

# FTZ

**FTZ AUTODELE & VÆRKTØJ A/S**

Gelstedvej 22  
5560 Aarup  
CVR No. 73648718

## **Contents**

Entity details	2
Statement by Management	3
Independent auditor's report	5
Management commentary	8
Income statement for 2025	17
Balance sheet at 31.12.2025	18
Statement of changes in equity for 2025	20
Notes	21
Accounting policies	28

## Entity details

### Entity

FTZ AUTODELE & VÆRKTØJ A/S  
Gelstedvej 22  
5560 Aarup

Business Registration No.: 73648718

Registered office: Assens

Financial year: 01.01.2025 - 31.12.2025

Phone number: 65 65 40 00

E-mail: ftz@ftz.dk

### Board of Directors

Pehr Olof Oscarsson, Chairman

Jan Christer Johansson

Klaus Pedersen, Employee representative

Jacob Andersen, Employee representative

Jan Marcus Christian Larsson

### Executive Board

Andreas Damkjær True

Kim Storbank

Christian Buhl Krøis

Anders Voldsgaard Clausen

Andrew Robert Long

### Auditors

EY Godkendt Revisionspartnerselskab

Cortex Park Vest 3, 3, 1

5230, Odense M

CVR No.: 30 70 02 28

## Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of FTZ AUTODELE & VÆRKTØJ A/S for the financial year 01.01.2025 - 31.12.2025.

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 Entity's financial position at 31.12.2025 and of the results of its operations for the financial year 01.01.2025 - 31.12.2025.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Rørup, 20.04.2026

### Executive Board

**Andreas Damkjær True**

**Kim Storbank**

**Christian Buhl Krøis**

**Anders Voldsgaard Clausen**

**Andrew Robert Long**

### Board of Directors

**Pehr Olof Oscarsson**  
Chairman

**Jan Christer Johansson**

**Klaus Pedersen**  
Employee representative

**Jacob Andersen**  
Employee representative

**Jan Marcus Christian Larsson**

# Independent auditor's report

## To the shareholder of FTZ AUTODELE & VÆRKTØJ A/S

### Opinion

We have audited the financial statements of FTZ AUTODELE & VÆRKTØJ A/S for the financial year 01.01.2025 - 31.12.2025, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of 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 Entity's financial position at 31.12.2025 and of the results of its operations for the financial year 01.01.2025 - 31.12.2025 in accordance with the Danish Financial Statements Act.

### Basis for opinion

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

We are independent of the Entity 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

#### **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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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, 20.04.2026

**EY Godkendt Revisionspartnerselskab**  
CVR No. 30700228

**Morten Schougaard Sørensen**  
State Authorised Public Accountant  
Identification No (MNE) mne32129

**Emil Overlund**  
State Authorised Public Accountant  
Identification No (MNE) mne47833

## Management commentary

### Financial highlights

	2025 DKK'000	2024 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000
<b>Key figures</b>					
Revenue	2,474,613	2,581,909	2,534,094	2,434,949	2,439,465
Operating profit/loss	40,606	137,252	146,791	172,366	249,992
Profit before interest and tax (EBIT)	40,606	137,252	179,834	173,988	250,065
Net financials	(13,655)	10,151	13,336	10,600	4,120
Profit before tax	37,348	157,104	193,170	184,589	258,524
Profit/loss for the year	31,093	122,424	151,034	144,350	202,147
Total assets	1,595,237	1,593,220	1,246,575	1,090,049	1,152,528
Investments in property, plant and equipment	125,974	325,588	163,004	11,173	3,696
Equity	324,628	760,762	787,912	779,422	835,128
Average number of employees	1,072	1,122	1,170	1,184	1,163
<b>Ratios</b>					
EBIT margin (%)	1.64	5.32	5.79	7.08	10.25
Return on equity (%)	5.73	15.81	19.27	17.88	24.55
Equity ratio (%)	20.35	47.75	63.21	71.50	72.46

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

#### EBIT margin (%):

$\frac{\text{Operating profit/loss}}{\text{Revenue}} * 100$

Revenue

**Return on equity (%) :**

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

**Equity ratio (%) :**

$\frac{\text{Equity} * 100}{\text{Total assets}}$

**Primary activities**

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

**Development in activities and finances**

In 2025, FTZ Autodele & Værktøj A/S focused on executing the operational transformation initiated in prior years, including the relocation to the new headquarters and central warehouse in Rørup and continued development of the regional operating model. The year was characterized by stabilization of logistics operations, further investments in automation and digitalization, and organizational adjustments aimed at strengthening commercial execution and operational efficiency.

FTZ continued to develop its position within automotive spare parts, accessories, education and technical services, while maintaining focus on customer proximity through the regional structure introduced in previous years.

