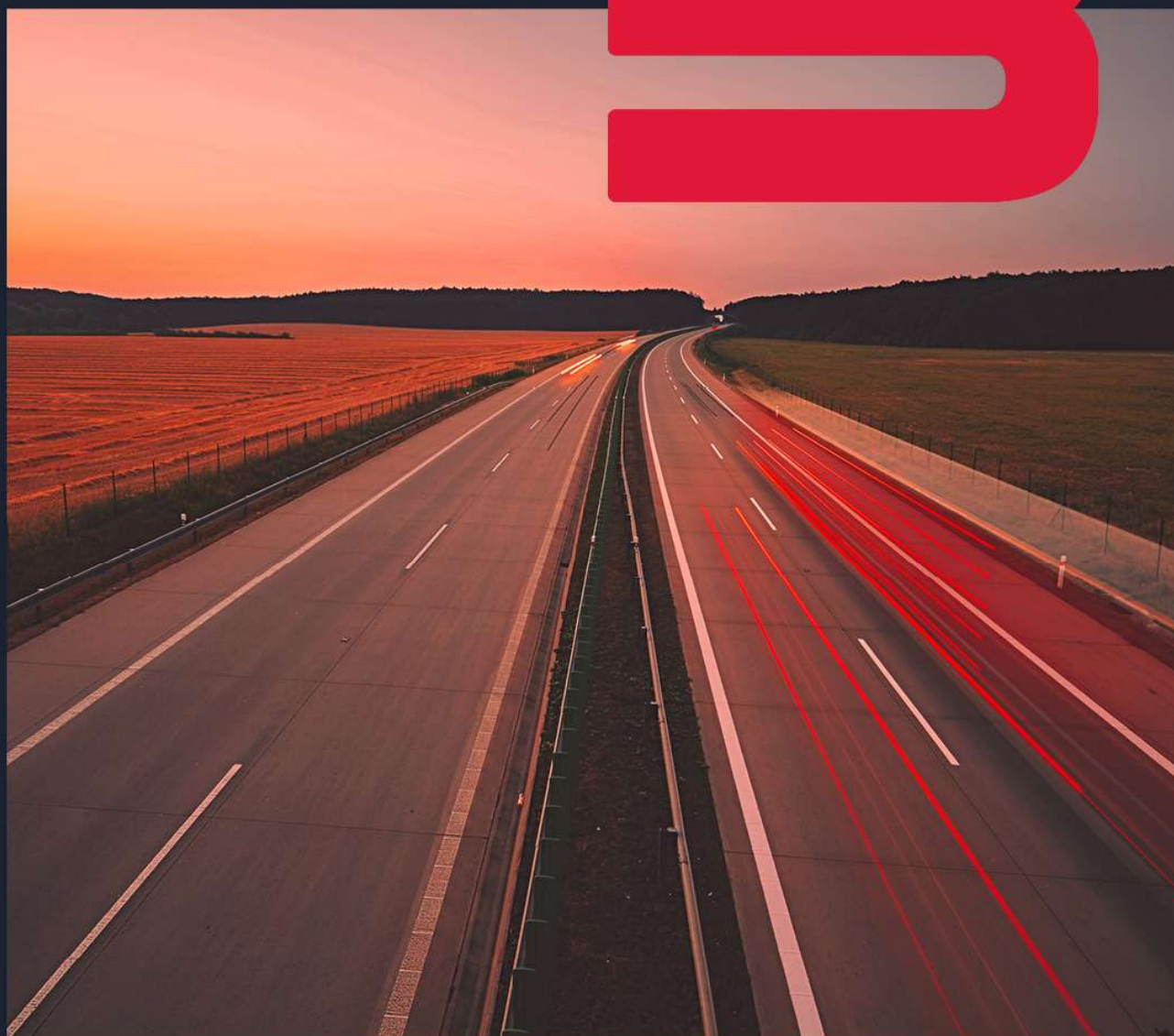


# ANNUAL REPORT

2025



**BORG** AUTOMOTIVE GROUP



Borg Automotive A/S  
CVR: 87 32 24 16  
Funder Dalgårdsvej 12  
8600 Silkeborg  
Denmark

Approved at the Annual General Meeting,  
16 April 2026

Chairman  
Jesper Brandt

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**CORPORATE INFORMATION**

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Denmark

Phone: +45 86 80 11 77  
Web: [www.borgautomotive.com](http://www.borgautomotive.com)

CVR no.: 87 32 24 16  
Registered in: Denmark, Silkeborg  
Financial year: 1 January – 31 December

**Board of Directors**

Jens Bjerg Sørensen, Chairman  
Kurt Bering Sørensen, Vice Chairman  
Søren Ulrik Toft-Jensen  
Carsten Thygesen

**Executive Management**

Jesper Møberg, CEO

**Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Nobelparken  
Jens Chr. Skous Vej 1  
8000 Aarhus C  
CVR-nr.: 33 77 12 31

## STATEMENT BY MANAGEMENT

The Board of Directors and the Executive Management have today discussed and approved the annual report of Borg Automotive A/S for 2025.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2025 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2025.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, results of operations, cash flows and financial position as well as a description of material risks and uncertainties that the Group and the Parent Company face.

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

Silkeborg, 5 Marts 2026

### Executive Management

Jesper Møberg  
CEO

### Board of Directors

Jens Bjerg Sørensen  
Chairman of the Board

Kurt Bering Sørensen  
Vice Chairman of the Board

Søren Ulrik Toft-Jensen

Carsten Thygesen

## INDEPENDENT AUDITOR'S REPORT

### To the shareholders of Borg Automotive A/S

#### Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2025 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2025 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Borg Automotive A/S for the financial year 1 January - 31 December 2025, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for both the Group and the Parent Company ("financial statements").

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Statement on Management's review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

#### Management's responsibilities for the financial statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

## INDEPENDENT AUDITOR'S REPORT

### Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Aarhus, 5 Marts 2026

### PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

Claus Lindholm Jacobsen  
State Authorised Public Accountant  
mne-no. 23328

Henrik Trangeled Kristensen  
State Authorised Public Accountant  
mne-no. 23333

**FINANCIAL HIGHLIGHTS AND KEY RATIOS**
**CONSOLIDATED**

TDKK	2025	2024*	2023*	2022*	2021
<b>Revenue and income</b>					
Revenue	1.775.673	1.950.368	1.863.196	1.811.764	1.368.358
EBITDA	37.293	149.488	140.883	176.342	158.057
Depreciation and amortization	54.889	51.850	52.067	53.530	45.972
Operating profit (EBIT)	-17.596	97.638	88.816	122.812	112.085
Net Financial items	-37.872	-60.468	-3.861	-51.522	-17.227
Profit for the year	-52.371	27.682	71.784	41.542	71.217
<b>Cash flows for the year</b>					
Cash flow from operating activities	10.003	28.128	66.638	-152.715	49.153
Cash flow from investing activities	-18.382	-57.663	-259.552	-59.300	-17.885
Cash flow from financing activities	16.728	39.410	179.935	199.723	-16.285
Cash flows for the year	30.653	22.033	2.139	11.375	23.689
<b>Invested capital and financing</b>					
Investments in property, plant and equipment	23.000	58.016	59.066	50.942	24.709
Net working capital	698.971	671.847	636.216	610.160	326.537
Invested capital	951.545	960.762	882.413	821.593	524.630
Total Assets	1.763.577	1.800.852	1.661.691	1.631.751	1.373.540
Equity	380.417	430.732	397.838	298.654	332.841
Net interest-bearing debt	-731.733	-691.061	-635.367	-426.524	-137.776
<b>Financial ratios</b>					
EBITDA margin (%)	2,1%	7,7%	7,6%	9,7%	11,6%
EBIT margin (%)	-1,0%	5,0%	4,8%	6,8%	8,2%
Net margin (%)	-2,9%	1,4%	3,9%	2,3%	5,2%
Return on equity (%)	-12,9%	6,7%	20,6%	13,2%	21,7%
Return on invested capital (%)	3,9%	16,2%	16,5%	26,2%	39,5%
Solvency (%)	21,6%	23,9%	23,9%	18,3%	24,2%
<b>Financial data</b>					
Average number of employees	2.143	1.990	1.886	1.969	1.779

\*See Note 1 in the consolidated financial statements for details regarding the revision of prior period financial statements.

## FINANCIAL HIGHLIGHTS AND KEY RATIOS

(continued)

The ratios included in financial highlights are defined and calculated as follows:

EBITDA margin (%)	$\frac{\text{EBITDA x 100}}{\text{Revenue}}$
EBIT margin (%)	$\frac{\text{EBIT x 100}}{\text{Revenue}}$
Net margin (%)	$\frac{\text{Profit for the year x 100}}{\text{Revenue}}$
Return on equity (%)	$\frac{\text{Profit for the year x 100}}{\text{Average equity}}$
Return on invested capital (%)	$\frac{\text{EBITDA x 100}}{\text{Average invested capital}}$
Solvency (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$

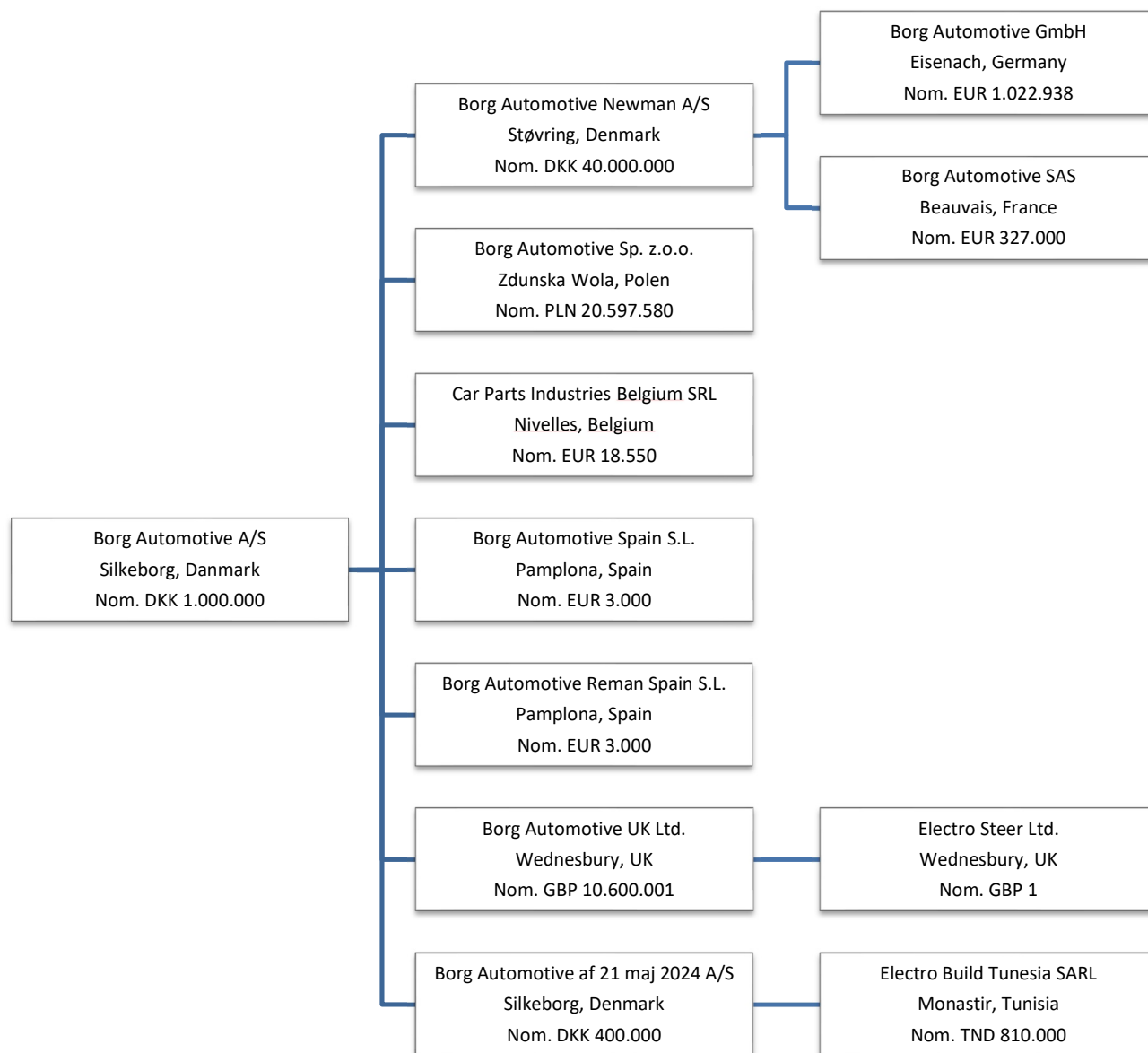
Average equity and average invested capital is calculated as a simple average of equity or invested capital beginning of the year and equity or invested capital end of year.

