

K.W. Bruun Scala A/S

Hovedvejen 1
2600 Glostrup
Denmark

CVR no. 62 85 77 14

Annual report 2021

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

30 June 2022

Kenneth Keller Hansen
Chairman

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K.W. Bruun Scala A/S
Annual report 2021
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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 K.W. Bruun Scala A/S for the financial year 1 January – 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities 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.

Glostrup, 30 June 2022
Executive Board:

Kenneth Keller Hansen

Board of Directors:

Carsten Ringius
Chairman

Kenneth Keller Hansen

Martin Houland Manscher

Independent auditor's report

To the shareholders of K.W. Bruun Scala A/S

Opinion

We have audited the financial statements of K.W. Bruun Scala A/S for the financial year 1 January – 31 December 2021 comprising 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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.

Independence

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.

Management's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

København, 30 June 2022

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Mogens Andreasen
State Authorised
Public Accountant
mne28603

Mathias Jessen
State Authorised
Public Accountant
mne46620

K.W. Bruun Scala A/S
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Management's review

Company details

K.W. Bruun Scala A/S
Hovedvejen 1
2600 Glostrup
Denmark

Telephone: +45 43 22 88 00
Fax: +45 43 22 88 70
Website: 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

Carsten Ringius, Chairman
Kenneth Keller Hansen
Martin Houland Manscher

Executive Board

Kenneth Keller Hansen

Auditor

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg
Denmark
CVR no. 30 70 02 28

Management's review

Financial highlights

DKK'000	2021	2020	2019	2018	2017
Key figures					
Revenue	547,350	432,922	494,580	658,181	618,986
Gross profit	21,706	37,054	35,020	57,319	61,071
Operating profit	5,381	5,558	4,239	23,002	25,333
Net financials	-2,784	-3,338	-4,879	128	92
Profit/loss for the year	2,005	1,744	-533	17,185	19,784
Balance sheet					
Balance sheet total	415,511	447,901	390,864	437,260	428,018
Equity	207,612	205,607	203,863	204,396	187,211
Investment in property, plant and equipment	11,491	21,930	25,379	29,238	31,065
Inventories	9,672	31,235	21,418	50,825	33,396
Trade receivables	23,768	9,768	7,618	26,731	31,215
Ratios					
Gross margin	4%	9%	7%	9%	11%
Operating margin	1%	1%	1%	3%	4%
Solvency ratio	50%	46%	52%	46%	44%
Average number of full-time employees					
Average number of full-time employees	39	46	51	56	58

The financial ratios have been calculated as follows:

Pursuant to section 101(3) of the Danish Financial Statements Act, the Company has omitted to restate comparative figures for the 5th previous financial year in connection with the change of accounting policies.

In 2018, the Company has chosen to change the presentation of the profit and loss statement, going from a function to a nature presentation, in order to present a more viable and sustainable presentation of the Company's performance.

The change in applied presentation schematics, have thus impacted on the Financial Highlights as presented above. The gross profit and hence also the gross margin is thus affected by the change. Other than these changes there are no further impact to the amounts presented in the Financial Highlights.

The financial ratios have been calculated as follows:

Gross margin
$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

Operating margin
$$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$$

Solvency ratio
$$\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$$

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 decreased by around 6% compared to previous year. There were 185.317 passenger cars registrations in 2021 vs. 198.100 registrations in 2020 (data from the Danish Car Importers Association).

The Company's total market share of passenger cars increased to 1.5% in 2021.

For the light Commercial vehicles we have an increase of 3%, with 33.273 registered in 2021 vs 32.403 in 2020. Fiat's market share decreased to 4.6% in 2021 vs 5,4% in 2020.

After sales activities were higher compared to 2020 and amounted to DKK 76 million.

The result of the year 2021 before tax amounted to DKK 2,597k, tax for the year amounted to DKK -0.6 million, and result for the year after tax amounted to DKK 2.0 million. The result for the year is considered acceptable and in line with the expectations for the year.

Financial instruments

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 2021 has been at a required level and is expected to remain unchanged in 2022.