FTZ also completed the establishment of its new operational platform following the relocation, including implementation of updated logistics processes and continued rollout of digital and organizational initiatives. This marks the transition from investment and implementation phase to operational utilization of the new setup. Additionally, as part of MEKO, FTZ continued its engagement in sustainability initiatives and further strengthened its CSRD reporting framework, reinforcing its commitment to environmental and social responsibility.

**Profit/loss for the year in relation to expected developments**

Despite continued investments in logistics, digitalization and organizational development, FTZ achieved a profit of DKK 31,1 million, which was below the guidance provided in the Annual Report for 2024. EBIT margin amounted to 1,6%, compared with the outlook of 5,7%.

Revenue amounted to DKK 2.474,6 million, compared with the expected revenue range of DKK 2.634–2.685 million.

The deviation from expectations is primarily attributable to market conditions during the year as well as the relocation to the new headquarters and central warehouse in Rørup and the associated changes in logistics operations. The transition resulted in higher operational costs and temporary inefficiencies during the ramp-up period, which impacted profitability during the year.

**Outlook**

Looking ahead to 2026, FTZ Autodele & Værktøj A/S expects revenue in the range of DKK 2.614–2.721 million. EBIT margin is expected to be 6,4%.

This is expected to be driven by continued focus on regional management structures and operational execution, supported by ongoing investments in technology and sustainability. These initiatives will ensure that we maintain our position as a market leader and attract the best talent in the industry. While economic uncertainties persist, FTZ is well-positioned to navigate challenges and achieve improved financial performance.

As part of MEKO, FTZ continues to strengthen its commitment to sustainability. This work remains closely aligned with MEKO's strategic priorities and is increasingly integrated into our core operations. Building on the progress made to achieve CSRD compliance in 2025, FTZ will in 2026 focus on implementing robust CSRD reporting processes, ensuring compliance with the EU Deforestation Regulation (EUDR), and advancing the implementation of Science Based Targets to reduce greenhouse gas emissions. In addition, FTZ will leverage Worldfavor to

enhance transparency and supplier engagement, supporting data-driven ESG improvements across the value chain. Dedicated resources will remain allocated to drive compliance, performance, and measurable sustainability impact.

#### **Environmental performance**

As part of MEKO, FTZ continues to strengthen its commitment to sustainability. This work remains closely aligned with MEKO's strategic priorities and is increasingly integrated into our core operations. Building on the progress made to achieve CSRD compliance in 2025, FTZ will in 2026 focus on implementing robust CSRD reporting processes, ensuring compliance with the EU Deforestation Regulation (EUDR), and advancing the implementation of Science Based Targets to reduce greenhouse gas emissions. In addition, FTZ will leverage Worldfavor to enhance transparency and supplier engagement, supporting data-driven ESG improvements across the value chain. Dedicated resources will remain allocated to drive compliance, performance, and measurable sustainability impact.

#### **Climate and Environmental Conditions**

Environmental and climate considerations are an integral part of FTZ's business strategy, and internally, we are focused on reducing the company's negative environmental impact.

We will work to:

- Comply with relevant environmental legislation.
- Ensure that the entire chemical range is well-documented and that the selection of chemical products includes an assessment of the product's impact on people and the environment.
- Prevent pollution.
- Deliver recyclable components to the greatest extent possible.
- Ensure that all types of waste are optimally handled in terms of storage, sorting, and recycling.
- Reduce energy and water consumption.
- Continuously optimize logistics for the benefit of both the environment and the working environment.

FTZ is committed to helping prevent climate change and actively pursuing climate adaptation. As part of this commitment, FTZ moved into a new headquarters in Rørup in May 2025, built to meet the DGNB Gold standard for sustainable construction.

The relocation supports a more efficient logistics setup and marks a transition from fossil-based heating to a heat pump system, supplemented by solar energy for both heating and electricity.

To address climate adaptation and manage increasing rainfall, FTZ has implemented green roofs and extensive greening of the premises, enhancing biodiversity and stormwater management.

In 2025, FTZ partnered with a third-party provider to enable hourly tracking of electricity consumption across all 46 locations in Denmark. This allows for better analysis of usage patterns and identification of significant deviations, providing new and improved opportunities to monitor and reduce energy consumption. FTZ continued in 2025 to purchase 100% green electricity, reinforcing our commitment to minimizing our use of fossil fuel.

Transport is a significant climate and environmental primary risks for FTZ, as FTZ has many delivery vans that drive many kilometers daily and thus emit CO<sub>2</sub>. The new facilities also offer significantly improved infrastructure to support the gradual electrification of our delivery fleet. In 2025, FTZ increased the number of electric cars in

the fleet of company cars, and we are continuously expanding the proportion of electric delivery vans. Each time a leasing contract for a delivery van expires, it is assessed whether we can switch to an electric delivery van instead.

