FTZ Autodele & Værktøj A/S

Hvidkærvej 21 Højme, 5250 Odense SV

CVR no. 73 64 87 18

Annual report 2023

Approved at the Company's annual general meeting on 23 April 2024

Chair of the meeting:

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Michael Gadegaard

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of FTZ Autodele & Værktøj A/S for the financial year 1 January - 31 December 2023.

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

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

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

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

Odense, 23 April 2024
Executive Board:

Michael Christian Gadegaard CEO	Simon Pallesen Deputy Director	Andreas Damkjær True Deputy Director

Board of Directors:

Pehr Oscarsson Chairman	Sven Jokum Møller Kristensen	Sten Jakobsen Employee representative
Flemming Michelsen Employee representative		

Independent auditor's report

To the shareholder of FTZ Autodele & Værktøj 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 - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Company for the financial year 1 January - 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.

Management's Responsibilities for the Financial Statements

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

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

Independent auditor's report

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.
- 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.

Odense, 23 April 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Line Hedam	Claus Damhave
State Authorised Public Accountant	State Authorised Public Accountant
mne27768	mne34166

Management's review

Company details

Name	FTZ Autodele & Værktøj A/S
Address, Postal code, City	Hvidkærvej 21 Højme, 5250 Odense SV
CVR no.	73 64 87 18
Established	1 April 1984
Registered office	Odense
Financial year	1 January - 31 December
E-mail	ftz@ftz.dk
Telephone	+45 65 65 40 00
Board of Directors	Pehr Oscarsson, Chairman Sven Jokum Møller Kristensen Sten Jakobsen, Employee representative Flemming Michelsen, Employee representative
Executive Board	Michael Christian Gadegaard, CEO Simon Pallesen, Deputy Director Andreas Damkjær True, Deputy Director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Munkebjergvænget 1, 3, Odense M

Management's review

Financial highlights

DKK'000	2023	2022	2021	2020	2019
Key figures					
Revenue	2,534,094	2,434,949	2,439,465	2,299,812	2,285,123
Operating profit/loss	146,791	172,366	249,992	219,219	202,375
Profit before interest and tax (EBIT)	179,834	173,988	250,065	223,424	202,472
Net financials	13,336	10,600	4,120	4,555	5,339
Profit before tax	193,170	184,589	258,524	230,632	209,210
Profit for the year	151,034	144,350	202,147	180,387	163,141
Total assets	1,089,191	1,090,049	1,152,528	1,079,278	1,049,668
Investments in property, plant and equipment	1,465	11,173	3,696	9,624	7,078
Equity	787,912	779,422	835,128	811,458	792,562
Financial ratios					
Operating margin	7.1%	7.1%	10.3%	9.7 %	8.9 %
Return on assets	13.5%	15.4%	22.4%	20.6%	20.5%
Equity ratio	72.3%	71.5%	72.5%	75.2%	75.5%
Return on equity	19.3%	17.9%	24.6%	22.5%	21.6%
Average number of full-time employees	1,170	1,184	1,163	1,152	1,164

For terms and definitions, please see the accounting policies.

Management's review

Business review

The Company's principal activities like in previously years comprise wholesale trade of spare parts and accessories for automobiles, as well as supporting business systems, data, education and technical training.

Financial review

In 2023, the company's revenue amounted to TDKK 2,534,094. The income statement shows a profit of TDKK 151,034, and the balance sheet as of 31 December 2023 shows equity of TDKK 787,912.

The portfolio of treasury shares comprises TDKK 1,078, nominal value, corresponding to 1.01% of the total share capital. There are no significant uncertainties regarding recognition and measurement.

Significant events during the financial year

The financial year 2023 is affected by TDKK 29,000 regarding sale of our head quarter in Odense as we started the construction of a new head quarter in Rørup. Our new head quarter is expected to be finalized during 2025.
The turnover amounted to MDKK 2,534 in 2023, which is higher than the outlook of MDKK 2,475-2,500 in the Annual Report for 2022. Increasing purchasing prices on spare parts have impacted our gross margin negatively as we did not forward the full effect into the market.

Financial risks and use of financial instruments

The Company's risks in relation to currency and commodity prices are insignificant.

Statutory CSR report

Throughout the financial year, the company has been ultimately owned by MEKO AB and thus subject to the Code of Conduct for MEKO.