Corporate social responsibility

For K.W. Bruun Scala A/S' statutory reporting cf. §99a, we refer to the Stellantis Groups full statutory report on CSR which is available on the group website on <https://www.stellantis.com/en/responsibility/csr-disclosures>

Events after the balance sheet date

K.W. Bruun Import has entered into an agreement with Stellantis to take over the company and the import of Fiat, Alfa Romeo and Jeep in Denmark per 1 May 2022.

Management's review

Operating review

Goals and policies for the underrepresented gender

The K.W. Bruun group strives for a 60/40 gender representation at all management levels and among all employees across the group. Until the company has reached a 60/40 gender distribution, the company will prioritise female candidates if two equally qualified candidates apply for the same position, and one of them is a woman. This also applies for non-management recruitments. It is the target that at least one member of the underrepresented gender is represented in the Board of Directors by 2025.

Moreover, recruitment of highly educated women has priority to enable internal recruitment to other managerial levels in the long term. The general gender distribution in the group was 35% women and 65% men in 2021.

In K.W. Bruun Scala there are currently 3 general assembly elected members in the board of directors of which all 3 are men. It is the target that at least one member of the underrepresented gender is represented in the Board of Directors by 2025.

There were no changes in the Board of directors for FY21, while the company was in Stellantis ownership, hence the target was not achieved.

Data ethics

For K.W. Bruun Scala A/S' statutory reporting cf. §99d, we refer to the K.W. Bruun Groups data ethics policy on the group website (in Danish) on kwbruun.com/da/politik-for-dataetik

Outlook

K.W. Bruun expects a weaker total market in Denmark in 2022 than in 2021. The trend towards a larger share of electric and hybrid cars sold is expected to increase further. 2021 was increasingly marked by supply shortages, and K.W. Bruun enters 2022 expecting the severe supply challenges to continue in the short term.

Sales will primarily be affected by producers' capacity to supply the car models demanded by customers on the Danish markets. The extent to which the war in Ukraine will affect manufacturers' production and supply potential is still unclear. This leads to significant uncertainty with regard to the level of earnings for the coming year.

For 2022, we expect a revenue between 500 mDKK and 600 mDKK and a profit before tax between 1.8 mDKK and 2,2 mDKK

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2021	2020
Revenue	2	547,350	432,922
Cost of sales		-498,571	-357,634
Other operating income	3	591	1,003
Other external costs		<u>-27,664</u>	<u>-39,237</u>
Gross profit		21,706	37,054
Staff costs	4	-13,573	-27,698
Depreciation, amortisation and impairment losses		<u>-2,752</u>	<u>-3,798</u>
Profit before financial income and expenses		5,381	5,558
Other financial income	5	365	11
Other financial expenses	6	<u>-3,149</u>	<u>-3,349</u>
Profit before tax		2,597	2,220
Tax on profit for the year	7	<u>-592</u>	<u>-476</u>
Profit for the year	8	<u><u>2,005</u></u>	<u><u>1,744</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Property, plant and equipment	9		
Fixtures and fittings, tools and equipment		<u>9,251</u>	<u>18,214</u>
Financial assets	10		
Deposits		<u>3,344</u>	<u>3,281</u>
Total fixed assets		<u>12,595</u>	<u>21,495</u>
Current assets			
Inventories			
Finished goods and goods for resale		<u>9,672</u>	<u>31,235</u>
Receivables			
Trade receivables		23,768	9,768
Receivables from group entities		340,956	354,217
Receivables from participating interests		20,494	21,324
Deferred tax asset	11	6,839	6,933
Corporation tax		1,064	2,806
Prepayments	12	<u>123</u>	<u>123</u>
		<u>393,244</u>	<u>395,171</u>
Total current assets		<u>402,916</u>	<u>426,406</u>
TOTAL ASSETS		<u><u>415,511</u></u>	<u><u>447,901</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital	13	55,000	55,000
Retained earnings		<u>152,612</u>	<u>150,607</u>
Total equity		<u>207,612</u>	<u>205,607</u>
Provisions			
Other provisions	14	<u>39,646</u>	<u>46,323</u>
Total provisions		<u>39,646</u>	<u>46,323</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Other payables		<u>0</u>	<u>3,241</u>
Current liabilities other than provisions			
Trade payables		9,017	22,066
Payables to group entities		113,548	105,643
Other payables	15	45,688	64,255
Deferred income	16	<u>0</u>	<u>766</u>
		<u>168,253</u>	<u>192,730</u>
Total liabilities other than provisions		<u>168,253</u>	<u>195,971</u>
TOTAL EQUITY AND LIABILITIES		<u>415,511</u>	<u>447,901</u>
Fees to auditor appointed at the general meeting	17		
Contractual obligations, contingencies, etc.	18		
Related party disclosures	19		
Disclosure of events after the balance sheet date	20		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	55,000	150,607	205,607
Transferred over the profit appropriation	0	2,005	2,005
Equity at 31 December 2021	55,000	152,612	207,612