Additionally the following alternative performance measures are applied and calculated in the following manner:

TDKK	2025	2024	2023	2022	2021
Inventories	918.021	968.406	840.906	954.020	714.177
Trade receivables	271.739	268.181	309.015	239.360	213.555
Other receivables	41.225	41.947	45.905	54.174	55.324
Prepayments	9.315	8.179	11.656	5.506	3.769
Trade payables	-177.194	-256.398	-181.735	-255.124	-273.028
Other payables	-364.135	-358.468	-389.531	-387.776	-387.260
<b>Net working capital</b>	<b>698.971</b>	<b>671.847</b>	<b>636.216</b>	<b>610.160</b>	<b>326.537</b>
Net working capital	698.971	671.847	636.216	610.160	326.537
Intangible assets	39.781	47.911	45.796	62.061	79.525
Property, plant and equipment	258.489	258.591	215.976	165.831	132.306
Provisions	-45.696	-17.587	-15.575	-16.459	-13.738
<b>Invested capital</b>	<b>951.545</b>	<b>960.762</b>	<b>882.413</b>	<b>821.593</b>	<b>524.630</b>
Non-current interest-bearing debt	-60.484	-62.731	-39.132	-34.510	-48.843
Current interest-bearing debt	-28.406	-25.111	-19.628	-19.845	-22.153
Other receivables, interest bearing	72	72	72	72	72
Receivables from parent company	0	0	0	0	0
Payables to parent company	-673.568	-625.324	-588.655	-386.390	-90.541
Cash and cash equivalents	30.653	22.033	11.976	14.149	23.689
<b>Net interest-bearing debt</b>	<b>-731.733</b>	<b>-691.061</b>	<b>-635.367</b>	<b>-426.524</b>	<b>-137.776</b>

**GROUP STRUCTURE**

BORG Automotive Group legal structure is illustrated below:



All shares in subsidiaries are owned 100%.

Aktieselskabet Schouw & Co. owns 100% of the shares in Borg Automotive A/S.

## MANAGEMENT REVIEW

BORG Automotive Group (The Group) consist of two business segments BA Reman and BA Newman. The BA Reman segment is the original foundation of the Group and is an independent remanufacturer and supplier of automotive parts with 50 years of experience within remanufacturing, covering the product groups starters, alternators, air condition compressors, brake calipers, EGR valves, steering products, and turbo chargers. BA Reman distributes the products across the European continent.

In 2021 the Group expanded the business with a new segment BA Newman, who supplies spare parts for the automotive business with distribution facilities in Denmark, Germany, France, and Poland, with products sold throughout Europe by sales teams in Denmark, Germany and France.

Despite the slow market conditions and the unsatisfactory result for 2025, management remains firmly convinced that remanufacturing represents the future of the industry. The Group has received significant recognition for its circular business model and won multiple prizes during 2025. Overall societal trends point towards a more sustainable approach, in which the Group is strongly positioned.

### 2025 AT A GLANCE

Remanufacturing products are Borg Automotive's legacy activity and Reman products still make up the majority of the business, but since 2021, when Borg Automotive acquired a trading company dealing in new automotive spare parts, the Reman operations have been complemented by a range of Newman products. In recent times, however, market conditions have changed quite substantially, with a challenging combination of soft market demand, rising production costs and increasingly fierce price competition.

Management has been adapting to these challenges for some time. The Group has now launched a strategy called Refine4Future that builds on four main pillars:

- Improve commercial excellence
- Optimise manufacturing footprint
- Optimise logistics footprint
- Adjust SG&A to future activity level.

When fully implemented in 2027, the strategy can potentially improve earnings by up to MDKK 100 on an annual basis with the improvements deriving from:

- Commercial excellence is estimated to deliver up to MDKK 20
- Optimisation of manufacturing footprint estimated to deliver up to MDKK 50
- Optimisation of logistics footprint estimated to deliver up to MDKK 20
- Adjustment of SG&A estimated to deliver up to MDKK 10

During 2025 the Group has appointed a new senior leadership team to drive the next growth phase and launch the new strategic direction. As part of a planned generational change, Jesper Møberg has replaced Kim Kruse Andersen as Chief Executive Officer, and Ernst Kildegaard has been promoted to Executive Vice President.

## 2025 Performance

Revenue for the fiscal year for the Group was MDKK 1.776 compared to MDKK 1.950 in 2024, corresponding to a decrease of 9%.

Revenue in the Reman segment decreased with 8% in 2025 to MDKK 1.411 (2024: MDKK 1.531) and Revenue in the Newman segment decreased 13% to MDKK 364 in 2025 (2024: MDKK 419). which was mainly the result of a challenged 2025, due to a soft market and increased competitiveness on Brake Calipers coming from China and other European players.

For the parent company revenue for the fiscal year was MDKK 1.124 compared to MDKK 1.249 in 2024,

For the Group loss for the year amounted to MDKK -52 (2025: MDKK 28), and to MDKK -52 (2024: MDKK 28) for the parent company. Profit for the year for both the Group and parent company are heavily impacted for the reasons mentioned below.

In 2025 earnings have been impacted by one-off costs related to the necessary initiatives to realise the Refine4Future strategy. For 2025, these costs amount to MDKK 36. These one-offs relate to closure of the Groups plant in the UK and in the form of severance payments related to a headcount adjustment throughout the Group.

Furthermore, the clean-up in France, where actual earnings have proven to be significantly lower than expected following a detailed review of the company's bonus arrangements. The Group's loss in France for 2025 amounted to MDKK 33. The amount is adjusted in prior periods.

In addition, core market prices have declined. Whereas 2024 included income of MDKK 30 related to core price regulations, 2025 reflects an expense of MDKK 23.

Last year we expected a revenue in the range of MDKK 2.100-2.300 and earnings before interests, tax, depreciation and amortisation (EBITDA) in the range of MDKK 170-200. But due to soft market and the different impacts mentioned above we realised far from our expectations.

Overall, the performance in 2025 is considered unsatisfactory compared to the expected level.

### Revision of Prior Period Financial Statements

As part of the acquisition of the Newman Group, we also acquired a French legal entity. As part of the integration of operations, the bookkeeping activities of the French entity were transferred to Borg Automotive's shared service centre in 2025. During this process, management identified accounting discrepancies between customer payments and outstanding receivables. Following a comprehensive internal review, the findings have led to corrective actions to ensure full compliance with group policies and financial governance standards.

The correction has led to a reduction in equity as at 1 January 2024 of MDKK 12.6 and a reduction in equity as at 1 January 2025 of MDKK 16.4. The total cumulative adjustment to equity amounts to MDKK 29.

Comparative figures have been restated in accordance with IAS 1, and operating profit before depreciation and amortization (EBITDA) in the comparative figures has been adjusted by MDKK -21.0 as well as the Trade receivables have been adjusted by MDKK -37 as a result of the error. The related tax effect amounts to MDKK 4.6, and the total impact on profit for the year in the comparative figures amounts to MDKK -16.4.

### Financial position and cash flow

The inventories within the Group decreased with MDKK 50 (5%) during 2025 compared to 2024. The decrease in net working capital is attributable to a lower level of activity as well as an increased focus on reducing net working capital.

At year-end 2025, total assets for the Group amounted to MDKK 1.764 against MDKK 1.801 in 2024, while total equity ended at MDKK 380 against MDKK 431 at year-end 2024. The average number of employees increased from 1.990 in 2024 to 2.143 in 2025. For the parent company assets amounted to MDKK 1.596 at year-end compared to MDKK 1.549 in 2024, while equity was MDKK 380 against MDKK 431 last year.

The cash flow from operating activities for 2025 amounted to MDKK 10 (2024: MDKK 28), while the investing activities amounted to MDKK -18 (2024: MDKK -58). The financing activities in 2025 accounted for a total of MDKK 17 (2024: MDKK 39).

Overall, the development in 2025 witnesses a business in a transition period and with a strong base of both competent employees and an appropriate production and distribution footprint in Europe.

## **OUTLOOK FOR 2026**

Although general market conditions currently reflect soft demand and fierce competition, some product lines are still showing healthy growth potential that, combined with the initiatives launched, management expects to counteract the challenges going forward.

The current expectations of a positive development in sales are driven by a strong market position, as being Europe's biggest independent remanufacturer, now also having the opportunity to offer trading products to our customers. The large product range as well as broader and more present geographical coverage brings in new customers while also adding new product groups to existing customers which combined with a service level that lives up to a continuously increasing demand on quality, delivery capability and product range.

The strategic initiatives taken with Refine4Future will have a positive impact on 2026, and we have refined the Group for further growth and profitability.

The Group expects sales volume in 2026 to be in line with or slightly above 2025 and the effects of Refine4Future to materialize. Based on this both revenue and earnings before tax are expected to increase. It is expected that revenue will be in the range of MDKK 1.650 – 1.850 and the earnings before interests, tax, depreciations and amortization (EBITDA) are expected to be in the range of MDKK 70-100.

## **DEVELOPING TALENT AND DRIVING INNOVATION**

We believe that development does not happen by chance. It requires intention, commitment, and the right environment. That is why we created Development 4 Future - an internal program designed to empower employees to take ownership of their growth, broaden their professional perspective, and prepare for greater responsibilities within the organization. The program brings together colleagues from different functions and locations, offering them the opportunity to expand their perspective, build new competencies, and challenge themselves beyond their daily roles. It is built on initiative and engagement - participation is not assigned, but earned through motivation, readiness to learn, and the ambition to grow.

The true value of such an initiative is best seen in the journeys of those who choose to step forward and make the most of it. One of such examples is Lara Rodrigo from our branch in Spain.

Lara had been a valued part of our Iberian sales team for several years, consistently contributing to the region's commercial development and strengthening long-term customer partnerships. Her professionalism, strong business understanding, and collaborative approach earned her recognition across the organization and among customers alike. Motivated to grow further, she took the initiative to apply for the 2<sup>nd</sup> edition of Development 4 Future, seeking to broaden her perspective and prepare herself for greater challenges. By combining the insights gained through the program with her daily responsibilities, Lara expanded her business outlook and demonstrated her readiness to take on wider responsibility. She consistently translated development into tangible results, showing both capability and commitment in her work. In 2025, she was promoted to Sales Manager Iberia - a natural next step that reflected her experience, performance, and continuous drive to grow.

Lara's journey clearly demonstrates that when structured development opportunities are met with personal ambition, consistency, and the courage to step beyond one's comfort zone, they can evolve into meaningful and lasting career progression within the Group.

## **EMPLOYEE DEVELOPMENT AND APPRAISAL**

An essential prerequisite for the continued development of the Group is the employees, which entails a focus on both attracting new and competent employees, but also a very keen and determined focus to retain, develop, and motivate the existing workforce to ensure that the necessary skills and capabilities are present. Important elements to support this goal include delegation of responsibility and competencies, establishment of cross-organizational solutions, compulsory annual employee appraisals, and employee surveys.