FTZ is a Swedish-owned wholesale company within the automotive industry. FTZ has 48 branches throughout Denmark and the Faroe Islands. Primarily, subcontractors from Europe and Asia are used, and with the import of products from various continents, FTZ focuses on human rights and anti-corruption. In FTZ's value chain, significant amounts of energy are used for our logistics set-up. Therefore, we focus on continuously optimizing logistics for the benefit of both the environment and occupational health. The company's products and logistics set-up impose significant demands on the working conditions of employees, which is why we have a strong focus on the physical working environment.

The Code of Conduct emphasizes the values and principles that FTZ operates by and assists employees and managers in handling legal and ethical challenges in their daily work. It also reflects the desire to meet responsibilities towards shareholders and society while continuously meeting the expectations of customers, suppliers, and other business partners by acting responsibly every day.

In 2021, all employees in FTZ completed MEKO's Code of Conduct training, thus learning how to act in accordance with the Code of Conduct and being aware that employees themselves have a responsibility to adhere to it. Since then, and therefore throughout 2023, all new employees have completed the Code of Conduct training within the first week of employment. This work will continue in 2024, so all newly recruited (permanent) employees will be required to complete the Code of Conduct training also.

Management's review

Human Rights

MEKO's Code of Conduct and policy include:

- Respect:
  We show respect for our employees, colleagues, business partners, and other stakeholders. We respect human rights, have zero tolerance for corruption, and take responsibility for the environment and our surroundings.
- Engagement:
  We demonstrate engagement and take responsibility in our roles as employees in the group. We are proud of our colleagues, our company, and what we deliver. Our work is characterized by a desire to listen, learn, and help each other. Collaboration increases job satisfaction and contributes to a workplace where we all thrive. Engagement is measured in an annual satisfaction survey and remains at a high and satisfactory level.
- Customer Focus:
  We always prioritize the customer and develop our company according to the needs and desires of the customer. In line with societal developments and trends, we stay one step ahead and create solutions for the future.

There have been no violations of human rights, MEKO's Code of Conduct, or attempts at corruption/bribery in the current financial year.

Supplier Selection

FTZ ensures, through supplier negotiations, both new agreements and renegotiation agreements, that all suppliers - both Danish and foreign - adhere to the ethical guidelines described in the Supplier Code of Conduct. Through this, FTZ ensures that international human rights are upheld.

In 2023, there have been no instances of human rights violations or violations of the Code of Conduct among suppliers.

In selecting suppliers, emphasis is placed on environmental and occupational health conditions. It is ensured, at a minimum, that suppliers focus on and adhere to the following key points:

- Local laws are always complied with
- Child labor is not accepted
- Forced labor does not occur
- Employees are not physically punished, psychologically punished, or humiliated
- Working hours and wages comply with national regulations

FTZ does what is possible to mitigate the risk of corruption, among other things, by having clear internal guidelines and by having supplier contracts signed by several individuals.

FTZ has not experienced any examples of, or demands for, corruption in 2023.

In connection with the Russian invasion of Ukraine, FTZ immediately decided to refrain from trading in Russian-produced products, already in 2022.

Climate and Environmental

Conditions in climate and occupational health are focus points in FTZ. We strive to contribute to sustainable development, where social responsibility and a high degree of care for employees and the environment go hand in hand with sound business development. Taking climate and the environment into account is an integral part of FTZ's business strategy, and internally, FTZ's focus is on reducing the company's negative impact on the environment. We will work to:

- Comply with relevant environmental legislation
- The entire chemical assortment is well-documented, and when selecting chemical products, an assessment of the product's effect on people and the environment is included
- Prevent pollution

Management's review

- Provide reusable components to the greatest extent possible
- All forms of waste are handled optimally in terms of storage, sorting and recycling.
- Reduce energy and water consumption
- Optimize logistics continuously for the benefit of both the environment and occupational health

FTZ aims to prevent climate change and make climate adaptations. Therefore, screening for energy improvements in selected departments continued in 2023. This has resulted in a shift from conventional lighting to LED lighting in several locations. Additionally, FTZ continuously monitors energy consumption in all departments to compare and analyze significant deviations.