FTZ also prioritizes waste management to maximize recycling and ensure correct handling of all waste streams. Hazardous waste is carefully registered, sorted, and packaged in accordance with regulatory requirements. Furthermore, FTZ is registered with Dansk Producentansvar (DPA) and participates in a collective framework to ensure full compliance with Denmark's new packaging legislation. This is an ongoing effort where we will continue working toward increasing the use of recyclable packaging and improving circular solutions in cooperation with our suppliers.

#### **Integration of Sustainability into FTZ's core business**

In recent years, sustainability has evolved into a core and strategic focus area for FTZ. This development is driven by the implementation of MEKO's ambitious business strategy, which includes concrete sustainability targets that FTZ is committed to achieving. These efforts represent a significant step forward in aligning FTZ's operations with long-term climate objectives.

Alongside that, as part of the MEKO Group, FTZ has joined the Science Based Targets initiative (SBTi), committing to both near-term and long-term climate goals. These targets support our overarching ambition of achieving net zero greenhouse gas emissions by 2050.

The near-term target is to reduce absolute Scope 1 and 2 greenhouse gas emissions by 54.6% by 2033, using 2023 as the baseline year. In addition, FTZ commits to ensuring that 85% of its suppliers (by spend)—covering purchased goods and services—will have science-based targets in place by 2030.

#### **Statutory report on corporate social responsibility**

This ESG statement covers the financial year 2025 and is prepared in accordance with the Danish Financial Statements Act §§99a–99d. FTZ is currently monitoring the ongoing EU negotiations and the Omnibus adjustments to the CSRD scope and transition provisions. While the final applicability for certain entities is still under clarification, FTZ continues to prioritize sustainability efforts and reporting in alignment with expected CSRD requirements. FTZ is included in MEKO Group's CSRD reporting and therefore refers to the parent

company's sustainability report.”

Throughout the financial year, the company has been under the ultimate ownership of MEKO and has therefore adhered to MEKO's Code of Conduct.

Responsibility for ethics and compliance is anchored with FTZ's Management Team, supported by HR and MEKO Group's Compliance function. Policies are reviewed regularly, and breaches are escalated to management for assessment.

FTZ is a Swedish-owned wholesale company in the automotive industry, operating 48 branches across Denmark and the Faroe Islands. Our supply chain primarily involves subcontractors from Europe and Asia, and given the global nature of our sourcing, FTZ places strong emphasis on human rights and anti-corruption practices. We recognize the potential risk of forced or child labor in regions with less stringent labor standards. To mitigate these risks, 99% of FTZ's suppliers have signed our Supplier Code of Conduct, and we conduct regular audits at key suppliers in China to ensure compliance.

At FTZ our logistics operations consume significant amounts of energy, and we therefore focus on continuously

optimizing logistics for the benefit of both the environment and the working environment. The company's products and logistics set up place great demands on employees' working conditions, which is why we have a strong focus on our employees' physical working conditions.

The Code of Conduct emphasizes the values and principles that FTZ operates by and is intended to help employees and managers handle legal and ethical challenges in their daily work. It also reflects the desire to meet the responsibility towards shareholders and society, as well as to continuously live up to the expectations of customers, suppliers, and other business partners by acting responsibly every single day.

Already in 2021, all employees at FTZ completed MEKO's Code of Conduct training and have thus learned how to act in accordance with the Code of Conduct and are aware that employees themselves have a responsibility to comply with the Code of Conduct. Since then, and thus throughout 2025, all new employees have completed the Code of Conduct training within the first period of employment. In end of 2025 an update has been made to the Code of Conduct and from 2026 onwards all permanent employees, new and existing employees, will have to complete the Code of Conduct training.

### **Human Rights**

MEKO's Code of Conduct and policy include, among other things:

#### 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 show engagement and take responsibility in our role as employees of the group. We are proud of our colleagues, our company, and what we deliver. Our work is permeated by the 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 is at a high and satisfactory level.

#### Customer Focus

We always put the customer first and develop our company according to the customer's needs and wishes. In line with societal developments and trends, we are one step ahead and create solutions for the future.

FTZ identifies human rights risks through supplier reviews, employee reporting channels, and the Code of Conduct training process. Potential breaches are investigated and addressed through corrective action plans.

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

#### Selection of Suppliers

FTZ ensures during supplier negotiations, both new agreements and renegotiation agreements, that all suppliers (99,8%) – both Danish and foreign – comply with the ethical guidelines described in the Supplier Code of Conduct. Through this, FTZ ensures that international human rights are respected.

In 2025, there were no violations of human rights or the Code of Conduct among suppliers.

