

# FCA Denmark A/S

Hovedvejen 208  
2600 Glostrup  
Denmark

CVR no. 62 85 77 14

## Annual report 2017

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

29 June 2018

Luiqi Pennella  
chairman



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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of FCA Denmark A/S for the financial year 1 January – 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

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

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

Copenhagen 29 June 2018  
Executive Board:



Bastiaan de Groot

Board of Directors:



Luigi Pennella  
Chairman



Mafía Teresa Raso



Bastiaan de Groot



Pier Luigi Bruno Zanoni

# Independent auditor's report

## To the shareholder of FCA Denmark A/S

### Opinion

We have audited the financial statements of FCA Denmark A/S for the financial year 1 January – 31 December 2017, 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 2017 and of the results of the Company operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### 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.

# Independent auditor's report

## 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 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 take 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.
- 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.

## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 29 June 2018

#### **Ernst & Young**

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Mogens Andreasen  
State Authorised  
Public Accountant  
MNE no.: mne28603



Dennis Dupont  
State Authorised  
Public Accountant  
MNE no.: mne36192

FCA Denmark A/S  
Annual report 2017  
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## Management's review

### Company details

FCA Denmark A/S  
Hovedvejen 208  
2600 Glostrup  
Denmark

Telephone +45 43 22 88 00  
Fax +45 43 22 88 70  
Website [www.fiat.dk](http://www.fiat.dk)

CVR no. 62 85 77 14  
Established 13 October 1930  
Registered office Glostrup  
Financial year 1 January – 31 December

### Board of Directors

Luigi Pennella, Chairman  
Maria Teresa Raso  
Bastiaan de Groot  
Pier Luigi Bruno Zanoni

### Executive Board

Bastiaan de Groot

### Auditor

Ernst & Young  
Godkendt Revisionspartnerselskab  
Osvold Helmuths Vej 4  
2000 Frederiksberg  
Denmark

### Annual general meeting

The annual general meeting will be held on 29 June 2018 at the Company's address.

## Management's review

### Financial highlights

DKK'000	2017	2016	2015	2014	2013
<b>Key figures</b>					
Revenue	629,263	650,763	665,881	627,815	821,128
Gross profit	109,876	83,475	122,255	88,126	93,923
Operating profit	28,081	15,666	45,008	12,105	17,006
Net financials	-5,405	-3,326	-3,196	-1,906	-4,510
Net profit for the year	19,784	9,411	32,146	7,530	8,308
<b>Balance sheet total</b>					
Balance sheet total	428,018	394,294	346,033	308,744	328,835
Equity	187,211	167,427	158,016	125,870	118,340
Investment in property, plant and equipment	31,065	21,399	17,655	20,037	25,586
Inventories	33,396	90,298	50,548	25,455	42,722
Trade receivables	31,215	15,541	14,830	21,469	17,236
<b>Ratios</b>					
Gross margin	17%	13%	18%	14%	11%
Profit margin	4%	2%	7%	2%	2%
Solvency ratio	44%	42%	46%	41%	36%
<b>Average number of full-time employees</b>					
Average number of full-time employees	61	60	57	53	56

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations & Ratios". The financial ratios have been calculated as follows

Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$



## Management's review

### Operating review

#### Principal activities

The Company's principal activities comprise import of passenger cars and vans, including related spare parts, of the brands Fiat, Alfa Romeo, Jeep and Fiat Professional. Distribution and marketing are handled via the Danish dealer network.

#### Development in activities and financial position

The passenger car market halted its growth in 2017 compared to previous year. One of the major reason was the new tax introduced at beginning of October 2017 that created some uncertainty. There were 221.823 registrations in 2017 and 223.169 registrations in 2016 (data from the Danish Car Importers Association).

The demand for passenger cars in the A segment declined from 20,3% to 17,8% whilst the B segment (SUV) increased from 13,6% to 18,3%. A and B segments still represents the largest share of the total market. These two segments amounted to 36,1% of the total, corresponding to about 96,700 units.

The Company's total market share of passenger cars showed negative development going from a market share of 1,5% in 2016 to 1,4% in 2017.

The market for commercial vehicles showed an decrease of around 11% compared to 2016 with a total of 35.889 registrations. The market share of Fiat Professional decreased from 4,5% in 2016 to a market share of 4,0% in 2017. This decrease is primarily due to the increase taken place in the segments where the Company is not present.

After sales activities were stable compared to 2016 and amounted to DKK 113 million.

Profit for the year before tax amounted to DKK 25,4 million, tax for the year amounted to DKK 5,6 million, and profit for the year after tax amounted to DKK 19,8 million. The result for the year is considered acceptable and in line with the expectations for the year.

The Supervisory Board proposes dividends of DKK 0 thousand.