Transportation is a significant climate and environmental issue in FTZ, as FTZ has many vans that drive many kilometers daily and thereby emit CO2. Therefore, FTZ focuses on the use of energy-efficient vehicles, conducts ongoing monitoring of the CO2 vehicle account, and reacts to any deviations. Additionally, FTZ increased the influx of electric cars into the fleet of company cars in 2023, and we continuously increase the proportion of electric vans. Each time a leasing contract for a van expires, it is considered whether we can switch to an electric van instead.

FTZ also focuses on waste management to ensure maximum recycling and proper waste handling. Hazardous waste is registered, sorted, packaged, and sent to processing/recycling via approved carriers.

Returning reusable components from FTZ's customers remains a focus. In total, approximately 70% of all sold batteries, approximately 35% of all catalytic converters, and approximately 88% of starters and generators, are returned by FTZ's customers. FTZ sends the returned products to recycling.

Sustainability work will become a more integrated part of FTZ in the current year and going forward, as an ambitious updated strategy has just been laid out. This strategy supports the UN's Sustainable Development Goals and contains several concrete objectives.

FTZ decided in 2022 to build a new combined headquarters and central warehouse. Construction began in 2023 and is expected to be completed in the beginning of 2025. The new construction will have a wide range of positive effects on both the environment and occupational health.

Management's review

Social and Employee Conditions

FTZ aims to be a company where both physical and mental working environment is taken seriously and perceived as such by employees and other stakeholders. We will work to:

- Comply with relevant legislation in the field of occupational health
- Prevent injuries and work-related illnesses
- Inform all employees and other stakeholders about the company's occupational health policy
- Allocate the necessary resources to ensure occupational health
- Create an inclusive working environment that allows for the employment of all qualified potential employees regardless of gender, race, religious beliefs, and appearance
- Ensure that employees thrive in the working environment

It is satisfying to see the results achieved in FTZ's occupational health work, where significant improvements have been made in many areas.

Risk assessments of significant hazards that may occur in FTZ's various work functions have been conducted, and associated control measures have been established for these. Work accidents are still analyzed and discussed in the Occupational Health Group and the main Occupational Health Committee for future prevention and improvements and to ensure that knowledge is shared for use in all FTZ branches.

The main focus areas in 2023 have also been ADR "Convention concerning the International Carriage of Dangerous Goods by Road" and ergonomics, including the use of aids, aimed at preventing injuries related to heavy lifting. FTZ has an Internal Safety Advisor who, among other things, handles the ADR area. The procedures for handling ADR goods have been reviewed, and around 500 warehouse and transport workers completed an ADR basic training in 2021-22, and all new warehouse and transport employees attend training continuously so that FTZ's employees can prevent accidents in connection with the transport of dangerous goods.

In the autumn of 2023, FTZ conducted a comprehensive well-being survey among employees again. The results will be used constructively in efforts to make FTZ an even better workplace. The well-being survey generally showed high well-being in FTZ, and overall, it is at the same level as the 2022 result.

There has been a significant focus on stress and stress-preventive management in 2023. In this context, more than 60 leaders have received leadership training, as well as courses for all Union Representatives and Health and Safety Representatives in stress management.

Senior Policy

FTZ believes that having a diverse workplace where skills from both older and younger employees complement each other is advantageous.

Employees who are 59 years or older are covered by FTZ's senior policy. The purpose of the policy is to focus on the conditions and opportunities for older employees. FTZ aims, as far as possible, to create conditions that allow individual employees to be active until they reach retirement age - with respect for any desire for a planned transition to retirement.

This is done by holding senior discussions when the employee turns 59. Here, conditions are reviewed, and goals are set. In addition, senior employees can participate in senior seminars and be allocated senior days off.

Management's review

Report on the gender composition of Management

The automotive industry appeals mostly to men. Industry figures from DI and Statistics Denmark show that approximately 90% of those employed in the automotive industry are men. This is also reflected in the gender composition in FTZ, where the total staff consists of approximately 14% women and 86% men. Due to this gender distribution, women are the underrepresented gender in FTZ.

FTZ has developed a policy to focus on the underrepresented gender in the company's management. The goal is for the underrepresented gender to constitute 20% of the rest of the management.

In the company's top management (the board), until November 2023, there was one woman out of the three board members elected at the general meeting, thereby achieving an equal distribution of the underrepresented gender. The woman left the board, and has not been replaced yet, so by the end of 2023, there are only two board members elected at the general meeting, so by the end of 2023, there are 0% women on the board. The target is again to achieve an equal gender distribution on the board in 2024.