## **ENVIRONMENTAL MANAGEMENT**

The Group makes continuous efforts to mitigate the environmental impact of the business activities. The largest environmental impact identified relates to the consumption of energy, raw materials, and the use phase of our products. Group policy is always to comply with applicable local legislation, rules, and regulations and commits to progress at the established initiatives within environment as well as health and safety.

In addition to the internal focus the Group is also determined to contribute to ensure environmental management as well as promote responsible behavior throughout the value chain. Since the Group is an international supplier of auto parts, it is imperative that all environmental and quality requirements are channelled to the Group's partners and suppliers to ensure the same high levels of quality, environment, safety, and ethics.

During 2025 the Group has received significant recognition for our circular business model. We were honored with the Sustainability Award at Silkeborg Business, the prestigious “Deutsche Nachhaltigkeitspreis 2025” in Germany, the ATR International Supplier of the Year Award, and “Remanufacture of the year” at the Remanufacturing fair Rematec. These achievements demonstrate that, despite current market challenges, our commitment to sustainability resonates strongly across the industry.

### **QUALITY MANAGEMENT**

The Group’s quality system is based on the standard ISO 9001a. In addition to this platform the Group has a close cooperation with several customers who challenge the existing production setup as well as the quality management. This collaboration is considered to have a very positive impact on the current and future quality of the products within the portfolio and is a valuable and important aspect of the Group’s ability to continuously update, renew, and improve the product quality.

### **RESEARCH AND DEVELOPMENT ACTIVITIES**

The Group is continuously developing new methods, processes, and products as well as customer specific amendments to the existing portfolio. The development activities have during 2025 taken place in the subsidiaries in Poland, UK, and Spain.

In Poland remanufacturing of products within hybrid technology has been in focus to secure necessary skills and processes for reverse engineering of future products and technologies. Several products are in a screening process with customers for potentially being incorporated into the Group's future product portfolio.

To keep expanding the Group’s product portfolio the Group has initiated a center for reverse engineering, RE:LAB. RE:LAB aims to focus efforts on developing the product portfolio within the Reman business.

### **CORPORATE RESPONSIBILITY**

The Group is dedicated to being a responsible employer and a good corporate citizen. Our Code of Conduct (COC) represents how suppliers are expected to act when doing business with the Group. A continuous focus is on updating the COC to reflect the expectations both from the community and customers. Any suspicions related to a breach of the COC are considered very serious and are always acted upon. In severe cases of non-compliance with the COC, a termination of the business relationship will take place. As part of the Group’s business is the audit of external suppliers of finished goods and spare parts. Since 2020 compliance with the COC has been part of these supplier audits.

### **STATUTORY DESCRIPTION OF CORPORATE SOCIAL RESPONSIBILITY (CSR)**

For the Group’s statutory description of Corporate Social Responsibility, including human rights, social and labour conditions, climate, environment and anti-corruption, in accordance with §99b in the Financials Statements act, please refer to Schouw & Co, CVR no: 63 96 58 12, ESG section in the annual report 2025 at:

<https://www.schouw.dk/investorer/regnskaber-og-praesentationer>

The Group continually strives to improve the work environment and aim to strengthen and implement a shared corporate culture to ensure that all colleagues are treated equally irrespective of location, gender, origin, or employment.

### **DATA ETHICS**

In the Group we strive to achieve a high standard of data integrity and transparency for securing the trust of our business partners and employees. A continuous focus and acknowledgement of the responsibility and co-responsibility are on all links of the data processing chain to ensure the technical and organization measures which must be in place to support the ethically responsible data processing.

For the Group’s statutory description regarding Data ethics in accordance with §99d, paragraph 1 in the Financials Statements act, please refer to Schouw & Co, CVR no: 63 96 58 12, ESG section in the annual report 2025 at:

<https://www.schouw.dk/investorer/regnskaber-og-praesentationer>

### **WORKING ENVIRONMENT**

In the Group the number of working hours is always set to comply with local labor legislation. In situations where overtime is needed, the Group compensate according to the requirements related to all additional payments. No employees shall work more than the hours set as a maximum by the UN Human Rights.

The Group continuously improves the internal work instructions and workflows to ensure that all phases of the Group’s own operations are planned and organized to promote a safe, healthy, and responsible working environment. The purpose is to avoid accidents and to ensure that the physical and mental conditions of the employees will not deteriorate. It is indeed important to the Group to have healthy employees.

Schouw & Co operates a whistleblower system for all companies within the Schouw & Co. Group, also covering BA Group. The

system provides a secure channel for all employees and business partners for reporting suspected criminal or unethical matters.

#### **OUTSTANDING ENVIRONMENTAL ISSUES**

The Group always aims at conducting its business and operating in compliance with all existing environmental rules and regulations and has set up internal task forces to handle the Group's environmental affairs.

There are currently no known material environmental issues outstanding within the Group.

#### **SPECIAL BUSINESS RISKS**

The general financial risks relevant for the Group are described more detailed in note 29 to which reference is made but below is included a brief highlight of the special risks to which the Group is exposed.

#### **OPERATIONAL RISKS**

The Group is not considered to have special operational risks. The operations are located within a business area with a low sensitivity to the general conjunctural changes and where the customer portfolio is considered broad and loyal. The risk to which the Group is exposed relates more to the conjunctural changes within the automotive business.

#### **RAW MATERIALS RISKS RELATED TO PURCHASE OF CORES**

A large part of the raw materials (cores) is continuously purchased at prices that may fluctuate depending on market demand, and with a correlation to significant changes in the metal prices.

#### **FOREIGN CURRENCY RISK**

The cross-country activities within the Group entails that both income, cash flow, and equity are affected by changes in currencies especially PLN to DKK and USD to DKK. To reduce the currency risk, hedging of cash flows are carried out to cover the exposure of trading between PLN and USD to DKK. The hedging is done based on 12 months rolling forecast. Refer to note 30 for further information.

#### **CREDIT RISK**

The majority of the Group's production is delivered to international customers, with a long history with the Group. Any credit risk related to the customers and trade receivables are covered by Group policy and with effective management of customer credit assessments and regular and thorough analyses of customer creditworthiness and external insurance are obtained to reduce risk accordingly. Furthermore, as part of the remanufacturing business setup, customers pay a core charge (deposit) on top of the purchase price for the product. The deposit will be repaid if the customer returns a used unit (a core). This setup (depos system) is an additional safeguard regarding potential losses related to customers, since the depos amount placed within the Group can be offset in any outstanding balances. However, for the Newman business we have a risk related to the customers and trade receivables since we do not have the Depos system for the products within Newman.

These factors combined with external credit insurance have entailed that no material losses have been recorded in recent years.

#### **CAPITAL STRUCTURE**

The Group is predominately financed by resources of the parent company Schouw & Co. as well as a number of committed and to a lesser extent uncommitted credit facilities. The Group, like other major subsidiaries in the Schouw & Co. Group, co-guarantees for these facilities, see further details in note 31.

Based on the policies set by and for all companies within the Schouw Group the equity ratio for each individual company shall be within a range which enables an assessment of this company as credit-worthy on a stand-alone basis.

#### **EVENTS SUBSEQUENT TO THE FINANCIAL YEAR-END**

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

**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME**
**INCOME STATEMENT**

TDKK	Note	CONSOLIDATED		PARENT COMPANY	
		2025	2024	2025	2024
Revenue	3	1.775.673	1.950.368	1.123.899	1.249.377
Cost of sales	4,5,7,8	-1.449.060	-1.496.990	-1.067.181	-1.081.301
<b>Gross profit</b>		<b>326.613</b>	<b>453.378</b>	<b>56.718</b>	<b>168.076</b>
Other operating income	9	17.603	5.625	56.512	48.894
Distribution expenses	5,8	-234.950	-245.309	-79.586	-79.228
Administrative expenses	5,6,8	-124.381	-115.340	-82.529	-81.557
Other operating expenses	9	-2.481	-716	-31.231	-32.115
<b>Operating profit (EBIT)</b>		<b>-17.596</b>	<b>97.638</b>	<b>-80.116</b>	<b>24.070</b>
Income from subsidiaries	16	0	0	20.176	23.082
Financial income	10	17.919	5.776	40.396	40.952
Financial expenses	11	-55.791	-66.244	-53.243	-58.424
<b>Profit before tax</b>		<b>-55.468</b>	<b>37.170</b>	<b>-72.787</b>	<b>29.680</b>
Tax for the year	12	3.097	-9.488	20.416	-1.998
<b>Profit for the year</b>		<b>-52.371</b>	<b>27.682</b>	<b>-52.371</b>	<b>27.682</b>

**STATEMENT OF COMPREHENSIVE INCOME**

Items that may be reclassified subsequently to the income statement:

Exchange differences on translation of foreign operations		2.000	9.309	2.000	9.309
Value adjustment of hedging instruments during the year		16.042	16.476	22.699	11.699
Hedging instruments transferred to financials		1.109	3.922	-225	4.526
Hedging instruments transferred to cost of sales		-17.080	-25.650	-18.511	-25.026
Tax on other comprehensive income	12	-15	1.155	-872	1.936
Value adjustment of subsidiaries	16	0	0	-3.036	2.768
<b>Other comprehensive income after tax</b>		<b>2.056</b>	<b>5.212</b>	<b>2.055</b>	<b>5.212</b>
Profit for the year		-52.371	27.682	-52.371	27.682
<b>Total comprehensive income</b>		<b>-50.315</b>	<b>32.894</b>	<b>-50.316</b>	<b>32.894</b>
<b>Attributable to:</b>					
Shareholders of Borg Automotive A/S		-50.315	32.894	-50.316	32.894

**BALANCE SHEET**

**ASSETS**

TDKK	Note	CONSOLIDATED			PARENT COMPANY	
		2025	2024	1. Jan 2024	2025	2024
Development projects in progress		0	415	2.853	0	415
Customer relations		11.172	13.355	15.553	6.906	8.399
Brands		0	0	5.000	0	0
Know-how		25.436	29.910	19.032	13.594	16.313
IT projects		2.654	3.795	2.646	2.591	3.669
Other intangible assets		519	436	712	405	0
<b>Intangible assets</b>	13	<b>39.781</b>	<b>47.911</b>	<b>45.796</b>	<b>23.496</b>	<b>28.796</b>
Land and buildings		178.330	181.400	143.492	57.402	58.516
Plant and machinery		48.301	43.305	41.094	0	0
Other fixtures, tools and equipment		18.330	20.401	23.267	2.933	4.212
Assets under construction, etc.		13.528	13.485	8.123	824	824
<b>Property, plant and equipment</b>	14	<b>258.489</b>	<b>258.591</b>	<b>215.976</b>	<b>61.159</b>	<b>63.552</b>
Investment in subsidiaries	16	0	0	0	579.891	540.752
Deferred tax	18	84.940	91.017	96.299	29.381	27.833
Right of use assets	15	48.075	44.907	44.326	1.124	2.239
Receivables from related parties	21,23	0	0	0	555.750	271.402
Other receivables		10.637	13.214	12.359	0	0
<b>Other non-current assets</b>		<b>143.652</b>	<b>149.138</b>	<b>152.984</b>	<b>1.166.146</b>	<b>842.226</b>
<b>Total non-current assets</b>		<b>441.922</b>	<b>455.640</b>	<b>414.756</b>	<b>1.250.801</b>	<b>934.574</b>
Inventories	19	918.021	968.406	840.906	93.319	74.439
Trade receivables	29	271.739	268.181	309.015	195.016	169.738
Receivables from related parties	21,23	0	0	0	15.339	350.123
Corporate income tax	20	3.873	3.105	27.477	0	0
Joint taxation contribution	20	46.829	33.361	0	17.985	10.511
Other receivables		41.225	41.947	45.905	8.376	2.901
Prepayments		9.315	8.179	11.656	5.597	4.894
Cash and cash equivalents		30.653	22.033	11.976	9.602	1.544
<b>Total current assets</b>		<b>1.321.655</b>	<b>1.345.212</b>	<b>1.246.935</b>	<b>345.234</b>	<b>614.150</b>
<b>Total assets</b>		<b>1.763.577</b>	<b>1.800.852</b>	<b>1.661.691</b>	<b>1.596.035</b>	<b>1.548.724</b>