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of K.W. Bruun Scala A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act with option from higher reporting classes.

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

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the Parent Company's cash flow statement.

Foreign currency translation

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

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

Government grants

Government grants are recognised when it is fairly certain that the grant conditions will be complied with, and the grant will be received.

Grants compensating for costs incurred are recognised directly as operating income in the income statement as costs eligible for grants are incurred. If the conditions for receiving the grant are not complied until after related costs have been recognised, the grant is to be recognised in the income statement when the conditions have been complied with and it is fairly certain that the grant will be awarded.

Grants to acquire assets are recognised in the balance sheet as deferred income/prepayments and transferred to other operating income in the income statement line with depreciation/amortisation of the assets covered by the grant.

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of property, plant and equipment.

Other external costs

Other external costs comprise costs of distribution, sales and advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on 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

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The Group Companies are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements 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:

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

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

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Financial assets

Deposits are recognised at amortised cost.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method.

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

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.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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

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

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Provisions

Warranty provisions comprise commitments to remedy defect 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 contract made with end users.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

Segment information

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

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2021</u>	<u>2020</u>
2 Revenue		
Cars	465,054	345,908
Parts	76,331	63,486
Other	<u>5,965</u>	<u>23,528</u>
	<u>547,350</u>	<u>432,922</u>
Revenue mainly originates from customers in the Danish market.		
3 Other operating income		
Other operating income includes special items comprising compensation under COVID-19 government aid packages of DKK 591 thousand (2020: DKK 1,003 thousand).		
4 Staff costs		
Wages and salaries	10,671	24,812
Pensions	2,575	2,574
Other social security costs	<u>327</u>	<u>312</u>
	<u>13,573</u>	<u>27,698</u>
Average number of full-time employees	<u>39</u>	<u>46</u>
In accordance with section 98b(3) of the Danish Financial Statements Act, remuneration of the Executive Board is not presented. The board of directors has not received any remuneration.		
There are no incentive programmes for the Executive Board or the Supervisory Boards.		
5 Other financial income		
Interest income from group entities	0	11
Exchange gains	<u>365</u>	<u>0</u>
	<u>365</u>	<u>11</u>
6 Other financial expenses		
Interest expense to group entities	2,477	3,060
Other financial costs	304	288
Exchange losses	<u>368</u>	<u>1</u>
	<u>3,149</u>	<u>3,349</u>