In the upper level management, the proportion is 7.1%. (two out of 28). Our target for the upper level management is 20% by 2027. One reason why the target was not achieved in 2023 is that a female leader left FTZ, and the position was abolished. Conversely, a new female leader has joined the rest of the management in 2023 through internal recruitment. Additionally, there has been no open positions in the rest of the management to be reoccupied, so there has been limited opportunity to change the gender distribution.

The upper level management in FTZ includes members of the Executive management (first level) and persons with managerial responsibility who report directly to the members of the first level (second level).

Since we are below our target, FTZ will continue to work towards a more equal gender distribution at the management level, reflecting at least the industry's gender distribution. The underrepresented gender in FTZ must always feel that they have the same opportunities for career and leadership positions as other employees. Employees should feel that FTZ has an open and unbiased culture where individuals can best utilize their skills regardless of gender. However, this requires that there are female applicants for the vacant jobs. Historically, more men apply for jobs in the automotive industry. Therefore, FTZ has worked purposefully in 2023 on our job advertisements to attract a more diverse pool of applicants, for example, by changing the photos we use in the advertisements, which now feature more women, and we are attentive of the text and rhetoric we use in the advertisements. In the recruitment phase, emphasis continues to be placed on female applicants, and FTZ is very aware of the benefits of a diversified organization and, importantly, leadership.

The goal remains to fill leadership positions based on the qualifications and skills necessary for FTZ's business. Leading employees and board members are selected, among other things, based on the desire to have a broad experiential base in the overall management and board.

FTZ always aims to hire and appoint employees, including leaders, based on their professional and personal qualifications. FTZ sees it as discriminatory if the best candidate is excluded based on gender, age, nationality, or similar.

Management's review

5 years overview

	2023
Supreme governing body	
Total number of members	2
Underrepresented gender in %	0
Target figure in %	33
Year in which the target figure is expected to be met	2024
Other levels of management	
Total number of members	28
Underrepresented gender in %	7
Target figure in %	20
Year in which the target figure is expected to be met	2027

The qualitative information on the gender composition of management is presented in the management's review above.

Expectations and Plans for 2024

As part of MEKO, FTZ has an increasingly strong focus on sustainability. The work is carried out in close collaboration with MEKO and is an integral part of MEKO's strategy. On that basis, MEKO has formulated 17 goals that FTZ and other companies in MEKO must achieve 100% by the end of 2025. In 2024, we will continue to work focused on these goals, and FTZ will also allocate specific resources to work on sustainability in 2024.

Data ethics

FTZ has developed data ethics to ensure that we take responsibility for the proper treatment of all data.

The automotive industry, like many others, is undergoing change, and it is particularly the digital development, with new processes and new technology, that creates new opportunities - all with the aim of increasing our level of knowledge and improving our services to customers, colleagues, and other partners.

The driving force behind the new processes and technologies is generally data, and it is therefore essential for FTZ to focus on the responsibility that lies with us when we conduct this treatment.

For FTZ, a central building block in running the business is that our partners can trust us and feel confident in our handling of data. Therefore, we are dedicated to protecting data in three ways.

- We have a significant focus on assessing risks, mitigating these through measures, and thus maintaining a high level of information security.
- We will always comply with data protection rules and user rights when processing data.
- FTZ has established its own additional internal ethical rules to ensure that we can best preserve the trust we have been given by partners when handling data, both from the individual's perspective and from society's perspective.

FTZ's data ethics address FTZ 's ethical rules for data processing and are found in a separate document outlining principles and specific goals.

Each year, FTZ's top management reviews data ethics to ensure compliance with our obligations in the field.

Management's review

Events after the balance sheet date

The management has initiated a process to optimize the organization in 2024. This is to enhance the company's logistics and sales offerings and to secure FTZ's long-term position in the market. FTZ wants to further improve competitiveness to continue being the turnkey supplier to the professional part of the Danish car industry.