**BALANCE SHEET**
**EQUITY AND LIABILITIES**

	Note	CONSOLIDATED			PARENT COMPANY	
		2025	2024	1. Jan 2024	2025	2024
TDKK						
Share capital	22	1.000	1.000	1.000	1.000	1.000
Hedge transaction reserve		3.069	3.013	7.110	4.125	1.034
Net revaluation reserve per equity method		0	0	0	291.030	271.890
Exchange adjustment reserve		11.095	9.095	-214	0	0
Retained earnings		365.253	417.624	389.942	84.261	156.808
Proposed dividend		0	0	0	0	0
<b>Total Equity</b>		<b>380.417</b>	<b>430.732</b>	<b>397.838</b>	<b>380.416</b>	<b>430.732</b>
Deferred tax	18	11.121	8.320	3.520	0	0
Other payables	24	65.917	64.420	72.166	46.145	47.119
Payables to related parties	21,23	0	0	0	74.121	60.513
Interest bearing debt	15,23	60.484	62.731	39.132	29.816	31.928
Provisions	25	12.123	13.499	17.123	9.600	10.711
<b>Total non-current liabilities</b>		<b>149.645</b>	<b>148.970</b>	<b>131.941</b>	<b>159.682</b>	<b>150.271</b>
Current portion of non-current interest bearing debt	15,23	28.406	25.111	19.628	2.169	2.293
Payables to related parties	21,23	673.653	625.324	588.655	842.218	750.125
Trade payables		177.194	256.398	181.735	29.766	26.057
Other payables	24	298.218	294.048	317.365	164.936	175.277
Corporation tax payable	20	10.348	2.682	6.593	0	13
Joint taxation contribution	20	0	0	2.361	0	0
Provisions	25	45.696	17.587	15.575	16.849	13.956
<b>Total current liabilities</b>		<b>1.233.515</b>	<b>1.221.150</b>	<b>1.131.912</b>	<b>1.055.937</b>	<b>967.721</b>
<b>Total liabilities</b>		<b>1.383.160</b>	<b>1.370.120</b>	<b>1.263.853</b>	<b>1.215.619</b>	<b>1.117.992</b>
<b>Total equity and liabilities</b>		<b>1.763.577</b>	<b>1.800.852</b>	<b>1.661.691</b>	<b>1.596.035</b>	<b>1.548.724</b>
Changes in working capital	27					
Financial assets and liabilities	28					
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Derivative Financial instruments	30					
Contingent liabilities	31					
Related parties	32					

**CASH FLOW STATEMENT**

TDKK	Note	CONSOLIDATED		PARENT COMPANY	
		2025	2024	2025	2024
Profit before tax		-55.468	37.170	-72.787	29.680
Adjustment for operating items of a non-cash nature, etc.:					
Depreciation and impairment losses	8	54.889	51.850	9.626	9.341
Other non-cash operating items, net		-2.126	-2.508	6	-53
Provisions		1.970	-2.895	1.783	-1.603
Income from subsidiaries	16	0	0	-20.176	-23.082
Financial income	10	-17.919	-5.776	-40.396	-40.952
Financial expenses	11	55.791	66.244	53.243	58.424
<b>Cash flows from operating activities before changes in working capital</b>		<b>37.137</b>	<b>144.085</b>	<b>-68.701</b>	<b>31.755</b>
Changes in working capital	27	1.194	-51.674	-11.267	-90.676
<b>Cash flows from operating activities after changes in working capital</b>		<b>38.331</b>	<b>92.411</b>	<b>-79.968</b>	<b>-58.921</b>
Interest income received		19.251	1.746	299	99
Interest expenses paid		-52.775	-52.714	-48.932	-47.021
<b>Cash flow from ordinary activities</b>		<b>4.807</b>	<b>41.443</b>	<b>-128.601</b>	<b>-105.843</b>
Income tax paid	20	5.196	-13.315	10.510	-9.694
<b>Cash flows from operating activities</b>		<b>10.003</b>	<b>28.128</b>	<b>-118.091</b>	<b>-115.537</b>
Purchase of intangible assets	26	-619	-158	-583	-158
Purchase of property, plant and equipment	26	-23.000	-57.772	-61	-3.781
Sale of property, plant and equipment		2.707	699	53	242
Acquisition of business and equity contributions	17	0	375	-20.000	-400
Dividend received from subsidiaries	16	0	0	0	7.457
Change in financial assets		2.530	-807	0	0
<b>Cash flows from investing activities</b>		<b>-18.382</b>	<b>-57.663</b>	<b>-20.591</b>	<b>3.360</b>
Repayment of non-current liabilities	23	-1.322	-1.210	-1.322	-770
Repayment of lease liabilities	23	-28.796	-23.300	-1.229	-1.535
Proceeds from incurring non current financial liabilities		1.549	33.034	0	33.034
Change in net payables/receivables to group companies	23	45.297	30.886	149.222	82.250
<i>Shareholders:</i>					
Dividend paid		0	0	0	0
<b>Cash flows from financing activities</b>		<b>16.728</b>	<b>39.410</b>	<b>146.671</b>	<b>112.979</b>
<b>Cash flows for the year</b>		<b>8.349</b>	<b>9.875</b>	<b>7.989</b>	<b>802</b>
Cash at the beginning of the year		22.033	11.976	1.544	725
Value adjustment of cash and cash equivalents	23	271	182	69	17
<b>Cash at the end of the year</b>		<b>30.653</b>	<b>22.033</b>	<b>9.602</b>	<b>1.544</b>

**EQUITY STATEMENT  
CONSOLIDATED**

TDKK	Share Capital	Hedge transaction reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total equity
<b>Equity at 1 January 2025</b>	<b>1.000</b>	<b>3.013</b>	<b>9.095</b>	<b>417.624</b>	<b>0</b>	<b>430.732</b>
<i>Profit and other comprehensive income in 2025:</i>						
Exchange rate adjustment of foreign subsidiaries	0	0	2.000	0	0	2.000
Value adjustment of hedging instruments recognised during the year		16.042	0	0	0	16.042
Hedging instruments transferred to financials	0	1.109	0	0	0	1.109
Hedging instruments transferred to cost of sales	0	-17.080	0	0	0	-17.080
Tax on hedging instruments	0	-15	0	0	0	-15
Profit for the year	0	0	0	-52.371	0	-52.371
<b>Total recognised comprehensive income</b>	<b>0</b>	<b>56</b>	<b>2.000</b>	<b>-52.371</b>	<b>0</b>	<b>-50.315</b>
<i>Transactions with the owners:</i>						
Dividend distributed	0	0	0	0	0	0
<b>Transactions with the owners for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity at 31 December 2025</b>	<b>1.000</b>	<b>3.069</b>	<b>11.095</b>	<b>365.253</b>	<b>0</b>	<b>380.417</b>
	Share Capital	Hedge transaction reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total equity
<b>Equity at 1 January 2024</b>	<b>1.000</b>	<b>7.110</b>	<b>-214</b>	<b>402.554</b>	<b>0</b>	<b>410.450</b>
Effect of prior period revision				-12.612		-12.612
<b>Equity at 1 January 2024 (revised)</b>	<b>1.000</b>	<b>7.110</b>	<b>-214</b>	<b>389.942</b>	<b>0</b>	<b>397.838</b>
<i>Profit and other comprehensive income in 2024:</i>						
Exchange rate adjustment of foreign subsidiaries	0	0	9.309	0	0	9.309
Value adjustment of hedging instruments recognised during the year		16.476	0	0	0	16.476
Hedging instruments transferred to financials	0	3.922	0	0	0	3.922
Hedging instruments transferred to cost of sales	0	-25.650	0	0	0	-25.650
Tax on hedging instruments	0	1.155	0	0	0	1.155
Profit for the year	0	0	0	27.682	0	27.682
<b>Total recognised comprehensive income</b>	<b>0</b>	<b>-4.097</b>	<b>9.309</b>	<b>27.682</b>	<b>0</b>	<b>32.894</b>
<i>Transactions with the owners:</i>						
Dividend distributed	0	0	0	0	0	0
<b>Transactions with the owners for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity at 31 December 2024</b>	<b>1.000</b>	<b>3.013</b>	<b>9.095</b>	<b>417.624</b>	<b>0</b>	<b>430.732</b>

**EQUITY STATEMENT  
PARENT COMPANY**

TDKK	Share capital	Hedge transaction reserve	Net revaluation reserve per equity method	Retained earnings	Proposed dividend	Total Equity
<b>Equity at 1 January 2025</b>	<b>1.000</b>	<b>1.034</b>	<b>271.890</b>	<b>156.808</b>	<b>0</b>	<b>430.732</b>
<i>Profit and other comprehensive income in 2025</i>						
Exchange rate adjustment of foreign subsidiaries	0	0	2.000	0	0	2.000
Value adjustment of hedging instruments recognised during the year	0	22.699	0	0	0	22.699
Hedging instruments transferred to financials	0	-225	0	0	0	-225
Hedging instruments transferred to cost of sales	0	-18.511	0	0	0	-18.511
Tax on equity adjustments	0	-872	0	0	0	-872
Value adjustment of hedging instruments in subsidiary	0	0	-3.036	0	0	-3.036
Profit for the year	0	0	20.176	-72.547	0	-52.371
<b>Total recognised comprehensive income</b>	<b>0</b>	<b>3.091</b>	<b>19.140</b>	<b>-72.547</b>	<b>0</b>	<b>-50.316</b>
<i>Transactions with the owners:</i>						
Dividend distributed	0	0	0	0	0	0
<b>Transactions with the owners for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity at 31 December 2025</b>	<b>1.000</b>	<b>4.125</b>	<b>291.030</b>	<b>84.261</b>	<b>0</b>	<b>380.416</b>
	Share capital	Hedge transaction reserve	Net revaluation reserve per equity method	Retained earnings	Proposed dividend	Total Equity
<b>Equity at 1 January 2024</b>	<b>1.000</b>	<b>7.899</b>	<b>256.800</b>	<b>144.751</b>	<b>0</b>	<b>410.450</b>
Effect of prior period revision			-12.612			-12.612
<b>Equity at 1 January 2024 (revised)</b>	<b>1.000</b>	<b>7.899</b>	<b>244.188</b>	<b>144.751</b>	<b>0</b>	<b>397.838</b>
<i>Profit and other comprehensive income in 2024:</i>						
Exchange rate adjustment of foreign subsidiaries	0	0	9.309	0	0	9.309
Value adjustment of hedging instruments recognised during the year	0	11.699	0	0	0	11.699
Hedging instruments transferred to financials	0	4.526	0	0	0	4.526
Hedging instruments transferred to cost of sales	0	-25.026	0	0	0	-25.026
Tax on equity adjustments	0	1.936	0	0	0	1.936
Value adjustment of hedging instruments in subsidiary	0	0	2.768	0	0	2.768
Profit for the year	0	0	15.625	12.057	0	27.682
<b>Total recognised comprehensive income</b>	<b>0</b>	<b>-6.865</b>	<b>27.702</b>	<b>12.057</b>	<b>0</b>	<b>32.894</b>
<i>Transactions with the owners:</i>						
Dividend distributed	0	0	0	0	0	0
<b>Transactions with the owners for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity at 31 December 2024</b>	<b>1.000</b>	<b>1.034</b>	<b>271.890</b>	<b>156.808</b>	<b>0</b>	<b>430.732</b>

**NOTES TO THE FINANCIAL STATEMENTS**

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## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

Borg Automotive A/S is a limited liability company incorporated and domiciled in Denmark. The annual report for the period 1. January – 31. December 2025 comprises both the consolidated accounts for Borg Automotive A/S and its subsidiaries (BA Group or Group) and the annual accounts for the parent company Borg Automotive A/S.