A change in Management occurred in 2017, Mr Bastiaan de Groot replaced Antonio Stanisci, Mr Luigi Pennella replaced Mr. Gaetano Thorel, Mr. Pier Luigi Bruno Zaroni replaced Barbara Capito, Mrs Maria Teresa Raso replaced Mrs. Barbara Serra and Michael Sørensen withdraw from the board

#### *Operating risks*

Instability in the financial markets may adversely affect our sales and thus our earnings. The car industry is a very competitive environment in a mature market, which increases the competition between the manufacturers.

#### *Financial risks*

Instability in the financial markets may adversely affect our sales and thus our earnings.

#### *Liquidity*

Liquidity for 2017 has been satisfactory and is expected to remain unchanged in 2018.

## Management's review

### Operating review

#### CSR

FCA Denmark has no local CSR policy regarding respect of human rights and reduction of environmental pollution and impact on climate change from the Company's activities. FCA Denmark is part of the FCA Group, which has a CSR policy; however, this is not published until after FCA Denmark's annual report. FCA Denmark is not included in FCA Group CSR policy.

#### Subsequent events

No events have occurred after the balance sheet date that affect the assessment of the annual report.

#### Presentation of gender distribution in Management in accordance with section 99B of the Danish Financial Statements Act

FCA Denmark has with the change in the directors done in 2017 made sure that is in compliance with section 99 B of the Danish Financial Statements Act. At present, the underrepresented gender equals 25% of the members elected to the Board in line with the target we determined.

FCA Denmark has a non-discriminatory equality policy with a focus on personal skills required for each job profile at all levels of Management. Women and men have equal opportunities within the Company. However, we will still work to improve and counterbalance the underrepresented gender within the Company.

This policy provides a framework for the individual executive's and manager's career development, and also the guidelines for the recruitment and retention of managers. This applies in particular to the following

- Support for the preparation of individual career plans
- Mentor arrangement
- Personnel policy that promotes career opportunities for both genders.
- Hiring procedures to help ensure uniform recruitment opportunities for both genders.

The share in % of the underrepresented gender in middle and senior management is unchanged at 30%.

#### Outlook

We expect the market to be increase slightly during 2018 due to change in registration tax decided by the Danish Parliament in 2017. We expect our market share to increase due to the introduction of new products such as the Jeep Compass the updated Fiat 500/500x/500L and Tipo, we will have new versions also on Giulia and Stelvio.

Our Company will focus on maintaining and improving the financial results obtained in 2017 by strengthening all business measures and price positioning all products as well as by introducing new models.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2017	2016
Revenue	2	629,263	650,763
Cost of sales		<u>-519,387</u>	<u>-567,288</u>
Gross profit		109,876	83,475
Distribution costs	3	-56,474	-48,762
Administrative expenses	3	<u>-25,321</u>	<u>-19,047</u>
Operating profit		28,081	15,666
Financial income	4	111	24
Financial expenses	5	<u>-2,767</u>	<u>-3,350</u>
Profit before tax		25,425	12,340
Tax on profit for the year	6	<u>-5,641</u>	<u>-2,929</u>
Profit for the year	7	<u>19,784</u>	<u>9,411</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2017	2016
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	8		
Fixtures and fittings, tools and equipment		23,638	17,272
Leasehold improvements		0	0
		<u>23,638</u>	<u>17,272</u>
<b>Investments</b>	9		
Deferred tax assets	10	8,156	12,237
Deposits		916	625
		<u>9,072</u>	<u>12,862</u>
<b>Total fixed assets</b>		<u>32,710</u>	<u>30,134</u>
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		33,396	90,298
		<u>33,396</u>	<u>90,298</u>
<b>Receivables</b>			
Trade receivables		31,215	15,541
Receivables from group entities		281,946	253,764
Receivables from associates		47,041	4,396
Other receivables		10	0
Corporation tax		872	0
Prepayments		815	150
		<u>361,899</u>	<u>273,851</u>
<b>Cash at bank and in hand</b>		<u>13</u>	<u>11</u>
<b>Total current assets</b>		<u>395,308</u>	<u>364,160</u>
<b>TOTAL ASSETS</b>		<u>428,018</u>	<u>394,294</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2017	2016
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	11		
Share capital		55,000	55,000
Retained earnings		<u>132,211</u>	<u>112,427</u>
<b>Total equity</b>		<u>187,211</u>	<u>167,427</u>
<b>Provisions</b>	12		
Other provisions		<u>82,680</u>	<u>91,859</u>
<b>Total provisions</b>		<u>82,680</u>	<u>91,859</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		21,394	23,056
Payables to group entities		82,099	56,834
Corporation tax		0	6,623
Other payables	13	<u>54,634</u>	<u>48,495</u>
		<u>158,127</u>	<u>135,008</u>
<b>Total liabilities other than provisions</b>		<u>158,127</u>	<u>135,008</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>428,018</u>	<u>394,294</u>

## Financial statements 1 January – 31 December

### Statement of changes in equity

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2017	55,000	112,427	167,427
Transferred over the profit appropriation	<u>0</u>	<u>19,784</u>	<u>19,784</u>
Equity at 31 December 2017	<u>55,000</u>	<u>132,211</u>	<u>187,211</u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of FCA Denmark A/S for 2017 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

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

#### Omission of cash flow statement

In accordance with section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement as this statement is included in the parent company's cash flow statement.