Besides this no events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Outlook

Turnover is expected to increase by approx. 2-3% to a level of TDKK 2,618,000 – TDKK 2,644,000 in the coming year. EBIT is expected to decrease compared to 2023 as this year was affected by sale of premises.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
3	**Revenue**	2,534,094	2,434,949
	Other operating income	33,043	1,622
	Raw materials and consumables	-1,591,883	-1,477,249
4	Other external expenses	-214,235	-220,620
	Gross profit	761,019	738,702
5	Staff costs	-568,865	-553,663
6	Amortisation/depreciation of intangible assets and property, plant and equipment	-12,320	-11,050
	Profit before net financials	179,834	173,989
	Income from investments in group entities	4,830	5,745
7	Financial income	9,282	5,926
8	Financial expenses	-776	-1,071
	Profit before tax	193,170	184,589
9	Tax for the year	-42,136	-40,239
	Profit for the year	151,034	144,350

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
11	**Intangible assets**		
	Completed development projects	57,391	47,336
	Acquired intangible assets	0	0
	Development projects in progress and prepayments for intangible assets	0	432
		57,391	47,768
12	**Property, plant and equipment**		
	Land and buildings	13,504	29,294
	Other fixtures and fittings, tools and equipment	10,776	14,367
		24,280	43,661
13	**Investments**		
	Investments in group entities	43,387	21,197
	Other long-term receivables	7,562	12,253
	Trade receivables, leases	1,406	1,814
	Deposits, investments	7,647	6,630
		60,002	41,894
	Total fixed assets	141,673	133,323
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	457,331	484,352
	Prepayments for goods	5,252	2,673
		462,583	487,025
	Receivables		
	Trade receivables	204,881	215,670
	Receivables from group entities	236,645	210,770
	Income taxes receivable	0	5,596
	Other receivables	20,596	9,880
14	Prepayments	17,658	14,065
	Trade receivables, leases	2,638	3,300
		482,418	459,281
	Cash	2,517	10,420
	Total non-fixed assets	947,518	956,726
	TOTAL ASSETS	1,089,191	1,090,049

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
15	Share capital	106,610	106,610
	Reserve for development costs	44,765	37,259
	Retained earnings	485,537	491,553
	Dividend proposed for the year	151,000	144,000
	Total equity	787,912	779,422
	Provisions		
	Provisions for warranties	6,700	6,700
16	Deferred tax	37,500	38,908
17	**Total provisions**	44,200	45,608
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	174,723	183,189
	Payables to group entities	8,012	8,069
	Income taxes payable	884	0
	Other payables	73,460	73,761
		257,079	265,019
	Total liabilities other than provisions	257,079	265,019
	TOTAL EQUITY AND LIABILITIES	1,089,191	1,090,049

1 Accounting policies
2 Events after the balance sheet date
10 Appropriation of profit
18 Contractual obligations and contingencies, etc.
19 Security and collateral
20 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Reserve for development costs	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 January 2022	106,610	26,330	500,088	202,100	835,128
10	Transfer, see "Appropriation of profit"	0	0	350	144,000	144,350
	Addition of development costs	0	19,614	-19,614	0	0
	Depreciation of development costs	0	-5,603	5,603	0	0
	Tax on items recognised directly in equity	0	-3,082	3,082	0	0
	Dividend distributed	0	0	0	-202,100	-202,100
	Dividend, treasury shares	0	0	2,044	0	2,044
	Equity at 1 January 2023	106,610	37,259	491,553	144,000	779,422
10	Transfer, see "Appropriation of profit"	0	0	34	151,000	151,034
	Addition of development costs	0	15,139	-15,139	0	0
	Depreciation of development costs	0	-5,516	5,516	0	0
	Tax on items recognised directly in equity	0	-2,117	2,117	0	0
	Dividend distributed	0	0	0	-144,000	-144,000
	Dividend, treasury shares	0	0	1,456	0	1,456
	Equity at 31 December 2023	106,610	44,765	485,537	151,000	787,912

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of FTZ Autodele & Værktøj A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Pursuant to section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The financial statements of FTZ Autodele & Værktøj A/S and its subsidiaries are included in the consolidated financial statements of Mekonomen AB, Sweden. The consolidated financial statements are accessible on the group home page; https://meko.com/investors/reports-and-presentations/annual-reports/.

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

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement of MEKO AB, Sweden.