The consolidated financial statements of Borg Automotive A/S and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and additional Danish disclosure requirements for annual reports applying for large class C entities.

#### Basis of preparation

The consolidated financial statements and the parent company financial statements are presented in Danish kroner (DKK), which is the presentation currency for the Group and the functional currency of the parent company. If not stated otherwise, all amounts rounded to nearest thousands ('000 or TDKK).

The consolidated financial statements and the parent company financial statements have been prepared on the basis of historical cost, except for share based remuneration and derivative financial instruments that are measured at fair value.

#### Revision of Prior Period Financial Statements

Borg identified a number of irregularities in connection with its review of the accounting basis of the subsidiary in France, Newman France SAS, and consequently initiated a comprehensive process to analyse and determine reliable financial information.

Borg evaluated the error under IAS 1 “Presentation of Financial Statements”, IAS 8 “Accounting Policies, changes in Accounting Estimates and Errors”, and determined that the related impact was not individually material to any of Borg’s previously issued financial statements, however correcting the cumulative impact of this error would be material to Borg’s consolidated statement of comprehensive income for 2025. Accordingly, Borg has revised the 2024, 2023 and 2022 financial statements and related notes included herein. The comparative figures for fiscal years 2024, 2023 and 2022 have been revised accordingly.

The revision affected the comparative figures of 2024.

MDKK	Consolidated			Parent company		
	2024	Revision	2024 revised	2024	Revision	2024 revised
<i>Income statement</i>						
Revenue	1.971	-21	1.950	1.249	0	1.249
Income from subsidiaries	0	0	0	39	-16	23
<b>Profit before tax</b>	<b>58</b>	<b>-21</b>	<b>37</b>	<b>46</b>	<b>-16</b>	<b>30</b>
Tax	-14	5	-9	-2	0	-2
<b>Profit after Tax</b>	<b>44</b>	<b>-16</b>	<b>28</b>	<b>44</b>	<b>-16</b>	<b>28</b>
<i>Balance sheet</i>						
Trade receivables	305	-37	268	169	0	169
Joint Taxation contribution	25	8	33	10	0	10
Investment in subsidiaries	0	0	0	570	-29	541
Total assets	1.830	-29	1.801	1.578	-29	1.549
Equity	460	-29	431	460	-29	431
<b>Total Equity and liability</b>	<b>1.830</b>	<b>-29</b>	<b>1.801</b>	<b>1.578</b>	<b>-29</b>	<b>1.549</b>

#### Going concern

The Board of Directors and Executive Management have in connection to the preparation of the Financial Statements assessed the Group’s and the Parent Company’s ability to continue as a going concern and thus whether this assumption can be applied. Based in the knowledge of the Group and Parent Company including the future expectations including budgets, developments in liquidity, the identified risks and uncertainties connected to the regular business the Board of Directors and Executive Management considers it fair and justified to apply the going concern principle.

#### New and amended standards and interpretations

In 2025, the Group implemented amendments to IAS 21, the implemented amendment has not had a material impact of recognition and measurement for the Group.

As of the date of publication of this annual report, the IASB had issued a number of new and amended financial reporting

standards and interpretations which are not mandatory for the Group in 2025. None of these new standards and interpretations are expected to have a material impact of recognition and measurement for the Group.

The following adopted standards and interpretations that have not yet come into force will be implemented as and when they become mandatory for the Group as per the EU effective dates: IFRS 9 Financial instruments, IFRS 18 Presentation and IFRS 19 Subsidiaries without public interests. The Group has started to evaluate the implementation of IFRS 18 on the presentation of the financial statements, however the evaluation is still ongoing.

### **Basis of consolidation**

The consolidated financial statements comprise Borg Automotive A/S and its subsidiaries at 31 December 2025.

Subsidiaries are entities controlled by BA Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The consolidated financial statements have been prepared by aggregating the financial statements of the parent company and the individual subsidiaries prepared in accordance with the Group's accounting policies. Intra-group income and expenses, shareholdings, dividends, balances as well as realised and unrealised gains or losses on transactions between the consolidated companies are eliminated. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

### **Business combinations**

Newly acquired or newly established companies are recognised in the consolidated financial statements from the date of acquisition. Comparative figures are not adjusted to reflect acquisitions.

The purchase method is applied on acquisitions if the Parent Company gains control of the company acquired. Assets, liabilities and contingent liabilities in companies acquired are measured at their fair value at the date of acquisition. Intangible assets are recognised if they can be separated or if they arise from a contractual right and the fair value can be reliably measured. Deferred tax on revaluations made is recognised.

Any excess of the consideration paid for the business over the fair value of the acquired assets, liabilities and contingent liabilities is recognised as goodwill under intangible assets. In the event of uncertainty regarding measurement, goodwill may be adjusted until 12 months after the acquisition. Goodwill is not amortised but is tested for impairment annually. The first impairment test is performed before the end of the year of acquisition. On acquisition, goodwill is transferred to the cash-generating units that will subsequently form the basis for future impairment tests.

Contingent consideration agreed in connection with company acquisitions and paid to the seller if certain conditions are met, are recognised at fair value and considered part of the total consideration for acquiring the company. Changes in fair value of the contingent consideration are recognised in the income statement.

### **Foreign currency translation**

The Group's consolidated financial statements are presented in Danish Kroner (DKK), which is also the Parent Company's functional currency. A functional currency is determined for each of the reporting entities in the Group. The functional currency is the currency in the primary economic environment in which the reporting entity operates. Transactions in other currencies other than the functional currency are considered transactions in foreign currencies.

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 exchange rate at the transaction date and the exchange rate at the payment date, as well as the exchange rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical exchange rates.

On consolidation of entities with functional currency different from Danish Kroner (DKK), the income statements are translated at monthly average exchange rates prevailing at the dates of the transactions and the balance sheets are translated at the exchange rate prevailing at the balance sheet date. The exchange differences arising on the translation are recognised in other comprehensive income.

On disposal of a foreign operation, the component of other comprehensive related to that specific foreign operation is recognised in the income statement.

### **Derivative financial instruments**

The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks (cash flow hedges).

Derivative financial instruments are measured at fair value and recognised in the balance sheet under other receivables or other payables, respectively. The fair value of derivative financial instruments is calculated based on current market data and recognised valuation methods.

Changes in the fair value of derivative financial instruments that effectively hedge the fair value of a recognised asset or a recognised liability are recognised in the income statement together with any changes in the value of the hedged asset or hedged liability. Hedging of future cash flows under agreements are treated as hedging of the fair value of a recognised asset or a recognised liability.

Changes in the part of the fair value of derivative financial instruments effectively hedging future cash flows are recognised in other comprehensive income in the reserve for hedging transactions under equity. On realisation of the hedged transaction, any gains or losses relating to such hedge transactions are transferred from other comprehensive income and recognised in the same item as the hedged item.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised as interest income or expenses and similar items in the income statement as they occur.

### **Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

## **INCOME STATEMENT**

### **Revenue**

Revenue from contracts with customers comprises sales of finished goods and remanufactured products, added the market value of cores and adjustment of core provisions. Revenue from the sale is recognised at the point in time when the control of products is transferred to the customer, which is generally upon delivery. For contracts providing the customer with a right of return within a specified period, the Group considers the timing of recognition.

Revenue from contracts with customers is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those products. Amounts disclosed as net revenue exclude discounts, VAT and other duties.

The Group considers whether contracts include other promises that constitute separate performance obligations and to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration. No element of financing is deemed present, as payment is generally received as cash - on delivery or up to generally 60-90 days of credit.

#### *Variable consideration:*

The Group pays various discounts depending on the nature of the customer and business. Customer discounts comprise off-invoice discounts and volume- and activity-related discounts. Off-invoice discounts arise from sales transactions where the customer immediately receives a reduction in the sales price. This also includes cash discounts and incentives for early payments. Volume- and activity-related discounts is a broad term covering incentives for customers to sustain business with the Group over a longer time and may be related to a current campaign or a sales target measured in volumes or total value. Examples include discounts paid as a lump sum, discounts for meeting all or certain sales targets or for exceeding targets, or progressive discounts offered in step with increasing sales to a customer.

### **Cost of sales**

Cost of sales comprises cost related to generating the revenue for the year. While trading companies recognise the costs of goods sold, the manufacturing companies recognise production costs corresponding to the year's revenue, including direct and indirect costs for raw materials and consumables, wages and salaries, depreciation on leasing assets and on minor rent and

leasing arrangements, amortisation and impairment of intangible assets, depreciation and impairment of production buildings and equipment and impairment of inventory.

Cost of sales also includes costs and expenses relating to the operation, administration and management of the production sites. Additionally, is included costs for research and product development that do not meet the criteria for capitalization, as well as amortisation and impairment of capitalized product development costs.

### **Distribution costs**

Distribution costs comprise expenses incurred in connection with the distribution of goods sold during the year and in connection with sales campaigns, etc. launched during the year under review, including cost of sales and logistics staff, advertising and exhibition costs, as well as depreciation/amortisation and impairment losses.

### **Administrative expenses**

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation and impairment losses. Administrative expenses also comprise write-downs on receivables.

### **Employee benefits**

Executive Management and selected Key Management in BA Group are covered by the parent company Schouw & Co.'s share option programme. The costs related to the programme are calculated according to "Black & Scholes" and are expensed as staff costs linearly over the period of the option and settled to the parent company.

### **Other operating income and expenses**

Other operating income and expenses comprise items of a secondary nature relative to the companies' primary activities and consist of the following:

- Gains and losses on disposal of intangible assets and property, plant and equipment and right of use assets.
- Compensation from external parties for e.g. claims or insurance
- Income from rental of facilities to external parties
- Group internal services and allocations

### **Profit or loss in subsidiaries (Parent company)**

The proportionate share of the profit or loss from individual subsidiaries after tax and after elimination of the proportionate share of intra-group gains or losses is recognised in the income statement.

### **Financial income and expenses**

Financial income comprises interest income and expenses including interest to group enterprises, net capital gains or losses on securities, payables and transactions in foreign currencies, amortisation of financial assets, interests related to lease liabilities as well as tax relief or surcharge under the Danish Tax Prepayment Scheme etc.

### **Tax for the year**

Tax for the year comprise current tax including joint taxation contribution and deferred tax for the year. Tax relating to the result for the year is recognised in the income statement, while tax expenses or income relating to changes in equity is recognised in other comprehensive income.

## **BALANCE SHEET**

### **Completed development projects**

Completed development projects comprise specific projects related to the development of new products and processes and are recognised as intangible assets when they are clearly defined, identifiable, and for which technical feasibility, sufficient resources and a potential future market or application in the enterprise can be demonstrated. In addition, it is the intention with these projects to manufacture, market or use the project for future commercial purposes. This applies if cost can be measured reliably and sufficient certainty exists that future earnings or the net selling price can cover production costs, distribution costs, and administration costs as well as research and development costs. Within BA Group this is underpinned by a gate process, where these judgements are made at specific gates. Other development costs which does not fulfil the criteria for capitalization are recognised in the income statement and incurred as research and development costs under cost of sales.

Development costs comprise salaries, external costs, amortisation and other costs attributable to the projects. Following completion of the development work, development projects are amortised on a straight-line basis over their estimated useful lives. The amortisation period is three to five years. The basis of amortisation is calculated net of any impairment losses. The projects are measured at cost less accumulated amortisation and impairment losses.

### **IT-projects**

IT projects comprises internally developed IT solutions and software for the purpose of supporting business operations. Development costs comprise salaries, external costs, amortisation and other costs attributable to the projects. Following completion of the development work, development projects are amortised on a straight-line basis over their estimated useful lives. The amortisation period is three to five years. The basis of amortisation is calculated net of any impairment losses. The projects are measured at cost less accumulated amortisation and impairment losses.

