

ZF Danmark ApS

Taastrupgårdsvej 8-10, 2630 Taastrup
CVR no. 81 09 14 12

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 21.06.24

Billal Zahoor
Dirigent

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The company

ZF Danmark ApS
Taastrupgårdsvej 8-10
2630 Taastrup
Registered office: Taastrup
CVR no.: 81 09 14 12
Financial year: 01.01 - 31.12

Executive Board

Ole Land Nielsen
Miriam Diaz Gonzalez

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the executive board on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for ZF Danmark ApS.

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

In our opinion, the financial statements give a true and fair view of The company assets, liabilities and financial position as at 31.12.23 and of the results of The company activities and cash flows for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Taastrup, June 21, 2024

the executive board

Ole Land Nielsen

Miriam Diaz Gonzalez

To the the owner of capital of ZF Danmark ApS**Opinion**

We have audited the financial statements of ZF Danmark ApS for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, including significant 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 financial position at 31.12.23 and of the results of the company operations and cash flows for the financial year 01.01.23 - 31.12.23 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We 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 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, it is 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, 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.

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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional 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 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 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.

Næstved, June 21, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Jørgen Stegmann
State Authorized Public Accountant
MNE-no. mne11738

Rickard Halfdan Patel
State Authorized Public Accountant
MNE-no. mne33780

Primary activities

The company's activities comprise activities as a subsidiary of ZF Friedrichshafen AG, Germany in providing complete, innovative and value-added products, solutions and services for the benefit of customers in transmission and vehicle technology, as well as "Next Generation Mobility" Now.

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit of DKK 10,595,331 against DKK 2,783,593 for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 39,539,455.

The management considers the net profit for the year to be satisfactory.

The development at ZF Denmark developed in 2023 as expected and fulfilled the company's expectations.

In 2023, the company has made further investments and taken the initiative to further expand the aftermarket work areas.

The management sees the result for the aftermarket, as well as the OEM, to be satisfactory.

In a direct comparison between budget and result for ZF Denmark, the management sees the result achieved for 2023 to be satisfactory.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note	2023 DKK	2022 DKK
Gross profit	33,152,347	20,549,702
1 Staff costs	-17,210,673	-14,866,226
Profit before depreciation, amortisation, write-downs and impairment losses	15,941,674	5,683,476
Depreciation and impairments losses of property, plant and equipment	-1,905,148	-1,944,315
Operating profit	14,036,526	3,739,161
Financial income	223,266	287
2 Financial expenses	-714,564	-189,839
Profit before tax	13,545,228	3,549,609
Tax on profit for the year	-2,949,897	-766,016
Profit for the year	10,595,331	2,783,593
Proposed appropriation account		
Proposed dividend for the financial year	5,297,666	0
Retained earnings	5,297,665	2,783,593
Total	10,595,331	2,783,593

ASSETS		31.12.23	31.12.22
		DKK	DKK
Note			
	Land and buildings	2,698,511	2,281,517
	Other fixtures and fittings, tools and equipment	1,707,810	1,139,656
3	Total property, plant and equipment	4,406,321	3,421,173
4	Deposits	550,360	544,500
	Total investments	550,360	544,500
	Total non-current assets	4,956,681	3,965,673
	Work in progress	4,176,537	2,483,409
	Manufactured goods and goods for resale	24,724,475	25,205,090
	Total inventories	28,901,012	27,688,499
	Trade receivables	7,154,484	9,536,996
	Receivables from group enterprises	4,369,446	136,195
	Deferred tax asset	112,288	85,113
	Other receivables	993,992	733,060
	Prepayments	109,864	47,209
	Total receivables	12,740,074	10,538,573
	Cash	10,217,739	4,490,839
	Total current assets	51,858,825	42,717,911
	Total assets	56,815,506	46,683,584