Financial statements 1 January – 31 December

Notes

DKK'000	2021	2020	
7 Tax on profit for the year			
Current tax for the year	0	-498	
Deferred tax for the year	572	974	
Adjustment of tax concerning previous years	498	0	
Adjustment of deferred tax concerning previous years	<u>-478</u>	<u>0</u>	
	<u>592</u>	<u>476</u>	
8 Proposed profit appropriation			
Retained earnings	<u>2,005</u>	<u>1,744</u>	
	<u>2,005</u>	<u>1,744</u>	
9 Property, plant and equipment			
DKK'000	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2021	29,865	3,379	33,244
Additions for the year	11,491	0	11,491
Disposals for the year	<u>-20,523</u>	<u>0</u>	<u>-20,523</u>
Cost at 31 December 2021	<u>20,833</u>	<u>3,379</u>	<u>24,212</u>
Depreciation and impairment losses at 1 January 2020	-11,651	-3,379	-15,030
Depreciation for the year	-2,752	0	-2,752
Reversed depreciation and impairment losses on assets sold	<u>2,821</u>	<u>0</u>	<u>2,821</u>
Depreciation and impairment losses at 31 December 2021	<u>-11,582</u>	<u>-3,379</u>	<u>-14,961</u>
Carrying amount at 31 December 2021	<u>9,251</u>	<u>0</u>	<u>9,251</u>
10 Financial assets			
DKK'000		Deposits	
Cost at 1 January 2021		3,281	
Additions for the year		75	
Disposals for the year		<u>-12</u>	
Cost at 31 December 2021		<u>3,344</u>	
Carrying amount at 31 December 2021		<u>3,344</u>	

Financial statements 1 January – 31 December

Notes

DKK'000	<u>31/12 2021</u>	<u>31/12 2020</u>
11 Deferred tax assets		
Deferred tax at 1 January	6,933	7,907
Deferred tax adjustment concerning previous years	478	0
Deferred tax adjustment for the year	<u>-572</u>	<u>-974</u>
	<u>6,839</u>	<u>6,933</u>
Recognised as follows:		
Property, plant and equipment	495	561
Provisions	553	298
Current assets	280	548
Warranty provisions	3,322	5,526
Deferred tax loss	<u>2,189</u>	<u>0</u>
	<u>6,839</u>	<u>6,933</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.

12 Prepayments

Prepayment consist of prepaid expenses concerning costs regarding 2022.

13 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 previous 5 years.

DKK'000	<u>31/12 2021</u>	<u>31/12 2020</u>
14 Provisions		
Warranty provisions	7,826	21,066
Contractual provisions	25,258	22,314
Other provisions	<u>6,562</u>	<u>2,943</u>
	<u>39,646</u>	<u>46,323</u>
The provisions are expected to be activated as follows:		
0-1 years	2,544	2,973
1-5 years	<u>37,102</u>	<u>43,380</u>
	<u>39,646</u>	<u>46,353</u>

Other provisions consist of obligations regarding return of spare parts and local service provisions.

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15 Other payables

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

16 Deferred income

Deferred income in 2020 relates to government grants in relation to COVID-19 which was not included in the financial result.

DKK'000	<u>2021</u>	<u>2020</u>
17 Fees to auditor appointed at the general meeting		
Ernst & Young P/S:		
Audit fee	<u>300</u>	<u>184</u>
	<u>300</u>	<u>184</u>

18 Contractual obligations, contingencies, etc.

Contingent liabilities

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, interests and royalties.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 25 months totalling DKK 2,184 thousand.

Total future lease payments:

Within 1 year	2,178	2,113
1 - 5 years	<u>6</u>	<u>0</u>
	<u>2,184</u>	<u>2,113</u>

The Company's operating lease is specified as follows:

Photocopiers	32	15
Rent	2,141	2,098
Waterlogic	<u>11</u>	<u>0</u>
	<u>2,184</u>	<u>2,113</u>

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19 Related party disclosures

K.W. Bruun Scala A/S' related parties comprise the following:

Control

FCA Denmark 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 Stellantis N.V., which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Stellantis N.V., can be obtained by contacting the Company at the following address:

Stellantis N.V.
Taurusavenue 1
2132 LS Hoofddorp
Netherlands

Related party transactions

DKK'000	2021	2020
Purchases of goods from Parent Company	383,688	337,417
Purchases of services from Parent Company	8,227	8,055
Sale of services to associates	9,771	13,236
Interest income from group entities	0	11
Interest expenses to group entities	2,477	3,060
Receivables from group entities	340,956	354,217
Payables to group entities	113,548	105,643
Receivables from participating interests	20,494	21,324
	<u>879,161</u>	<u>842,963</u>

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 4.

20 Disclosure of events after the balance sheet date

K.W. Bruun Import has entered into an agreement with Stellantis to take over the company and the import of Fiat, Alfa Romeo and Jeep in Denmark per 1 May 2022.

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