial instruments

Interest rate risks

The company uses interest rate swaps to hedge interest rate risks, whereby floating interest payments are rescheduled into fixed interest payments.

The hedged cash flows are expected to be realised and will affect results of operations over the term to maturity of the interest rate swap.

TDKK

Notional principal	390.700	526.200
Value adjustment recognised in equity	-1.242	-883
Fair Value	-1.132	-1.132
Term to maturity in months	0 - 48	0 - 48

CA Auto Finance Danmark A/S

Accounting Policies

The annual report of CA Auto Finance Danmark A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Company has decided not to include a cash flow statement in accordance with the Danish Financial Statements Act §86, 4.

The Cash flow statement is part of the consolidated financial statements of the parent company.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

The financial statement is in all materiality prepared in accordance with the principles of IFRS 9 and IFRS 15.

The accounting policies are unchanged compared with 2022.

Reporting currency

The annual report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

Derivative financial instruments

Derivative financial instruments are measured at cost and subsequently at fair value at initial recognition in the balance sheet. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments classified as and fulfilling the criteria for hedging the fair value of a recognised asset or liability are recognised in the income statement together with any changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments classified as and fulfilling the conditions for hedging future assets and liabilities are recognised directly in equity. When the hedged transaction are realised, the accumulated gain or loss is recognised as part of cost of the relevant items.

For derivative financial instruments that do not fulfil the conditions for treatment as hedging instruments, changes in the fair value will continuously be recognised in the income statement.

CA Auto Finance Danmark A/S

Accounting Policies

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are 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 term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Cost of sales

Cost of finished goods and goods for resale include finished goods and goods for resale used in generating the year's revenue.

CA Auto Finance Danmark A/S

Accounting Policies

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Staff costs

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

Amortisation, depreciation and impairment of tangible assets

Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

Income from investments in subsidiaries and associates

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

Tax on profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance sheet

Intangible assets

Development projects that are clearly defined and identifiable, and where the degree of technical utilization, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the income statement as they incur.

Development costs comprise costs, including wages, salaries and amortization, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition

CA Auto Finance Danmark A/S

Accounting Policies

criteria.

Capitalized development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortization and the recoverable amount.

Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

The carrying amounts of property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortization and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

Equity investments in subsidiaries

Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realizable value, a write-down to this lower value will be performed.

CA Auto Finance Danmark A/S

Accounting Policies

Inventories

Inventories are measured at cost on the basis of the FIFO principle. Where the net realizable value is lower than cost, the inventories are written down to this lower value.

The net realizable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment on trade receivables is based on the simplified expected credit loss model. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions.

Impairment on long term and short term loan receivables measured at amortized cost is based on the general expected credit loss model. The guiding principle of the expected credit loss model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognized as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, the company has applied two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality;
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred regarding subsequent financial years.

Income tax and deferred tax

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

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Accounting Policies

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received regarding income in the subsequent financial years.

Financial highlights

Definitions of financial ratios

Key figures and financial ratios are determined based on "Recommendations & Financial Ratios" issued by the Danish Society of Financial Analysts.

EBIT margin	=	$\frac{\text{Profit/loss before financials X 100}}{\text{Revenue}}$
Return on assets	=	$\frac{\text{Profit/loss before financials X 100}}{\text{Average assets}}$
Solvency ratio	=	$\frac{\text{Equity at year-end X 100}}{\text{Total assets at year-end}}$
Return on equity	=	$\frac{\text{Net profit for the year X 100}}{\text{Average equity}}$