Reporting currency

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

Foreign currency translation

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

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

Income statement

Revenue

Revenue from the sale of goods for resale is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT, and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Other operating income

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

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

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

Staff costs

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

Amortisation/depreciation

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

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

Completed development projects	10 years
Acquired intangible assets	5 years
Land and buildings	30 years
Other fixtures and fittings, tools and equipment	3-8 years
Leasehold improvements	5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

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

Profit/loss from investments in group entities

The item includes dividends from investments in group entities and associates. Dividend distributions that either exceed the profit for the year or where the carrying amount of the investments exceeds the consolidated carrying amounts of the group entity's net assets will indicate impairment for which reason an impairment test will have to be conducted.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

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

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge 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 been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

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

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Leases

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

Investments in group entities

Investments in group entities and associates are measured at cost. Dividends received that exceed the accumulated earnings in the group entity or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

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

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

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

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured using the weighted average method.

Goods for resale are measured at cost.

Where the cost exceeds the expected selling price less costs of sale, goods are written down to net realisable value.

Receivables

Receivables are measured at amortised cost.

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

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

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Prepayments

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

Cash

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

Equity

Treasury shares

Purchases and sales of treasury shares are taken directly to equity under "Retained earnings".

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

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

Provisions

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

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

Warranty commitments include expenses for remedial action in respect of the contract work within the warranty period. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience.

Income taxes

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

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the group entities' income taxes vis à vis the tax authorities as the group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial ratios

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

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit/loss (EBIT) x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

The management has initiated a process to optimize the organization in 2024. This is to enhance the company's logistics and sales offerings and to secure FTZ's long-term position in the market. FTZ wants to further improve competitiveness to continue being the turnkey supplier to the professional part of the Danish car industry.

Besides this no events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

3 Segment information

The Company only has one segment.

4 Fee to the auditors appointed in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements for MEKO AB.

	DKK'000	2023	2022
5	**Staff costs**		
	Wages/salaries	503,632	490,817
	Pensions	43,475	37,368
	Other social security costs	9,613	11,899
	Other staff costs	12,145	13,579
		568,865	553,663
	Average number of full-time employees	1,170	1,184
	Remuneration to members of Management:		
	Executive Board	6,565	11,960
	Board of Directors	0	0
		6,565	11,960
6	**Amortisation/depreciation of intangible assets and property, plant and equipment**		
	Amortisation of intangible assets	5,515	3,074
	Depreciation of property, plant and equipment	6,805	7,976
		12,320	11,050
7	**Financial income**		
	Other financial income	9,282	5,926
		9,282	5,926
8	**Financial expenses**		
	Exchange adjustments	33	11
	Other financial expenses	743	1,060
		776	1,071

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	2023	2022
9	**Tax for the year**		
	Estimated tax charge for the year	43,720	34,693
	Deferred tax adjustments in the year	-1,408	5,249
	Tax adjustments, prior years	-176	297
		42,136	40,239
10	**Appropriation of profit**		
	Recommended appropriation of profit		
	Proposed dividend for the financial year	151,000	144,000
	Retained earnings	34	350
		151,034	144,350

11 **Intangible assets**

DKK'000	Completed development projects	Acquired intangible assets	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2023	50,409	10,135	432	60,976
Additions in the year	15,139	0	0	15,139
Transfer from other accounts	432	0	-432	0
Cost at 31 December 2023	65,980	10,135	0	76,115
Impairment losses and amortisation at 1 January 2023	3,073	10,135	0	13,208
Amortisation/depreciation in the year	5,516	0	0	5,516
Impairment losses and amortisation at 31 December 2023	8,589	10,135	0	18,724
Carrying amount at 31 December 2023	57,391	0	0	57,391
Amortised over	10 years	5 years		

Completed development projects

Completed development projects relates to the development of systems for the company in order to optime the business, etc., as well as the development of the platform on which the customers order products etc.
The project is developed for the companys own use and includedes direct costs associated with its development. It is management's assessment that the future economic benefits from the project exceed the cost of the development.

Management has not identified any indication of impairment in relation to the carrying amount of the system.