### Income statement

#### Revenue

Revenue from sales is recognised in the income statement when delivery and transfer of risk to the buyer has taken place. Revenue is recognised net of VAT, duties and sales discounts.

#### Cost of sales

Cost of sales comprises direct and indirect costs incurred to generate revenue.

#### Distribution costs

Distribution costs comprise costs incurred for distribution of goods sold and for sales campaigns, including costs for sales and distribution staff and advertising costs.

#### Administrative expenses

Administrative expenses comprise expenses incurred for management and administration of the Company, including expenses for administrative staff and Management, stationery and office supplies as well as depreciation.

#### Financial income and expenses

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

#### Tax on profit for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year, and taken directly to equity by the portion attributable to entries directly in equity. The portion of the tax taken to the income statement which relates to extraordinary profit/loss for the year is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Current tax payable or receivable is recognised in the balance sheet as tax calculated on this year's taxable income, adjusted for prepaid tax.

The Company is jointly taxed with all its Danish affiliated companies. The current Danish income tax is allocated among the jointly taxed Danish companies in proportion to their taxable income (full allocation with a refund concerning tax losses).

### Balance sheet

#### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Gains and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Gains or losses are recognised in the income statement together with depreciation and impairment losses or under other operating income to the extent that the selling price exceeds original cost.

Fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	5 years

#### Financial assets

Deposits are measured at cost.

#### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to make the sale.

Demo cars and company cars formerly used internally in the Company that are put up for sale are recognised as inventories at the lower of the written-down value and net realisable value.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad debts.

##### Prepayments and deferred income

Prepayments comprise expenses incurred concerning subsequent financial years.

##### Equity

###### *Dividends*

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

##### Provisions and obligations

Warranty provisions comprise commitments to remedy defects and deficiencies within the warranty period.

Warranty provisions are measured and recognised on the basis of historical experience.

Contractual obligations comprise expected future obligations in connection with service contracts made with end users.

##### Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement and equity.

##### Liabilities other than provisions

Other liabilities are measured at net realisable value.

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

#### Segment reporting

Segment information is provided on business segments and geographical markets. Segment information is based on the Company's accounting policies, risks and internal financial management.

#### Foreign currency translation

On initial recognition, foreign currency transactions are translated by applying the exchange rates at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rates at the transaction date and the rates applicable at the payment date, or the rates at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

## Financial statements 1 January – 31 December

### Notes

DKK'000	2017	2016
<b>2 Revenue</b>		
<b>Revenue</b>		
Cars	462,200	498,635
Parts	112,588	118,478
Other	54,475	33,650
	<u>629,263</u>	<u>650,763</u>

Revenue mainly originates from customers in the Danish market.

### 3 Staff costs

Wages and salaries	27,030	25,413
Pension contribution	3,787	3,450
Social security costs	454	591
	<u>31,271</u>	<u>29,454</u>

Wages and salaries, pensions and other social security costs are recognised in the following items:

Distribution costs	23,125	23,704
Administrative expenses	8,146	5,750
	<u>31,271</u>	<u>29,454</u>

Including remuneration of the Executive Board and the Supervisory Boards:

Executive Board	556	476
Supervisory Board	0	0
	<u>556</u>	<u>476</u>

Average number of employees	<u>58</u>	<u>60</u>
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Salaries to Executive Board have increased slightly in 2017 due to change of CEO during the year.

There are no incentive programmes for the Executive Board or the Supervisory Boards.

## Financial statements 1 January – 31 December

### Notes

DKK'000	2017	2016
<b>4 Financial income</b>		
Other financial income	111	24
	<u>111</u>	<u>24</u>
<b>5 Financial expenses</b>		
Interest to group entities	2,446	2,906
Other financial expenses	314	414
Exchange rate adjustments	7	30
	<u>2,767</u>	<u>3,350</u>
<b>6 Tax on profit for the year</b>		
Current tax for the year	1,560	8,953
Deferred tax for the year	4,081	-6,247
Adjustments regarding previous year	0	223
	<u>5,641</u>	<u>2,929</u>
<b>7 Proposed profit appropriation</b>		
Retained earnings	19,784	9,411