EQUITY AND LIABILITIES		31.12.23	31.12.22
		DKK	DKK
Note			
	Share capital	3,000,000	3,000,000
	Retained earnings	31,241,789	25,944,124
	Proposed dividend for the financial year	5,297,666	0
	Total equity	39,539,455	28,944,124
5	Lease commitments	2,683,510	1,417,319
5	Other payables	886,824	1,253,855
	Total long-term payables	3,570,334	2,671,174
5	Short-term part of long-term payables	973,143	926,896
	Trade payables	2,372,586	1,380,951
	Payables to group enterprises	6,394,404	9,779,814
	Corporation tax	649,086	182,878
	Other payables	3,316,498	2,797,747
	Total short-term payables	13,705,717	15,068,286
	Total payables	17,276,051	17,739,460
	Total equity and liabilities	56,815,506	46,683,584
6	Contingent liabilities		
7	Related parties		

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Proposed dividend for the financial year
Statement of changes in equity for 01.01.22 - 31.12.22			
Balance as at 01.01.22	3,000,000	23,160,105	2,545,000
Dividend paid	0	0	-2,545,000
Other changes in equity	0	426	0
Profit for the year	0	2,783,593	0
Balance as at 31.12.22	3,000,000	25,944,124	0
Statement of changes in equity for 01.01.23 - 31.12.23			
Balance as at 01.01.23	3,000,000	25,944,124	0
Profit for the year	0	5,297,665	5,297,666
Balance as at 31.12.23	3,000,000	31,241,789	5,297,666

Cash flow statement

Note	2023 DKK	2022 DKK
Profit for the year	10,595,331	2,783,593
8 Adjustments	5,314,868	2,899,883
Change in working capital:		
Inventories	-1,212,513	-9,401,564
Receivables	-2,180,186	3,983,553
Trade payables	991,638	536,938
Other payables relating to operating activities	-2,866,659	4,592,226
Cash flows from operating activities before net financials	10,642,479	5,394,629
Interest income and similar income received	223,266	287
Interest expenses and similar expenses paid	-714,564	-189,839
Income tax paid	-2,510,864	-631,704
Cash flows from operating activities	7,640,317	4,573,373
Purchase of property, plant and equipment	-59,000	-295,957
Cash flows from investing activities	-59,000	-295,957
Dividend paid	0	-2,545,000
Repayment of lease commitments	-1,487,386	-1,308,682
Repayment of other long-term payables	-367,031	-131,767
Cash flows from financing activities	-1,854,417	-3,985,449
Total cash flows for the year	5,726,900	291,967
Cash, beginning of year	4,490,839	4,198,872
Cash, end of year	10,217,739	4,490,839
Cash, end of year, comprises:		
Cash	10,217,739	4,490,839
Total	10,217,739	4,490,839

	2023	2022
	DKK	DKK
1. Staff costs		
Wages and salaries	15,223,437	13,046,970
Pensions	1,706,527	1,530,079
Other social security costs	280,709	289,177
Total	17,210,673	14,866,226
Average number of employees during the year	26	25

2. Financial expenses

Interest, group enterprises	30,769	22,946
Other interest expenses	119,851	102,862
Foreign currency translation adjustments	231,313	34,484
Other financial expenses	332,631	29,547
Total	714,564	189,839

3. Property, plant and equipment

Figures in DKK	Land and buildings	Other fixtures and fittings, tools and equipment
Cost as at 01.01.23	3,970,761	10,522,597
Additions during the year	0	434,324
Cost as at 31.12.23	3,970,761	10,956,921
Depreciation and impairment losses as at 01.01.23	-35,000	-8,612,687
Depreciation during the year	-1,237,250	-636,424
Depreciation and impairment losses as at 31.12.23	-1,272,250	-9,249,111
Carrying amount as at 31.12.23	2,698,511	1,707,810
Carrying amount of assets held under finance leases as at 31.12.23	1,993,257	243,917

4. Non-current financial assets

Figures in DKK	Deposits
Cost as at 01.01.23	544,500
Additions during the year	12,972
Disposals during the year	-7,112
Cost as at 31.12.23	550,360
Carrying amount as at 31.12.23	550,360

5. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.23	Total payables at 31.12.22
Lease commitments	973,143	976,384	3,656,653	2,344,215
Other payables	0	0	886,824	1,253,855
Total	973,143	976,384	4,543,477	3,598,070

Leasing obligations corresponding to t.DKK 60 have not been recognized for leases with a term of less than 12 months.

6. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 10 months with remaining commitments to t.DKK 60.

7. Related parties

The company is included in the consolidated financial statements of the parent ZF Friedrichshafen AG, Tyskland.

	2023	2022
	DKK	DKK
8. Adjustments for the cash flow statement		
Depreciation and impairments losses of property, plant and equipment	1,905,148	1,944,315
Financial income	-223,266	-287
Financial expenses	714,564	189,839
Tax on profit or loss for the year	2,949,897	766,016
Other adjustments	-31,475	0
Total	5,314,868	2,899,883

9. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to The company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from The company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

9. Accounting policies - continued -

LEASES

A lease asset and a lease obligation are recognized in the balance sheet when the company has entered into a lease agreement for a specific identifiable asset made available during the lease term, and obtains the right to virtually all of the economic benefits from the use of the identified asset and the right to decide on its use of that asset (IFRS 16).

On initial recognition, the lease obligation is measured at the present value of the future lease payments discounted at an alternative loan rate.

The lease obligation is subsequently measured at amortized cost using the effective interest method. The lease obligation is recalculated when there are changes in the underlying contractual cash flows from changes in an index or interest rate, if there are changes in the Company's estimate of a residual value guarantee or if the Company changes its assessment of whether a purchase, extension or termination option with reasonable probability is expected to be exploited.

On initial recognition, the leasing asset is measured at cost, which corresponds to the value of the lease obligation adjusted for prepaid lease payments and incentive payments from the lessor.

Subsequently, the asset is measured at cost less accumulated amortization and impairment losses. The lease asset is depreciated over the shortest of the lease term and the useful life of the lease asset. Depreciation is recognized on a straight-line basis in the income statement.

The lease asset is adjusted for changes in the lease obligation as a result of changes in the terms of the lease or changes in the cash flows of the contract in line with changes in an index or interest rate.

The company has chosen not to include low value leasing assets and short term leasing agreements in the balance sheet. Instead, leasing payments for these assets are recognized on a straight-line basis in the income statement.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, change in inventories of finished goods and work in progress, other operating income and raw materials and consumables and other external expenses.

9. Accounting policies - continued -

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Change in inventories of finished goods and work in progress

Change in inventories of finished goods and work in progress comprises adjustments in inventories of finished goods and work in progress for the year, including write-downs of inventories of finished goods and work in progress to the extent that these do not exceed normal write-downs.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including gains on the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also reassessed under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

9. Accounting policies - continued -

Staff costs

Staff costs comprise wages, salaries and pension contributions as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Buildings	10-20	0
Other plant, fixtures and fittings, tools and equipment	3-10	0

Land is not depreciated.

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

9. Accounting policies - continued -

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment comprise land and buildings as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If The company realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

9. Accounting policies - continued -

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to weighted average prices. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The cost of manufactured finished goods and work in progress is determined as the value of direct and indirect material and labour costs. Production overheads include indirect material and labour costs as well as maintenance and depreciation of machinery, buildings and equipment used in the production process as well as the costs of factory administration and management. Interest on loans arranged to finance production is not included in the cost.

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

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by The company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

9. Accounting policies - continued -

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

Current and deferred tax

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

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

9. Accounting policies - continued -**CASH FLOW STATEMENT**

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in The company share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables. Cash flows from financing activities also comprise finance lease payments.

Cash and cash equivalents at the beginning and end of the year comprise cash.