When selecting suppliers, emphasis is placed on environmental and working conditions. It is ensured, at a minimum, that suppliers focus on and comply with the following main points:

- Local legislation is always complied with
- Child labor is not accepted

- Forced labor does not occur
- Employees are not physically, psychologically, or humiliatingly punished
- Working hours and wages are in accordance with national regulations

FTZ does what is possible to mitigate the risk of corruption, including having clear internal guidelines and having supplier agreements signed by multiple people. FTZ has assessed that the significant risks of bribery and corruption relate to interactions with suppliers and the receipt of gifts from them. Going forward, we will continue to communicate our guidelines and expectations regarding anti-corruption to employees through our Code of Conduct and to suppliers through our Supplier Code of Conduct. FTZ has not experienced any examples or demands for corruption in 2025.

In connection with the Russian invasion of Ukraine, FTZ immediately chose to stop trading with Russian-produced products back in 2022, and this continues to be the case in 2025.

To further strengthen our ability to detect and mitigate potential risks in our supply chain MEKO introduced a new supplier risk due diligence tool, Worldfavor in 2025 and the implementation is ongoing in 2025. Throughout 2026, this tool will be fully implemented within FTZ. The primary objective is to strengthen risk management and ensure compliance across the supply chain. In addition, MEKO, on behalf of FTZ, conducts audits of high-risk suppliers to verify adherence to ethical, social and environmental standards.

#### **Statutory report on diversity**

##### **Social and Employee Conditions**

FTZ wants to be a company where both the physical and psychological working environment is taken seriously and perceived as such by employees and other stakeholders. FTZ regularly engages with employee representatives through the Health & Safety Committee and local workplace committees to ensure continuous improvements based on incidents, feedback, and audits. We will work to:

- Comply with relevant legislation in the field of working environment.
- Prevent injuries and work-related illnesses.

- Inform all employees and other stakeholders about the company's working environment policy.
- Allocate the necessary resources to ensure the working environment.
- Create an inclusive working environment that allows for the employment of all qualified potential employees regardless of gender, race, religious belief, and appearance.
- Ensure that employees thrive in the working environment.

There is increasing focus on the working environment at FTZ, and steps have been taken to strengthen efforts in this area. A risk assessment has been carried out for the most significant hazards across FTZ's various work functions, and control measures have been identified to address these. The most critical risks relate to workplace accidents and work-related illnesses. Incidents are continuously analyzed and discussed within the Health & Safety Committee, with a focus on prevention and improvement going forward – and to ensure that knowledge is shared and applied across all FTZ locations.

One of the main focus areas in 2025 continues to be ADR "European Agreement concerning the International Carriage of Dangerous Goods by Road" and ensuring the correct handling of this type of goods in all transport processes. FTZ has an internal safety advisor who, among other things, handles the ADR area. The work processes related to the handling of ADR goods have been reviewed, and approximately 500 warehouse and transport workers completed basic ADR training in 2021-22, and all new warehouse and transport employees are continuously sent on courses so that FTZ's employees are able to prevent accidents related to the transport of dangerous goods.

In the autumn of 2025, FTZ completed the annual employee satisfaction survey with satisfying results 3.8 out of 5. This is a positive result, especially considering the organizational changes and relocation to Rørup. The greatest progress is seen around the employee experience of having access and the opportunity to learn and develop in FTZ. This progress follows a variety of efforts to strengthen the framework for learning and development. As examples of this, managers in FTZ have held more than 950 appraisal interviews, and the proportion of personal development goals for employees have increased by 363 percent compared to the previous year. The survey methodology remains unchanged from previous years, ensuring comparability of results over time.

#### **Workplace Safety and Well-being**

FTZ is committed to ensuring a safe and healthy working environment – both physically and psychologically – for all employees. We maintain active dialogue through our Health & Safety Committee and local workplace committees to drive continuous improvements.

#### **Key initiatives going forward:**

- Role Clarity: Introduction of job and function descriptions across all positions to strengthen feedback, direction, and development.
- Stress Prevention: Access to the award-winning HjerneRO program for all employees to support mental resilience and well-being.

#### **Senior Policy**

FTZ believes that a diverse workplace, where the skills of 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 to create conditions that allow individual employees to remain active until they reach retirement age, respecting any desire for a planned transition to

retirement.

This is concretely done by holding senior interviews when the employee turns 59 years old. During these interviews, conditions are reviewed, and goals are set. Additionally, senior employees have the opportunity to participate in senior seminars and receive senior leave days.

Retired FTZ employees can also become part of FTZ's Senior Club, which organizes social events several times a year, thereby maintaining the social and collegial connection to their former workplace.

#### **Statement on Gender Diversity in Management**

The automotive industry often appeals more to men. Industry figures from DI (Dansk Industri) and Statistics Denmark show that approximately 90% of those employed in the automotive industry are men. This is also reflected in the gender distribution at FTZ, where the total workforce consists of about 15% women and 85% men. Due to this gender distribution, women are the underrepresented gender at 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 overall management in 2027.