### **Other intangible assets**

Other intangible assets comprise customers, know-how and IT licenses. The cost of other intangible assets acquired from an external party are capitalized at cost at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Other intangible assets are amortised on a straight-line basis over the expected useful lives of the assets which are as follows:

- Customer relations: 10-15 years
- Brands: 3-20 years
- Know-how: 10-15 years
- Other intangible assets: 1-10 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

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

Land and buildings, plant and machinery as well as other fixtures, tools and equipment are measured at cost less accumulated depreciation and impairment.

Cost comprises the acquisition price and any costs directly attributable to the acquisition and preparation of the asset until the time when it is ready to be put into operation. The total cost of an asset is divided into separate components which are depreciated separately if their useful lives differ.

Subsequent costs, such as the cost of replacing components of property, plant and equipment, are included in the asset's carrying amount when deemed likely that it will result in economic benefit. The replaced components are no longer recognised in the balance sheet and the carrying amount is transferred to the income statement. All other ordinary repair and maintenance costs are recognised in the income statement when incurred.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the asset/components, which are expected to be as follows:

- Buildings: 5-40 years
- Plant and machinery: 3-15 years
- Other fixtures and fittings, tools and equipment: 3-10 years
- Land is not depreciated

The basis for depreciations are calculated with due considerations to the asset's scrap value, useful life and reduced by any impairment losses. The residual value is determined at the acquisition date and reassessed annually and adjusted prospectively, if appropriate. In case of changes to the depreciation period or residual value the effect on depreciations going forward is recognised as a change in accounting estimates.

Depreciation are recognised in the income statement as production costs, distribution costs or administrative expenses.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other

borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Usually borrowing costs do not exist.

### Right of use assets

Right of use assets are lease assets arising from lease agreements. Right of use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

The right of use assets are depreciated on a straight-line basis over the shorter period of the assets useful life and the lease term in the contract. The right of use assets can be adjusted due to modifications to the lease agreement or reassessment of the lease term.

The depreciation periods are as follows:

- Property: 2-40 years
- Cars: 3-13 years
- Production equipment: 3-5 years
- Other right of use assets: 3-5 years

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a term of 12 month or less, while low value assets comprise assets with a value below DKK 75.

The Group sublets a share of a leased property which is classified as financial leasing, "Right-of-use-assets". The future expected income from this sublet is accounted for in assets as a receivables, non-current and current respectively.

### Investments in subsidiaries (Parent company)

Investments in subsidiaries are, at first recognition measured at cost and subsequently at the proportionate share of the companies' net asset values calculated in accordance with the parent company's accounting policies with the deduction or addition of unrealised intra-group gains or losses and with the addition or deduction of goodwill calculated according to the acquisition method.

Investments in subsidiaries with negative net asset values are measured at cost at DKK 0 (nil). If the parent company has a legal or contractual obligation to support a provision is recognised.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation under equity according to the equity method to the extent that the carrying amount exceeds cost.

Subsidiaries acquired or established during the year are initially recognised in the financial statement from the date of acquisition, while sold or liquidated companies are recognised until the date of disposal.

### Impairment of non-current assets

Deferred tax assets are assessed on a yearly basis and are only recognised in case it is deemed likely that they will be utilized.

The carrying amount of development projects in progress is tested for impairment at least annually, and where the carrying amount exceeds the net present value of the future net cash flows expected to be generated by the development project, the project is written down to its recoverable amount in the income statement. Finished development projects are tested for impairment if there is indication of impairment from the annual review.

The carrying amount of other non-current assets are tested annually to determine whether there is any indication of impairment. If such an amount exists, the recoverable amount of the assets is calculated. The recoverable amount is the higher of the fair value of the asset less expected costs to sell and the value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

A write-down is recognised when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Write-downs are recognised in the income statement as production, distribution or administration expenses.

## **Inventories**

Inventories are measured at cost in accordance with the FIFO. Where the net realisable is lower than the cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale and is determined in consideration of marketability, obsolescence and movements in the expected selling price.

The cost of goods for resale, raw materials and consumables comprise the purchase price and delivery costs.

The cost of finished goods and work in progress comprise of raw materials, consumables, direct labour and indirect production costs, based on a normal operating activity. Indirect production costs comprise indirect materials and labour as well as maintenance of and depreciation and impairment of the relating to machines, factory buildings and equipment used in the manufacturing process as well as costs of factory management and administration. Financing costs are not included in cost.

## **Receivables**

Receivables comprises of trade receivables, receivables from group companies, and other receivables. Receivables are recognized initially at fair value and subsequently measured at amortized cost less impairment losses.

For trade receivables, BA Group applies the simplified approach related to impairment assessment, which permits the use of lifetime Expected Credit Loss model (ECL). The ECL model involves a three-stage approach under which financial assets move through the stages as their credit quality changes. The stages determine how impairment losses are measured and the effective interest is applied. Provisions are determined based on grouping of trade receivables sharing the same credit risk characteristics and days past due.

Regarding group intercompany loans, impairment losses will be recognized based on 12-month or lifetime ECL depending on whether a significant increase in credit risk has arisen since initial recognition.

## **Corporate income tax**

Current tax consists of tax payable or receivable including joint taxation contribution and is recognised in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on prior years' taxable income and for tax paid under the on-account scheme. Receivables and payables regarding the joint taxation is presented separately in the balance sheet.

Borg Automotive A/S is taxed jointly with its parent company and other Danish subsidiaries. The current Danish income tax liability is allocated among the companies of the tax pool in proportion to their taxable income. Companies that utilize tax losses from other companies pay a joint contribution to the parent company at an amount corresponding to the tax value of the tax losses utilized. Companies whose tax losses are utilized by other companies receive joint tax contribution from the parent company corresponding to the tax value of the utilised losses (full absorption). The jointly taxed companies pay tax under the Danish on-account tax scheme.

## **Prepayments**

Prepayments include expenses paid in respect of subsequent financial years and are measured at cost.

## **Cash**

Cash comprises cash in hand and short-term bank deposits.

## **SHAREHOLDERS EQUITY**

### **Dividend**

Dividend is recognised as a liability at the time of adoption by the shareholders at the annual general meeting (the date of declaration). Dividends expected to be declared in respect of the year are stated as a separate line item under equity.

### **Hedge transaction reserve**

The hedge transaction reserve contains the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and for which the hedged transaction has yet to be realised.

The hedge transaction reserve is dissolved, when the hedged transaction is realised, if the hedged cash flow are no longer expected realised, or if the hedge is no longer effective.

### **Reserve for development projects (Parent company)**

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

### **Exchange adjustment reserve**

The exchange adjustment reserve comprises exchange differences arising on the translation of the financial statements of foreign enterprises from their functional currencies into Danish kroner including exchange differences on financial instruments considered to be a part of the net investment or as hedging of the net investment. On realisation, accumulated value adjustments are taken from equity to financial income and expenses in the income statement.

The exchange adjustment reserve is dissolved upon disposal of the subsidiary, or if the conditions for efficient hedging is no longer present.

### **Net revaluation reserve (Parent company)**

Net revaluation of investments in subsidiaries are recognised at cost in the reserve for net revaluation according to the equity method. The reserve cannot be recognised at a negative amount. The reserve is dissolved upon disposal of the subsidiary.

### **Provisions**

Provisions relates to warranty commitments which recognized when, as a consequence of an event occurring before or at the balance sheet date, the Group has a legal or constructive obligation, the settlement of which is likely to result in an outflow from the Group of economic benefit.

### **Financial liabilities**

Debt to credit institutions is recognised at the raising of a loan at fair value less transaction costs. In subsequent periods, financial liabilities are measured at amortised cost, applying the “effective interest rate method”, to the effect that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan. In addition, the capitalised lease liability is recognised under financial liabilities.

### **Other liabilities**

Other liabilities including core liability (customer rebates) are measured at net realisable value, which normally will be equal to nominal value.

Contingent consideration agreed in connection with company acquisitions and paid to the seller if certain conditions are met, are recognized at fair value and considered part of the total consideration for acquiring the company. The liability is determined by discounting the expected payments, taking into account the probability of the balance of the purchase price to be paid. The pre-tax discount rate used reflects the general level of interest rates and the specific risk related to the earn-out. The differences for the financial year in the discount elements are recognized in financial expenses. Changes in the fair value of the earn out which may not be attributed to the discount element of the earn out is recognised in profit or loss.

### **Deferred tax**

Deferred tax is measured using the balance sheet liability method on temporary differences between the carrying amount and the tax base of assets and liabilities. However, no deferred tax is recognised on timing differences on non-deductible items for which timing differences have arisen at the acquisition date without affecting the financial results or taxable income.

Deferred tax is measured based on the tax rules and rates in the respective countries that will apply under the legislation in force on the balance sheet date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under other noncurrent assets 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 within the same legal tax entity and jurisdiction. Deferred tax adjustments are made regarding eliminations of unrealised intercompany gains and losses.

Deferred tax assets are reviewed annually and recognised only to the extent that it is probable that they will be utilized within the period of five years.

### **Fair value measurement**

Fair value measurements are based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximizes the price of the asset or liability less transaction and/or transportation costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

- Level 1: Value in an active market for similar assets/liabilities
- Level 2: Value based on recognized valuation methods based on observable market information

- Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

### **Cash flow statement**

The cash flow statement shows cash flows for the year distributed on operating, investing and financing activities, net changes for the year in cash as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated according to the indirect method as the profit for the year before tax adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of companies and operation and the acquisition and disposal of intangible assets, property, plant and equipment.

Cash flows from financing activities comprise payments to and from shareholders and related expenses as well as the raising of loans, re-payments of interest-bearing debt and repayment of lease liabilities.

## **2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Group's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Management continuously reassesses these estimates and judgements based on several factors in the given circumstances. The following accounting estimates are considered significant for the financial reporting:

### **Revenue**

Offset in revenue are amounts related to the value of cores when these are later returned to BA Group from the external customers, as well as an estimate related to the share of outstanding repayment obligations which are not expected to become an obligation based on the historical rate of return rates from the external customers.

Reference is made to further details of the repayment obligation and value of cores in note 24.

### **Inventories**

The uncertainties of inventories relates both to cores and finished goods.

The uncertainty related to inventories of cores cover both the assessment of core market prices and the valuation related to cores considered to be obsolete or lack of marketability. Cores repurchased from customers for remanufacturing are valued based on the historical external purchase prices at the production facilities. The uncertainty related to the core market price is the difference between the historical prices, which are considered the best indicator available, and significant price developments in the market.

Cores considered to be obsolete or to have impaired marketability are written down to net realisable value. The assumption applied regards to the valuation of cores on inventory relates to the principle applied that cores on stock for more than 1 years expected sales are considered obsolete and thus written down to the scrap price.

Finished goods inventories are written down to net realisable value based on either sales forecast or time of purchase, both based on the same principles with reference to write-down timing and percentage.

### **Core liability**

The core liability is composed of the core charge (deposit) paid by the customer upon purchase of a unit which is returned to the customer conditional on and at the same rate as return of the used units (cores). The core charge is offset by the expected value of the returned cores and the expected core return rate, which constitutes the elements of the core liability. The uncertainty related to the core liability therefore covers both the estimation of the expected core return rate of cores as well as the value of the outstanding cores.

Reference is made to further details of the repayment obligation and value of cores in note 24.

### **Deferred tax assets**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

A part of the deferred tax assets are tax losses carried forward, which relate to the subsidiaries in UK and France. The tax loss carried forward do not expire and they may not be used to offset taxable income elsewhere in the Group. The tax value of tax losses carried forward has been recognised, if it has been considered sufficiently probably that the losses will be utilised within five years.

Further details on taxes are disclosed in Note 18.

