

# Bosal Danmark ApS

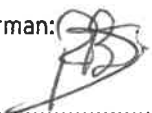
Farverland 6, 2600 Glostrup

CVR no. 81 78 93 12

## Annual report 2018

Approved at the Company's annual general meeting on

Chairman:

 24-juni-2019 .

.....





## Contents

<b>Statement by the Board of Directors and the Executive Board</b>	<b>2</b>
<b>Independent auditor's report</b>	<b>3</b>
<b>Management's review</b>	<b>5</b>
<b>Financial statements 1 January - 31 December</b>	<b>7</b>
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

### 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 Bosal Danmark ApS for the financial year 1 January - 31 December 2018.

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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

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.

Glostrup, 24 June 2019  
Executive Board:

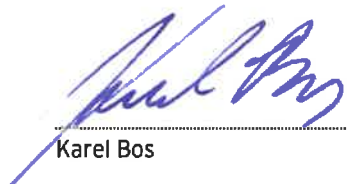


René Bastien de Wit

Board of Directors:



René Bastien de Wit



Karel Bos

## Independent auditor's report

To the shareholders of Bosal Danmark ApS

### Qualified opinion

We have audited the financial statements of Bosal Danmark ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the potential effect of the matter described in the "Basis for qualified opinion" section on the comparative figures, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

### Basis for qualified opinion

We were not able to obtain sufficient and appropriate audit evidence to provide a basis for an opinion during the audit of the 2017 financial statements. Consequently, we modified our opinion on the financial statements for 2017. As opening balances affect the determination of the loss for 2018, we were not able to determine whether adjustments to the Company's loss and opening equity might have been necessary. Consequently, our opinion on the financial statements for the current period has also been modified due to the potential effect of the matter on the loss for 2018 and on the comparability between the current period's figures and the comparative figures.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### 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.

### 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 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 the financial statements.

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

## Independent auditor's report

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

### 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 24 June 2019  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

  
Lissen Fagerlin Hammer  
State Authorised Public Accountant  
mne27747

  
Simon Blomstrup  
State Authorised Public Accountant  
mne44060



## Management's review

### Company details

Name	Bosal Danmark ApS
Address, Postal code, City	Farverland 6, 2600 Glostrup
CVR no.	81 78 93 12
Established	8 July 1977
Registered office	Glostrup
Financial year	1 January - 31 December
Board of Directors	René Bastien de Wit Karel Bos
Executive Board	René Bastien de Wit
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuhs Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Nordea

## Management's review

### Business review

The Company's (formal) purpose is to trade aftermarket car parts including exhaust systems and catalytic converters.

### Unusual matters having affected the financial statements

On 30 April 2018, Bosal sold its ACPS (towbar) division to Towerbrook Capital Partners. In addition to that, the Company decided to terminate the (remaining) exhaust business activities as per 31 August 2018, due to insufficient market power in the Danish market. All employees contracts were terminated and severance payments were finalised in January 2019.

In order to comply with the Danish bookkeeping Act and to guarantee the appropriateness of the various elements of the financial statements going forward, remedial action has been performed and completed to ensure the accuracy and completeness of the financial figures.

Qualified staff was added to the Company's finance team to improve the control environment and to ensure the existence, completeness, classification and valuation of, but not limited to, inventory, accounts receivable, accounts payable and customer bonus.

### Financial review

The income statement for 2018 shows a loss of DKK 1,179 thousand against a loss of DKK 82 thousand last year, and the balance sheet at 31 December 2018 shows equity of DKK 5,416 thousand.

In 2018, the Company reported a gross margin of DKK 5,384 thousand against DKK 8,677 thousand last year. The decrease in sales, and thus the gross margin, is due to the sale of the towbar division and to the closing of the exhaust activities. Due to lower cost levels, the Company was able to keep the loss under control.

### Events after the balance sheet date

As per March 2019, the lease of the warehouse at Farverland, Glostrup was officially terminated.

### Outlook

Bosal intends to close the Company end of year 2019.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2018	2017
	<b>Gross profit</b>	<b>5,383,635</b>	<b>8,677,193</b>
7	Distribution costs	-4,026,782	-5,595,155
7	Administrative expenses	-2,646,415	-3,133,937
	<b>Operating profit/loss</b>	<b>-1,289,562</b>	<b>-51,899</b>
2	Financial income	131,808	500
3	Financial expenses	-21,654	-30,330
	<b>Profit/loss before tax</b>	<b>-1,179,408</b>	<b>-81,729</b>
	Tax for the year	0	0
	<b>Profit/loss for the year</b>	<b>-1,179,408</b>	<b>-81,729</b>
	 <b>Recommended appropriation of profit/loss</b>		
	Retained earnings/accumulated loss	-1,179,408	-81,729
		<b>-1,179,408</b>	<b>-81,729</b>





## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2018</u>	<u>2017</u>
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
4	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	0	31,226
		<u>0</u>	<u>31,226</u>
5	<b>Investments</b>		
	Other receivables	293,550	584,700
		<u>293,550</u>	<u>584,700</u>
	<b>Total fixed assets</b>	<u>293,550</u>	<u>615,926</u>
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	0	2,922,147
		<u>0</u>	<u>2,922,147</u>
	<b>Receivables</b>		
	Trade receivables	1,480,366	3,592,503
	Receivables from group entities	5,670,978	3,245,789
	Other receivables	481,636	0
	Prepayments	69,174	49,180
		<u>7,702,154</u>	<u>6,887,472</u>
	<b>Cash</b>	<u>541,058</u>	<u>3,778,851</u>
	<b>Total non-fixed assets</b>	<u>8,243,212</u>	<u>13,588,470</u>
	<b>TOTAL ASSETS</b>	<u><u>8,536,762</u></u>	<u><u>14,204,396</u></u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2018	2017
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	600,000	600,000
	Retained earnings	4,816,337	5,995,745
	<b>Total equity</b>	<b>5,416,337</b>	<b>6,595,745</b>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	2,104,501	694,593
	Payables to group entities	170,128	269,411
	Other payables	845,796	6,644,647
		<b>3,120,425</b>	<b>7,608,651</b>
	<b>Total liabilities other than provisions</b>	<b>3,120,425</b>	<b>7,608,651</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,536,762</b>	<b>14,204,396</b>

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral
- 10 Related parties



## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2018	600,000	5,995,745	6,595,745
Transfer through appropriation of loss	0	-1,179,408	-1,179,408
<b>Equity at 31 December 2018</b>	<b>600,000</b>	<b>4,816,337</b>	<b>5,416,337</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Bosal Danmark ApS for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

#### Reporting currency

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

#### 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

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties.

##### Gross profit

In the income statement, revenue, production expenses and other operating income have been aggregated into one item called 'gross margin', cf. section 32 of the Danish Financial Statements Act.

##### Distribution costs

Distribution expenses include expenses relating to sale and distribution in the year, including expenses relating to sales staff, advertising, exhibitions and amortisation/depreciation of assets that are related to sale and distribution of the Company's products.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Administrative expenses

Administrative expenses include expenses incurred in the year for purposes of managing and administering the Company, including expenses relating to administrative staff, management, office premises/expenses as well as amortisation/ depreciation of assets used for administrative purposes.

##### Other operating income and operating expenses

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

##### Staff costs

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

##### Depreciation

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

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

Other fixtures and fittings, tools and equipment	3-5 years
--	-----------

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

##### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, exchange gains and losses and amortisation of financial assets and liabilities.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, at a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### 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.

##### Impairment of fixed assets

Items of property, plant and equipment are reviewed for impairment on an annual basis. Where there is evidence of impairment, each individual asset or group of assets, respectively, generating independent cash flows is tested for impairment. The carrying amount of impaired assets is reduced to the higher of the value in use and the net selling price (recoverable amount) of the asset or group of assets. Where an impairment loss is recognised on a group of assets, a loss must be allocated to the assets on a pro rata basis.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

##### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired, in which case the carrying amount is reduced to the net realisable value.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

##### Prepayments

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

##### 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".

##### 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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 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.

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.

#### Other payables

Other payables are measured at net realisable value.

DKK	2018	2017
<b>2 Financial income</b>		
Interest receivable, group entities	131,808	0
Other financial income	0	500
	<u>131,808</u>	<u>500</u>
<b>3 Financial expenses</b>		
Interest expenses, group entities	0	1,758
Other financial expenses	21,654	28,572
	<u>21,654</u>	<u>30,330</u>
<b>4 Property, plant and equipment</b>		
DKK		<b>Other fixtures and fittings, tools and equipment</b>
Cost at 1 January 2018		3,063,556
Disposals in the year		<u>-3,063,556</u>
Cost at 31 December 2018		0
Impairment losses and depreciation at 1 January 2018		3,032,330
Amortisation/depreciation in the year		27,037
Reversal of amortisation/depreciation and impairment of disposals		<u>-3,059,367</u>
Impairment losses and depreciation at 31 December 2018		0
Carrying amount at 31 December 2018		<u>0</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 5 Investments

DKK	<u>Other receivables</u>
Cost at 1 January 2018	584,700
Disposals in the year	-98,865
Cost at 31 December 2018	<u>485,835</u>
Use of investments	<u>-192,285</u>
Value adjustments at 31 December 2018	<u>-192,285</u>
<b>Carrying amount at 31 December 2018</b>	<b><u>293,550</u></b>

#### 6 Deferred tax

The Company has tax loss carry-forwards at a carrying amount of DKK 2,656 thousand. As it is uncertain whether these tax losses can be utilised within a foreseeable future, their carrying amount has not been recognised in the financial statements.

DKK	<u>2018</u>	<u>2017</u>
<b>7 Staff costs</b>		
Wages/salaries	1,678,333	2,169,814
Pensions	70,775	86,917
Other social security costs	29,332	42,430
	<u>1,778,440</u>	<u>2,299,161</u>
 Average number of full-time employees	 <u>5</u>	 <u>8</u>

#### 8 Contractual obligations and contingencies, etc.

##### Other financial obligations

Other rent and lease liabilities:

Rent and lease liabilities	<u>104,125</u>	<u>491,527</u>
----------------------------	----------------	----------------

Rent and lease liabilities include a rent obligation totalling DKK 104,125 in interminable rent agreements with remaining contract terms of 2 months.

#### 9 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2018.





## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 10 Related parties

##### Information about consolidated financial statements

Parent	Domicile
Bosal Nederland B.V.	Kamerlingh Onnesweg 5, 4130 EE Vianen ZH, Holland