In the company's top management, there is currently no female representation on the board. Previously, the CFO of MEKO held a board seat, and this position is always occupied by the current CFO, regardless of gender. As a result, changes in gender representation are infrequent due to the limited number of seats and the structure of board appointments. FTZ's target remains to achieve equal gender distribution on the board, with the

underrepresented gender constituting at least 33%. This ambition is challenging but remains a priority, and since FTZ is 100% owned by MEKO, ongoing dialogue continues about the importance of diversity at board level.

#### **Gender Distribution in Management**

In the broader management group (Management Forum), the share of the underrepresented gender was 7.1% (2 out of 28) in 2023. In 2024, this more than doubled to 17.4% (4 out of 23), and in 2025 the share reached 19.0% (4 out of 21).

Our target for the broader management is 20% by 2027, and the current development shows that we are on track to reach this goal. If the target is not reached, FTZ will continue to require diverse candidate shortlists, expand outreach to underrepresented groups, and strengthen internal development pipelines for female talent.

The Management Forum consists of:

- Management Level 1: Executive management and management team (6 people)
- Management Level 2: 15 managers with direct reporting lines to Level 1.

		2023	2024	2025
Board	Total members	3	3	3
	Underrepresented gender (%)	33,3	0	0
	Target %	33,3	33,3	33,3
	Target year	2027	2027	2027
Broader MGMT (Level 1 and 2)	Total members	28	23	21
	Underrepresented gender (%)	7,1	17,4	19,0
	Target %	20	20	20
	Target year	2027	2027	2027

Although FTZ is still below its target for gender balance at the management level, we are moving in the right direction and will continue to work actively toward a more equal distribution.

Our ambition is that employees from the underrepresented gender always feel they have equal opportunities for career development and leadership positions. We strive to maintain an open and unbiased culture where

individuals can fully utilize their skills regardless of gender. Achieving this requires qualified female applicants for available positions, which remains a challenge in an industry historically dominated by male applicants.

In 2025 FTZ completed the legally required workplace risk assessment in all departments and subsidiaries. The workplace risk assessment is an important part of FTZ's work to ensure a healthy and safe working environment for all employees and is also focused on preventing diversity-related harassment in the workplace. The workplace risk assessment has been followed by local action plans in each department.

Our goal remains to appoint managers and board members who bring a broad range of experience and perspectives to the organization. FTZ always hires and promotes employees based on professional and personal qualifications. Rejecting the best candidate due to gender, age, nationality, or similar factors is considered discriminatory and is strictly against our principles.

The DEI agenda will receive renewed focus in 2026, following a year in which significant resources were dedicated to activities related to the relocation to our new headquarters.

#### [Statutory report on data ethics policy](#)

FTZ has developed a data ethics policy that ensures we take responsibility for the proper handling of all data.

The automotive industry, like many others, is undergoing change, particularly driven by digital development, which with new processes and new technology creates new opportunities – all aimed at increasing our knowledge level 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 central to FTZ Autodele & Værktøj A/S to focus on the responsibility that lies with us when we process this data.

For FTZ Autodele & Værktøj A/S, it is a central cornerstone of running a business that our partners can trust us and feel secure in our handling of data. Therefore, we are dedicated to protecting data in three ways:

1. We have a strong focus on assessing risks, mitigating them through measures, and thus maintaining a high level of information security.
2. We will always comply with data protection regulations and users' rights when we process data.
3. FTZ Autodele & Værktøj A/S has established its own additional internal ethical rules to ensure that we can best maintain the trust given to us by partners when we process data, both from an individual and societal perspective.

FTZ's data ethics addresses FTZ Autodele & Værktøj A/S's ethical rules for data processing and is found in a separate document where principles and concrete goals are outlined. Each year, FTZ's top management reviews the data ethics policy to ensure compliance with our obligations in this area.

FTZ also provides ongoing mandatory training for our employees in data protection and information security to proactively reduce potential risks. Training efforts were intensified in 2025 in response to the increasing risk landscape and heightened cybersecurity threats.

The data ethics policy is reviewed annually by FTZ's Management Team, and its principles apply to all data-driven tools, including algorithmic and AI-supported processes.