3 REVENUE (TDKK)	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Denmark	59.245	81.907	37.711	48.451
Europe, other than Denmark	1.715.656	1.862.080	1.086.188	1.200.926
Central America	72	142	0	0
Asia	700	6.239	0	0
<b>Total revenue</b>	<b>1.775.673</b>	<b>1.950.368</b>	<b>1.123.899</b>	<b>1.249.377</b>
Reman	1.411.280	1.531.385	1.123.899	1.249.377
Newman	364.393	418.983	0	0
<b>Total revenue</b>	<b>1.775.673</b>	<b>1.950.368</b>	<b>1.123.899</b>	<b>1.249.377</b>

The Reman segment cover the remanufacturing and sales of finished goods, while the Newman segment cover the trading business related to the sales of externally purchased finished goods.

4 COST OF SALES (TDKK)	2025	2024	2025	2024
Cost of goods sold	942.022	1.017.759	1.030.074	1.023.566
Inventory impairments	13.420	3.285	112	166
Reversed inventory impairments	-15.210	-5.647	-175	-178

5 STAFF COST (TDKK)	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Wages and salaries	419.522	381.328	75.714	64.438
Defined contribution pension plans	11.003	9.860	7.779	6.524
Other social security costs	58.462	56.475	809	840
Short term-incentive plans	1.568	2.559	1.196	2.019
<b>Total staff costs</b>	<b>490.555</b>	<b>450.222</b>	<b>85.498</b>	<b>73.821</b>
<i>Staff costs are recognised as follows:</i>				
Cost of sales	312.934	290.285	10.811	9.125
Distribution	116.647	111.905	32.412	29.720
Administration	60.974	48.032	42.275	34.976
<b>Staff costs recognised in the income statement</b>	<b>490.555</b>	<b>450.222</b>	<b>85.498</b>	<b>73.821</b>
<b>Average number of employees</b>	<b>2.143</b>	<b>1.990</b>	<b>96</b>	<b>87</b>

*REMUNERATION TO THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND KEY MANAGEMENT PERSONNEL*

	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Board of directors	913	-*	913	-*
Executive Management	4.273	-*	4.273	-*
<b>Total Remuneration</b>	<b>5.186</b>	<b>5.298</b>	<b>5.186</b>	<b>5.298</b>

\*Executive Management consist in 2024 of one member, therefore remuneration of the Board of Directors and Executive Management are disclosed collectively with reference to section 98b paragraph 3 of the Danish Financial Statements Act.

**Remuneration to Key Management Personnel (Group Directors)**

	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Salaries	14.857	13.750	11.027	10.044
Pensions	1.063	1.031	948	919
Short term-incentive plans	1.568	2.559	1.196	2.019
<b>Total Remuneration</b>	<b>17.488</b>	<b>17.340</b>	<b>13.171</b>	<b>12.982</b>
<b>Headcount of Group Directors at year-end</b>	<b>7</b>	<b>7</b>	<b>5</b>	<b>5</b>

Remuneration to Key Management Personnel as in accordance with IAS 24, comprise the Group Directors covering Executive Management and Key Management.

## 5 STAFF COST

(Continued)

### Share-based payment: Share option programme

Management and Senior Managers in Borg Group has been covered by the parent company Schouw & Co.'s share option programme, which in its original form was terminated in 2024 as a share-based programme.

Outstanding share options	Executive Management	Others	Total
Granted in 2021	20.000	16.000	36.000
Granted in 2022	20.000	16.000	36.000
Granted in 2023	20.000	20.000	40.000
<b>Total outstanding options at 31 December 2024</b>	<b>60.000</b>	<b>52.000</b>	<b>112.000</b>
Lapsed (from 2021 grant)	-20.000	-16.000	-36.000
Exercised (from 2022 grant)	-20.000	-16.000	-36.000
Transferred from executive management to other (from 2023 grant)	-20.000	20.000	0
Transferred from other to executive management (from 2023 grant)	6.000	-6.000	0
<b>Total outstanding options at 31 December 2025</b>	<b>6.000</b>	<b>34.000</b>	<b>40.000</b>

In 2025, 36.000 options were exercised at an average price of 527,33 DKK.

The assumptions for determining the fair value of unexercised share options at the date of allocation as follows:

On the date of allocation:	2025 grant	2024 grant	2023 grant	2022 grant
Expected volatility	no grant	no grant	25,03%	24,82%
Expected option life	no grant	no grant	47 mth.	49 mth.
Expected dividend per share	no grant	no grant	15 DKK	14 DKK
Risk free interest rate	no grant	no grant	2,66%	-0,17%
<b>Other information on option programme:</b>				
Exercise price in DKK (1)	no grant	no grant	577,53	527,07
Fair value in DKK per option (2)	no grant	no grant	96,55	68,35
Total fair value in '000 (2)	no grant	no grant	3.862	3.281
Can be exercised from	no grant	no grant	March 2026	March 2025
Can be exercised until	no grant	no grant	March 2027	March 2026

(1) On exercise after 4 years (at the latest possible moments)

(2) At the date of allocation

The expected volatility is calculated as 12 months' historical volatility based on average share prices. If the option holders have not exercised their options at the end of the specified period, the options will lapse without any compensation to the holders. Exercise of the share options is contingent to the holder being in continuing employment during the above-mentioned periods. If the share option holder resigns before the vesting date, the holder may in some cases have a right to exercise the share option early during a four-week period following the next interim report from Schouw & Co. In the event of early exercise, the number of options will be reduced proportionally.

6 FEES TO AUDITORS APPOINTED BY THE GENERAL MEETING (TDKK)	CONSOLIDATED	
	2025	2024
Statutory audit	2.294	1.980
Other assurance engagements	569	600
Tax consultancy	161	128
Fees for other services	26	85
<b>Total fees</b>	<b>3.050</b>	<b>2.793</b>

With reference to the Danish Financial Statements Act Paragraph 96, section 3 Fees to auditors appointed by the General Meeting have only been provided for the Group.

TDKK

7 RESEARCH AND DEVELOPMENT COSTS (TDKK)	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
<i>Research &amp; Development costs expensed and development costs incurred are shown below:</i>				
Research and development costs incurred	16.233	15.032	16.935	16.827
Amortisation and impairment of recognised development costs	413	441	0	0
<b>Research and development costs expensed and recognised in the income statements</b>	<b>16.646</b>	<b>15.473</b>	<b>16.935</b>	<b>16.827</b>

8 DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES (TDKK)	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Amortisation of intangible assets	8.352	11.818	5.883	5.614
Depreciation of property plant and equipment	21.476	20.152	2.394	2.167
Depreciation of lease assets	25.225	19.699	1.349	1.560
Impairment of property plant and equipment	-164	181	0	0
<b>Total depreciation, amortisation and impairment losses</b>	<b>54.889</b>	<b>51.850</b>	<b>9.626</b>	<b>9.341</b>
<i>Depreciation/amortisation and impairment is recognised in the income statement as follows:</i>				
Cost of sales	29.337	26.543	214	206
Distribution	16.245	17.373	4.841	4.979
Administration	9.307	7.934	4.571	4.156
<b>Total depreciation, amortisation and impairment losses</b>	<b>54.889</b>	<b>51.850</b>	<b>9.626</b>	<b>9.341</b>

	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
<b>9 OTHER OPERATING INCOME AND EXPENSES (TDKK)</b>				
Gains on the disposal of property, plant and equipment and intangible assets	108	161	-6	56
Government grants	1.201	0	0	0
Charged to Group companies (i.e. management services)	0	0	56.487	48.783
Other operating income	16.294	5.464	31	55
<b>Total other operating income</b>	<b>17.603</b>	<b>5.625</b>	<b>56.512</b>	<b>48.894</b>
Losses on the disposal of property, plant and equipment and intangible assets	679	22	0	3
Storage compensation	0	0	31.231	32.112
Other operating expenses	1.802	694	0	0
<b>Total other operating expenses</b>	<b>2.481</b>	<b>716</b>	<b>31.231</b>	<b>32.115</b>
<b>10 FINANCIAL INCOME (TDKK)</b>				
Interests from group loans and cash pool	627	1.060	39.005	40.424
<b>Interest income on financial assets measured at amortised cost</b>	<b>627</b>	<b>1.060</b>	<b>39.005</b>	<b>40.424</b>
Fair value adjustments of hedging transactions transferred from equity	225	0	225	0
Other interests	920	1.291	7	57
Exchange rate adjustments	16.147	3.425	1.159	471
<b>Total financial income</b>	<b>17.919</b>	<b>5.776</b>	<b>40.396</b>	<b>40.952</b>
<b>11 FINANCIAL EXPENSES (TDKK)</b>				
Interest expense	1.627	4.194	1.236	1.097
Interests from lease liabilities	3.158	1.910	59	73
Interests from group loans and cash pool	46.320	46.443	49.989	49.054
<b>Interest expenses from financial liabilities measured at amortised cost</b>	<b>51.105</b>	<b>52.547</b>	<b>51.284</b>	<b>50.224</b>
Fair value adjustments of hedging transactions transferred from equity	1.334	3.922	0	4.526
Fair value adjustments of financial assets measured through profit or loss	0	824	0	0
Exchange rate adjustments	3.352	8.951	1.959	3.674
<b>Total financial expenses</b>	<b>55.791</b>	<b>66.244</b>	<b>53.243</b>	<b>58.424</b>

12 TAX ON PROFIT FOR THE YEAR (TDKK)	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
<b>Tax for the year is composed as follows:</b>				
Tax on profit for the year	-3.097	9.488	-20.416	1.998
Tax on comprehensive income	15	-1.155	872	-1.936
<b>Total tax</b>	<b>-3.082</b>	<b>8.333</b>	<b>-19.544</b>	<b>62</b>
<b>Tax on profit for the year has been calculated as follows:</b>				
Current tax	-11.711	-408	-17.984	-3.505
Deferred tax	8.629	9.435	-2.419	5.503
Adjustment of prior-year tax charge - current tax	-15	-2.464	-13	0
Adjustment of prior-year tax charge - deferred tax	0	2.925	0	0
<b>Total tax recognised in the income statement</b>	<b>-3.097</b>	<b>9.488</b>	<b>-20.416</b>	<b>1.998</b>
<b>Effective tax rate:</b>				
Calculated 22.0% tax of the profit for the year	-12.203	8.178	-16.013	10.143
Adjustment of tax related to subsidiaries and PEs	780	1.899	-4.439	-8.694
Non-deductible costs and non-taxable income	-1.417	2.830	49	549
Adjustment of prior-year tax charge	-15	461	-13	0
Adjustment of deferred tax asset	9.758	-3.880	0	0
<b>Recognised tax income</b>	<b>-3.097</b>	<b>9.488</b>	<b>-20.416</b>	<b>1.998</b>
<b>Effective tax rate</b>	<b>5,6%</b>	<b>25,5%</b>	<b>28,0%</b>	<b>6,7%</b>
<b>Tax recognised in comprehensive income:</b>			<b>CONSOLIDATED</b>	
<b>2025</b>		<b>Before tax</b>	<b>Tax</b>	<b>After tax</b>
Exchange rate adjustment of foreign subsidiaries		-2.000	0	-2.000
Value adjustment of hedging instruments during the year		-16.042	3.529	-12.513
Hedging instruments transferred to financials		-1.109	244	-865
Hedging instruments transferred to cost of sales		17.080	-3.758	13.322
<b>Tax on items recognised in comprehensive income</b>		<b>-2.071</b>	<b>15</b>	<b>-2.056</b>
<b>2024</b>		<b>Before tax</b>	<b>Tax</b>	<b>After tax</b>
Exchange rate adjustment of foreign subsidiaries		-9.309	0	-9.309
Value adjustment of hedging instruments during the year		-16.476	3.625	-12.851
Hedging instruments transferred to financials		-3.922	863	-3.059
Hedging instruments transferred to cost of sales		25.650	-5.643	20.007
<b>Tax on items recognised in comprehensive income</b>		<b>-4.057</b>	<b>-1.155</b>	<b>-5.212</b>
			<b>PARENT COMPANY</b>	
<b>2025</b>		<b>Before tax</b>	<b>Tax</b>	<b>After tax</b>
Exchange rate adjustment of foreign subsidiaries		-2.000	0	-2.000
Value adjustment of hedging instruments during the year		-22.699	4.994	-17.705
Hedging instruments transferred to financials		225	-50	175
Hedging instruments transferred to cost of sales		18.511	-4.072	14.438
Other comprehensive income from subsidiaries		3.036	0	3.036
<b>Tax on items recognised in comprehensive income</b>		<b>-2.927</b>	<b>872</b>	<b>-2.056</b>
<b>2024</b>		<b>Before tax</b>	<b>Tax</b>	<b>After tax</b>
Exchange rate adjustment of foreign subsidiaries		-9.309	0	-9.309
Value adjustment of hedging instruments during the year		-11.699	2.574	-9.125
Hedging instruments transferred to financials		-4.526	996	-3.530
Hedging instruments transferred to cost of sales		25.026	-5.506	19.520
Other comprehensive income from subsidiaries		-2.768	0	-2.768
<b>Tax on items recognised in comprehensive income</b>		<b>-3.276</b>	<b>-1.936</b>	<b>-5.212</b>