Financial statements 1 January - 31 December

Notes to the financial statements

12 Property, plant and equipment

DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2023	128,355	94,800	223,155
Additions in the year	1,392	73	1,465
Disposals in the year	-55,172	-245	-55,417
Cost at 31 December 2023	74,575	94,628	169,203
Impairment losses and depreciation at 1 January 2023	99,061	80,433	179,494
Amortisation/depreciation in the year	3,141	3,664	6,805
Amortisation/depreciation and impairment of disposals in the year	-41,131	-245	-41,376
Impairment losses and depreciation at 31 December 2023	61,071	83,852	144,923
Carrying amount at 31 December 2023	13,504	10,776	24,280
Depreciated over	30 years	3-8 years	

Financial statements 1 January - 31 December

Notes to the financial statements

13 Investments

DKK'000	Investments in group entities	Other long-term receivables	Trade receivables, leases	Deposits, investments	Total
Cost at 1 January 2023	21,197	12,253	1,814	6,630	41,894
Short-term	0	-6,312	-2,638	0	-8,950
Additions in the year	22,190	3,819	2,230	1,017	29,256
Disposals in the year	0	-2,198	0	0	-2,198
Cost at 31 December 2023	43,387	7,562	1,406	7,647	60,002
Carrying amount at 31 December 2023	43,387	7,562	1,406	7,647	60,002

Of the total receivables, DKK 8.950 thousand are received in subsequent financial year. The amount is distrubed in the following way:

- Other long-term receivables: DKK 6,312 thousand
- Trade receivables, leases: DKK 2,638 thousand

Group entities

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
AutoMester Danmark ApS	Odense, Denmark	100.00%	3,411	1,369
Din Bilpartner ApS	Odense, Denmark	100.00%	2,568	309
FTZ Føroyar P/f	Torshavn, The Faroe Islands	70.00%	22,998	8,880
DriveClever A/S	Odense, Denmark	100.00%	7,424	-26
Carpeople Danmark ApS	Odense, Denmark	100.00%	1,374	1,890
Vantage ApS	Birkerød, Denmark	70.00%	7,418	1,958
Avant Denmark A/S	Aarhus, Denmark	70.00%	19,256	3,103

Financial statements 1 January - 31 December

Notes to the financial statements

14 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies etc. totalling DKK 20,053 thousand.

DKK'000	2023	2022
15 Share capital		
Analysis of the share capital:		
106,610 shares of DKK 1,000.00 nominal value each	106,610	106,610
	106,610	106,610

The portfolio of treasury shares comprises DKK 1,078 thousand, nominal value, corresponding to 1.01% of the total share capital.

16 Deferred tax

	2023	2022
Deferred tax at 1 January	38,908	33,659
Deferred tax adjustments in the year	-1,408	5,249
Deferred tax at 31 December	37,500	38,908

Deferred tax

Provisions for deferred tax comprise deferred tax regarding inventories, trade receivables, trade payables, intangible assets and property, plant and equipment.

17 Provisions

Warranty provisions

Warrenty provisions comprise product warranties other than those covered by suppliers.

18 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company has entered into an agreement of construction and lease of a new domicile of approx. DKK 530 million. The domicile is expected to be completed in March 2025. In connection with the agreement a bank guarantee has been provided. The guarantee amounts to DKK 51 million at 31 December 2023.

The company is part of the joint taxation with other Danish Companies in the MEKO AB Group. As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 31.12.2023.

Financial statements 1 January - 31 December

Notes to the financial statements

18 Contractual obligations and contingencies, etc. (continued)

Other financial obligations

Rent and lease liabilities

Rent liabilities according to leases concluded and other lease liabilities totalling DKK 109,957 thousand.

Rent liabilities are allocated by DKK 42,839 thousand within one year, by DKK 57,488 thousand from 2-5 years, and DKK 9,630 after 5 years.

Lease liabilities according to leases concluded totalling DKK 79,517 thousand.

Lease liabilities are allocated by DKK 28,983 thousand within one year, and by DKK 50,534 thousand from 2-5 years.

19 Security and collateral

Bank guarantees for leases have been provided totalling DKK 14,747 thousand.

The MEKO Group has a cash pool agreement under which the Swedish parent company, MEKO AB is the holder of the agreement while other group companies are sub-account holders. The bank can settle drafts and deposits with each other so that the net amount constitutes a balance between the bank and MEKO AB. FTZ Autodele & Værktøj A/S' intra-group balances included in the common cash pool agreement constitutes DKK 235.477 thousand.

20 Related parties

FTZ Autodele & Værktøj A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
MEKO AB	Sweden	Parent company

Related party transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Apart from intercompany transactions and usual management remuneration during the year there have been no transactions with the Board of Directors, Executive Board, executives, major shareholders affiliates or other related parties.

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