**Events after the balance sheet date**

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

## Income statement for 2025

	Notes	2025 DKK'000	2024 DKK '000
Revenue	2	2,474,613	2,581,909
Other operating income	3	14,517	13,815
Cost of sales		(1,548,690)	(1,596,335)
Other external expenses	4	(292,851)	(262,770)
<b>Gross profit/loss</b>		<b>647,589</b>	<b>736,619</b>
Staff costs	5	(580,141)	(586,572)
Depreciation, amortisation and impairment losses	6	(26,790)	(12,777)

Other operating expenses		(52)	(16)
<b>Operating profit/loss</b>		<b>40,606</b>	<b>137,254</b>
Income from investments in group enterprises		10,397	9,701
Other financial income	7	10,567	11,844
Other financial expenses	8	(24,222)	(1,695)
<b>Profit/loss before tax</b>		<b>37,348</b>	<b>157,104</b>
Tax on profit/loss for the year	9	(6,255)	(34,680)
<b>Profit/loss for the year</b>	10	<b>31,093</b>	<b>122,424</b>

## Balance sheet at 31.12.2025

### Assets

	Notes	2025 DKK'000	2024 DKK'000
Completed development projects		44,135	51,246
Development projects in progress	12	376	0
<b>Intangible assets</b>	11	<b>44,511</b>	<b>51,246</b>
Land and buildings		441,866	11,956
Other fixtures and fittings, tools and equipment		170,125	10,138

Property, plant and equipment in progress		0	483,363
<b>Property, plant and equipment</b>	13	<b>611,991</b>	<b>505,457</b>
Investments in group enterprises		43,387	43,387
Contract assets		437	419
Deposits		6,098	7,604
Other receivables		3,319	6,761
<b>Financial assets</b>	14	<b>53,241</b>	<b>58,171</b>
<b>Long-term assets</b>		<b>709,743</b>	<b>614,874</b>
Manufactured goods and goods for resale		495,559	469,375
Prepayments for goods		15,843	10,818
<b>Inventories</b>		<b>511,402</b>	<b>480,193</b>
Trade receivables		194,720	186,742
Receivables from group enterprises		82,061	231,822
Other receivables		37,446	52,846
Tax receivable		20,500	6,671
Prepayments	15	29,672	16,877
<b>Receivables</b>		<b>364,399</b>	<b>494,958</b>
<b>Cash</b>		<b>9,693</b>	<b>3,195</b>
<b>Short-term assets</b>		<b>885,494</b>	<b>978,346</b>
<b>Assets</b>		<b>1,595,237</b>	<b>1,593,220</b>

### Equity and liabilities

	Notes	2025 DKK'000	2024 DKK'000
Contributed capital	16	106,610	106,610
Reserve for development expenditure		34,719	39,971
Retained earnings		152,206	492,182
Proposed dividend		31,093	122,000
<b>Equity</b>		<b>324,628</b>	<b>760,763</b>
Deferred tax	17	46,254	41,351
Lease liabilities		521,603	449,961

Payables to group enterprises		250,000	0
<b>Non-current liabilities other than provisions</b>	18	<b>817,857</b>	<b>491,312</b>
Current portion of non-current liabilities other than provisions	18	28,024	11,537
Other provisions	19	5,700	6,700
Trade payables		297,749	231,499
Payables to group enterprises		46,461	12,179
Other payables	20	74,818	79,230
<b>Current liabilities other than provisions</b>		<b>452,752</b>	<b>341,145</b>
<b>Liabilities other than provisions</b>		<b>1,270,609</b>	<b>832,457</b>
<b>Equity and liabilities</b>		<b>1,595,237</b>	<b>1,593,220</b>
Events after the balance sheet date	1		
Other unrecognised commitments	21		
Contingent liabilities	22		
Assets charged and collateral	23		
Transactions with related parties	24		
Group relations	25		

## Statement of changes in equity for 2025

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	106,610	39,971	492,181	122,000	760,762

Dividends from treasury shares	0	0	4,773	0	4,773
Ordinary dividend paid	0	0	0	(122,000)	(122,000)
Extraordinary dividend paid	0	0	(350,000)	0	(350,000)
Dissolution of reserves	0	(5,252)	5,252	0	0
Profit/loss for the year	0	0	0	31,093	31,093
<b>Equity end of year</b>	<b>106,610</b>	<b>34,719</b>	<b>152,206</b>	<b>31,093</b>	<b>324,628</b>

In dissolution of reserves, tax on items recognised directly in equity, amounts to DKK 1,481 thousand.

## Notes

### 1 Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

### 2 Revenue

The Company only has one segment that comprise wholesale trade of spare parts and accessories for automobiles, as well as supporting business systems, data, education and technical training to the Danish

market.

### 3 Other operating income

	2025 DKK'000	2024 DKK'000
Lease income, salary reimbursement, profit of sale of property, plant and equipment	14,517	13,815
	<b>14,517</b>	<b>13,815</b>

### 4 Fees to the auditor appointed by the Annual 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.

### 5 Staff costs

	2025 DKK'000	2024 DKK'000
Wages and salaries	513,152	521,194
Pension costs	53,207	50,737
Other social security costs	13,782	14,641
	<b>580,141</b>	<b>586,572</b>
Average number of full-time employees	1,072	1,122

	Remuneration of Management 2025 DKK'000	Remuneration of Management 2024 DKK'000
Executive Board	10,399	8,017
	<b>10,399</b>	<b>8,017</b>

Remuneration to the company's management is presented together with reference to section 98 b, subsection 3, no. 1 of the Danish Financial Statements Act.