## Financial statements 1 January – 31 December

### Notes

#### 8 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2017	41,574	3,379	44,953
Additions for the year	31,065	0	31,065
Disposals for the year	-22,800	0	-22,800
Cost at 31 December 2017	49,839	3,379	53,218
Depreciation at 1 January 2017	-24,302	-3,379	-27,681
Depreciation for the year	-4,466	0	-4,466
Reversal of depreciation on sold assets	2,567	0	2,567
Depreciation at 31 December 2017	-26,201	-3,379	-29,580
Carrying amount at 31 December 2017	23,638	0	23,638

DKK'000	2017	2016
<b>Depreciation is distributed as follows:</b>		
Depreciation, distribution costs	2,353	3,330
Depreciation, administrative expenses	2,113	469
	4,466	3,799

#### 9 Financial assets

DKK'000	Deferred tax assets	Deposits
Cost at 1 January 2017	12,237	625
Additions for the year	0	311
Disposals for the year	-4,081	-20
Cost at 31 December 2017	8,156	916
Carrying amount at 31 December 2017	8,156	916

## Financial statements 1 January – 31 December

### Notes

#### 10 Deferred tax asset

DKK'000	2017	2016
Property, plant and equipment	713	552
Provisions	1,106	1,505
Current assets	595	17
Warranty provisions	5,742	10,163
	<u>8,156</u>	<u>12,237</u>

Deferred tax primarily relates to warranty provisions expected to be reversed within 1-5 years. As stated in the Outlook section in the Management's review, Management expects a profit for the coming year.

#### 11 Equity

The share capital consists of 55,000 shares of a nominal value of DKK 1,000 each. The shares are not divided into classes.

There have been no changes in the share capital during the last 5 years.

The Company's share capital is wholly-owned by FCA Italy S.p.A., Corso Giovanni Agnelli 200, Torino, Italy.

#### 12 Provisions

DKK'000	2017	2016
Warranty provisions	42,997	44,021
Contractual provisions	33,906	42,311
Other provisions	5,778	5,527
	<u>82,681</u>	<u>91,859</u>

The provisions are expected to be activated as follows:

0-1 years	5,778	5,527
1-5 years	76,903	86,332
	<u>82,681</u>	<u>91,859</u>

Other provisions consist of jubilee fund and obligations regarding return of spare parts.

#### 13 Other payables

Other payables consist of VAT payables, taxes and duties, debt regarding staff costs, dealer discounts and other payables.

## Financial statements 1 January – 31 December

### Notes

#### 14 Rental agreements and lease commitments

DKK'000	2017	2016
<b>Operating lease commitments</b>		
<b>Total future lease payments:</b>		
Within 1 year	2,046	1,986
Between 1 and 5 years	0	32
	<u>2,046</u>	<u>2,018</u>
<b>The Company's operating lease is specified as follows:</b>		
Photocopiers	32	80
Rent	<u>2,014</u>	<u>1,938</u>
	<u>2,046</u>	<u>2,018</u>

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

The Company is jointly taxed with all the Danish affiliated companies. The Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

Apart from the liabilities recognised in the balance sheet, the Company has provided a guarantee regarding registration fees in the amount of DKK 200 thousand.

## Financial statements 1 January – 31 December

### Notes

#### 16 Related party disclosures

FCA Denmark A/S' related parties comprise the following:

##### Control

FCA Italy S.p.A., Corso Giovanni Agnelli 200, Torino, Italy

FCA Denmark A/S A/S is part of the consolidated financial statements of FCA Italy S.p.A., which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of FCA Italy S.p.A. can be obtained by contacting the Company at the following address:

FCA Italy S.p.A.  
Corso Giovanni Agnelli 200  
Torino  
Italy

FCA Denmark A/S is part of the consolidated financial statements of FIAT CHRYSLER AUTOMOBILES N.V., which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of FIAT CHRYSLER AUTOMOBILES N.V. can be obtained by contacting the Company at the following address:

FIAT CHRYSLER AUTOMOBILES N.V.  
Corporate Office  
25 St. James's Street  
London, SW1A 1HA  
United Kingdom

#### Related party transactions

DKK'000	2017	2016
Purchase of goods from parent company	388,790	470,640
Purchase of services from parent company	9,795	7,651
Sale of services to associates	0	12,923
Interest expenses to associates company	2,446	2,906
Receivables from group companies	281,946	253,764
Payables to group companies	82,099	56,834
Receivables from associates	47,041	4,396

Besides the above listed transactions, no other transactions were carried through with shareholders or other group companies in the year.



## Financial statements 1 January – 31 December

### Notes

**17 Fee to auditor appointed at the general meeting**

DKK'000

**ERNST & YOUNG P/S:**

	<u>2017</u>	<u>2016</u>
Audit fee	136	136
Other assurance engagements	0	0
Tax advisory services	0	0
Non-audit services	<u>0</u>	<u>0</u>
	<u>136</u>	<u>136</u>