### Incentive programmes

FTZ has an incentive programme for senior employees as part of the overall incentive programme for the Meko Group.

Annually, a right is granted to receive free shares in the parent company after 3 years, provided certain conditions are met, including conditions regarding earnings and share price development in the group. The table below shows the maximum number of free shares that can be granted in each year.

Year	Exercise date	Potential shares at the beginning of the year	Additions during the year	Expired during the year	Potential shares at the end for the year	Shares awarded in 2025
2022 program	2025	10,000	-	(10,000)	-	3,000
2023 program	2026	10,400	-	(3,000)	7,400	-
2024 program	2027	20,750	-	(5,750)	15,000	-
2025 program	2028	-	45,000	(15,000)	30,000	-
		<b>41,150</b>	<b>45,000</b>	<b>(33,750)</b>	<b>52,400</b>	<b>3,000</b>
Of which executive board					26,150	818
Of which senior employees					26,250	2,182
Cost for the programmes in 2025 (income)		(135) DKK'000				
Cost for the programmes in 2024 (income)		(57) DKK'000				

The program from 2022 expired in 2025 which awarded 3,000 free shares. In 2024, the 2021 program concluded, without any free shares being awarded.

As of the end of 2025, the programmes encompass a total of 6 members of the company's management and senior employees. The share price of Meko AB was 72.9 SEK as of the 31st of December 2025.

### 6 Depreciation, amortisation and impairment losses

	2025 DKK'000	2024 DKK'000
Amortisation of intangible assets	7,401	6,842
Depreciation of property, plant and equipment	19,389	5,935
	<b>26,790</b>	<b>12,777</b>

### 7 Other financial income

	2025 DKK'000	2024 DKK'000
Financial income from group enterprises	3,387	7,456
Other interest income	3,255	3,418
Exchange rate adjustments	3,111	0

Other financial income	814	970
	<b>10,567</b>	<b>11,844</b>

#### 8 Other financial expenses

	2025 DKK'000	2024 DKK'000
Financial expenses from group enterprises	7,543	0
Other interest expenses	14,337	261
Exchange rate adjustments	2,342	1,434
	<b>24,222</b>	<b>1,695</b>

#### 9 Tax on profit/loss for the year

	2025 DKK'000	2024 DKK'000
Current tax	1,352	30,829
Change in deferred tax	4,903	3,851
	<b>6,255</b>	<b>34,680</b>

#### 10 Proposed distribution of profit and loss

	2025 DKK'000	2024 DKK'000
Ordinary dividend for the financial year	31,093	122,000
Extraordinary dividend distributed in the financial year	350,000	0
Retained earnings	(350,000)	424
	<b>31,093</b>	<b>122,424</b>

#### 11 Intangible assets

	Completed development projects DKK'000	Development projects in progress DKK'000
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Cost beginning of year	66,676	0
Additions	291	376
<b>Cost end of year</b>	<b>66,967</b>	<b>376</b>
Amortisation and impairment losses beginning of year	(15,431)	0
Amortisation for the year	(7,401)	0
<b>Amortisation and impairment losses end of year</b>	<b>(22,832)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>44,135</b>	<b>376</b>

### 12 Development projects

Completed development projects relates to the development of systems for the company in order to optimize the business, etc., as well as the development of the platform on which the customers order products etc. The project is developed for the company's own use and includes 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.

### 13 Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	75,668	93,325	483,363
Transfers	434,503	152,421	(586,924)
Additions	3,090	19,323	103,561
Disposals	(9,033)	(45,045)	0
<b>Cost end of year</b>	<b>504,228</b>	<b>220,024</b>	<b>0</b>
Depreciation and impairment losses beginning of year	(63,712)	(83,187)	0
Depreciation for the year	(7,683)	(11,706)	0
Reversal regarding disposals	9,033	44,994	0
<b>Depreciation and impairment losses end of year</b>	<b>(62,362)</b>	<b>(49,899)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>441,866</b>	<b>170,125</b>	<b>0</b>

Property, plant and equipment in progress consist of financially leased assets. Interest is included with 33,240 thousand.

### 14 Financial assets

Investments in group enterprises	Contract assets	Deposits	Other receivables
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	DKK'000	DKK'000	DKK'000	DKK'000
Cost beginning of year	43,387	419	7,604	6,761
Additions	0	76	27	1,704
Disposals	0	(58)	(1,533)	(5,146)
<b>Cost end of year</b>	<b>43,387</b>	<b>437</b>	<b>6,098</b>	<b>3,319</b>
<b>Carrying amount end of year</b>	<b>43,387</b>	<b>437</b>	<b>6,098</b>	<b>3,319</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK'000	Profit/loss DKK'000
AutoMester Danmark ApS	Odense	Denmark	100.00	5,216	1,283
Din Bilpartner ApS	Odense	Denmark	100.00	2,573	40
FTZ Føroyar P/f	Torshavn	The Faroe Islands	70.00	26,143	11,908
DriveClever A/S	Odense	Denmark	100.00	7,322	1,109
Carpeople Danmark ApS	Odense	Denmark	100.00	3,296	1,606
Vantage ApS	Birkerød	Denmark	70.00	6,649	1,190
Avant Denmark A/S	Aarhus	Denmark	70.00	21,337	5,114

### 15 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies etc.

### 16 Contributed capital

	Number	Nominal value DKK'000
106,610 shares of DKK 1,000.00 nominal value each	106,610	106,610
	<b>106,610</b>	<b>106,610</b>

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

### 17 Deferred tax

Changes during the year	2025 DKK'000	2024 DKK'000
Beginning of year	41,351	37,500
Recognised in the income statement	4,903	3,851
<b>End of year</b>	<b>46,254</b>	<b>41,351</b>

### 18 Non-current liabilities other than provisions

	Due within 12 months 2025 DKK'000	Due within 12 months 2024 DKK'000	Due after more than 12 months 2025 DKK'000	Outstanding after 5 years 2025 DKK'000
Lease liabilities	21,805	11,537	521,603	412,339
Payables to group enterprises	6,219	0	250,000	0
	<b>28,024</b>	<b>11,537</b>	<b>771,603</b>	<b>412,339</b>

### 19 Other provisions

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

### 20 Other payables

	2025 DKK'000	2024 DKK'000
Wages and salaries, personal income taxes, social security costs, etc payable	15,341	17,010
Holiday pay obligation	29,855	29,722
Other costs payable	29,622	32,498
	<b>74,818</b>	<b>79,230</b>

### 21 Other unrecognised commitments

Lease liabilities according to leases concluded totalling DKK 95,287 thousand.

Rent liabilities according to leases concluded and other lease liabilities totalling DKK 59,668 thousand

The Company has, as part of its normal course of business, entered into customary executory contracts.

### 22 Contingent liabilities

The Entity is involved in a case regarding paid out insurance in relation to a fire in a rented building, where the insurance company does not wish to cover the damage. The Entity does not expect further liabilities to arise in connection with the case.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

### 23 Assets charged and collateral

Bank guarantees for leases have been provided totalling DKK 70,093 thousand.

#### Collateral provided for group enterprises

The MEKO Group has cash pool agreements under which the Swedish parent company, MEKO AB is the holder of the agreements while other group companies are sub-account holders. The bank can settle drafts and deposits

Værktøj A/S' intra-group balances included in the common cash pool agreement constitutes DKK 47.334 thousand.

#### 24 Transactions with related parties

	Parent	Subsidiaries	Other related parties
	DKK'000	DKK'000	DKK'000
Sales of goods and services	0	34,176	335
Purchase of goods and services	11,895	127,923	22,147
Interest income	2,464	0	0
Interest expenses	6,620	0	0
Dividend	467,227	10,397	0
Receivables	0	12,592	140
Liabilities other than provisions	256,552	11,078	21,416

#### 25 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest and largest group: MEKO AB, Sweden

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

# Accounting policies

## Basis for financial statements

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Foreign currency translation

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

## Income statement

### Revenue

The company has chosen IAS 18 as interpretation for revenue recognition.

Revenue from the sale of goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property plant and equipment and refunds.

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

### Other external expenses

Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationary and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

### Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible

assets comprise depreciation, amortisation and impairment losses for the financial year.

#### **Other operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including loss from the sale of intangible assets and property, plant and equipment.

#### **Income from investments in group enterprises**

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.

#### **Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

#### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

#### **Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed as the administration company with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

#### **Balance sheet**

##### **Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5-10 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

#### **Property, plant and equipment**

Land and buildings and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Buildings	30 years
Other fixtures and fittings, tools and equipment	3-8 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

#### **Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount. 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.

**Receivables**

The company has chosen IAS 39 as interpretation for impairment write-down of financial receivables. Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

**Contract assets**

Where finance leases are entered into regarding assets, a sale and a receivable are recognised corresponding to the present value of cash flows from the lease plus the estimated, unguaranteed residual value of the asset at the end of the lease term. The present value is calculated based on the interest implicit in the lease agreement. Lease payments received are recognised partly as instalments on the lease receivable and partly as financial income.

**Inventories**

Inventories are measured at at the weighted average 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 expenses directly attributable to the acquisition.

**Tax payable or receivable**

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

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**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".

**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.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

**Lease liabilities**

The company has chosen IAS 17 as interpretation for classification and recognition of leases.

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Operating 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 "Unrecognized rental and lease commitments".

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Cash flow statement**

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of MEKO AB, Sweden.