13 INTANGIBLE ASSETS  
(TDKK)

CONSOLIDATED

	Completed development projects	Development projects in progress	Customer relations	Brands	Know- how	IT projects	Other intangible assets	Total
<b>2025</b>								
Cost at 1 January	18.490	415	22.197	35.500	40.786	24.915	2.449	144.752
Foreign exchange adjustment	0	0	41	0	-439	1	14	-383
Additions	0	0	0	0	0	36	583	619
Additions on company acquisitions	0	0	0	0	0	0	0	0
Transferred/reclassified	0	-415	0	0	0	415	0	0
<b>Cost at 31 December</b>	<b>18.490</b>	<b>0</b>	<b>22.238</b>	<b>35.500</b>	<b>40.347</b>	<b>25.367</b>	<b>3.046</b>	<b>144.988</b>
Amortisation and impairment at 1 January	18.490	0	8.842	35.500	10.876	21.120	2.013	96.841
Foreign exchange adjustment	0	0	11	0	-10	3	10	14
Amortisation	0	0	2.213	0	4.045	1.590	504	8.352
<b>Amortisation and impairment at 31 December</b>	<b>18.490</b>	<b>0</b>	<b>11.066</b>	<b>35.500</b>	<b>14.911</b>	<b>22.713</b>	<b>2.527</b>	<b>105.207</b>
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>0</b>	<b>11.172</b>	<b>0</b>	<b>25.436</b>	<b>2.654</b>	<b>519</b>	<b>39.781</b>
Amortized over (years)	3		10-15	3-20	10-15	3-5	1-10	

Management have not identified issues, which indicate need for impairment regarding intangible assets.

	Completed development projects	Development projects in progress	Customer relations	Brands	Know- how	IT projects	Other intangible assets	Total
<b>2024</b>								
Cost at 1 January	18.490	2.853	22.177	35.500	27.189	22.120	2.429	130.758
Foreign exchange adjustment	0	0	20	0	107	55	17	199
Additions	0	295	0	0	0	0	0	295
Disposals	0	0	0	0	13.490	7	3	13.500
Transferred/reclassified	0	-2.733	0	0	0	2.733	0	0
<b>Cost at 31 December</b>	<b>18.490</b>	<b>415</b>	<b>22.197</b>	<b>35.500</b>	<b>40.786</b>	<b>24.915</b>	<b>2.449</b>	<b>144.752</b>
Amortisation and impairment at 1 January	18.490	0	6.624	30.500	8.157	19.474	1.717	84.962
Foreign exchange adjustment	0	0	3	0	0	51	7	61
Amortisation	0	0	2.215	5.000	2.719	1.595	289	11.818
Amortisation and impairment of disposed assets	0	0	0	0	0	0	0	0
<b>Amortisation and impairment at 31 December</b>	<b>18.490</b>	<b>0</b>	<b>8.842</b>	<b>35.500</b>	<b>10.876</b>	<b>21.120</b>	<b>2.013</b>	<b>96.841</b>
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>415</b>	<b>13.355</b>	<b>0</b>	<b>29.910</b>	<b>3.795</b>	<b>436</b>	<b>47.911</b>
Amortized over (years)	3		10-15	3-20	10-15	3-5	1-10	

**13 INTANGIBLE ASSETS  
(TDKK)**

**PARENT COMPANY**

(Continued) 2025	Completed development projects	Development projects in progress	Customer relations	Brands	Know- how	IT projects	Other intangible assets	Total
Cost at 1 January	18.490	415	14.930	0	27.189	22.068	1.238	84.330
Additions	0	0	0	0	0	0	583	583
Transferred/reclassified	0	-415	0	0	0	415	0	0
<b>Cost at 31 December</b>	<b>18.490</b>	<b>0</b>	<b>14.930</b>	<b>0</b>	<b>27.189</b>	<b>22.483</b>	<b>1.821</b>	<b>84.913</b>
Amortisation and impairment at 1 January	18.490	0	6.531	0	10.876	18.399	1.238	55.534
Amortisation	0	0	1.493	0	2.719	1.493	178	5.883
<b>Amortisation and impairment at 31 December</b>	<b>18.490</b>	<b>0</b>	<b>8.024</b>	<b>0</b>	<b>13.595</b>	<b>19.892</b>	<b>1.416</b>	<b>61.417</b>
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>0</b>	<b>6.906</b>	<b>0</b>	<b>13.594</b>	<b>2.591</b>	<b>405</b>	<b>23.496</b>
Amortized over (years)	3		10-15		10-15	3-5	3	

Management have not identified issues, which indicate need for impairment regarding intangible assets.

2024	Completed development projects	Development projects in progress	Customer relations	Brands	Know- how	IT projects	Other intangible assets	Total
Cost at 1 January	18.490	2.852	14.930	0	27.189	19.336	1.238	84.035
Additions	0	295	0	0	0	0	0	295
Transferred/reclassified	0	-2.732	0	0	0	2.732	0	0
<b>Cost at 31 December</b>	<b>18.490</b>	<b>415</b>	<b>14.930</b>	<b>0</b>	<b>27.189</b>	<b>22.068</b>	<b>1.238</b>	<b>84.330</b>
Amortisation and impairment at 1 January	18.490	0	5.038	0	8.157	16.997	1.238	49.920
Amortisation	0	0	1.493	0	2.719	1.402	0	5.614
<b>Amortisation and impairment at 31 December</b>	<b>18.490</b>	<b>0</b>	<b>6.531</b>	<b>0</b>	<b>10.876</b>	<b>18.399</b>	<b>1.238</b>	<b>55.534</b>
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>415</b>	<b>8.399</b>	<b>0</b>	<b>16.313</b>	<b>3.669</b>	<b>0</b>	<b>28.796</b>
Amortized over (years)	3		10-15		10-15	3-5	3	

**14 PROPERTY, PLANT AND EQUIPMENT (TDKK)**
**CONSOLIDATED**

	Land and buildings	Plant and machinery	Other fixtures, tools and equipment	Assets under construction	Total
<b>2025</b>					
Cost at 1 January	200.615	78.853	48.648	13.855	341.971
Foreign exchange adjustment	1.171	173	386	62	1.792
Additions	106	4.685	1.753	16.456	23.000
Disposals	0	-4.246	-1.790	-896	-6.932
Transferred/reclassified	693	10.299	4.747	-15.739	0
<b>Cost at 31 December</b>	<b>202.585</b>	<b>89.764</b>	<b>53.744</b>	<b>13.738</b>	<b>359.831</b>
Depreciation and impairment at 1 January	19.215	35.548	28.247	370	83.380
Foreign exchange adjustment	121	-41	225	4	309
Impairment	0	0	0	-164	-164
Depreciation	4.919	8.208	8.349	0	21.476
Depreciation and impairment of disposed assets	0	-2.252	-1.407	0	-3.659
<b>Depreciation and impairment at 31 December</b>	<b>24.255</b>	<b>41.463</b>	<b>35.414</b>	<b>210</b>	<b>101.342</b>
<b>Carrying amount at 31 December</b>	<b>178.330</b>	<b>48.301</b>	<b>18.330</b>	<b>13.528</b>	<b>258.489</b>
Depreciated over (years)	5-40	3-15	3-10		
No significant changes have been made in accounting estimates regarding property, plant and equipment. Management have not identified issues, which indicate need for impairment regarding property, plant and equipment.					
	Land and buildings	Plant and machinery	Other fixtures, tools and equipment	Assets under construction	Total
<b>2024</b>					
Cost at 1 January	158.068	68.124	44.338	8.307	278.837
Foreign exchange adjustment	1.281	1.355	608	164	3.408
Additions	32.977	3.167	2.026	19.846	58.016
Additions on company acquisitions	2.788	454	20	0	3.262
Disposals	0	-167	-1.385	0	-1.552
Transferred to leased assets/reclassified	5.501	5.920	3.041	-14.462	0
<b>Cost at 31 December</b>	<b>200.615</b>	<b>78.853</b>	<b>48.648</b>	<b>13.855</b>	<b>341.971</b>
Depreciation and impairment at 1 January	14.576	27.030	21.071	184	62.861
Foreign exchange adjustment	217	678	345	5	1.245
Impairment	0	0	0	181	181
Depreciation and impairment of disposed assets	4.422	7.968	7.762	0	20.152
Transferred/reclassified	0	-128	-931	0	-1.059
<b>Depreciation and impairment at 31 December</b>	<b>19.215</b>	<b>35.548</b>	<b>28.247</b>	<b>370</b>	<b>83.380</b>
<b>Carrying amount at 31 December</b>	<b>181.400</b>	<b>43.305</b>	<b>20.401</b>	<b>13.485</b>	<b>258.591</b>
Depreciated over (years)	5-40	3-15	3-10		
Legal obligation at 31 December for the purchase of property, plant and equipment	74	1.684	0	0	1.758
Interest recognised during the period	0	0	0	0	0
Average interest used					0,00%

**14 PROPERTY, PLANT AND EQUIPMENT (TDKK)**

(Continued)

**PARENT COMPANY**

	Land and buildings	Plant and machinery	Other fixtures, tools and equipment	Assets under construction	Total
<b>2025</b>					
Cost at 1 January	59.621	39	5.188	824	65.672
Additions	0	0	61	0	61
Disposals	0	0	-60	0	-60
<b>Cost at 31 December</b>	<b>59.621</b>	<b>39</b>	<b>5.189</b>	<b>824</b>	<b>65.673</b>
Depreciation and impairment at 1 January	1.105	39	976	0	2.120
Depreciation	1.114	0	1.280	0	2.394
Disposals	0	0	0	0	0
<b>Depreciation and impairment at 31 December</b>	<b>2.219</b>	<b>39</b>	<b>2.256</b>	<b>0</b>	<b>4.514</b>
<b>Carrying amount at 31 December</b>	<b>57.402</b>	<b>0</b>	<b>2.933</b>	<b>824</b>	<b>61.159</b>
Depreciated over (years)	40	5	5		
Legal obligation at 31 December for the purchase of property, plant and equipment	0	0	0	0	0
Interest recognised during the period	0	0	0	0	0

No significant changes have been made in accounting estimates regarding property, plant and equipment.

Management have not identified issues, which indicate need for impairment regarding property, plant and equipment.

	Land and buildings	Plant and machinery	Other fixtures, tools and equipment	Assets under construction	Total
<b>2024</b>					
Cost at 1 January	57.057	39	4.886	0	61.982
Additions	2.564	0	637	824	4.025
Disposals	0	0	-335	0	-335
<b>Cost at 31 December</b>	<b>59.621</b>	<b>39</b>	<b>5.188</b>	<b>824</b>	<b>65.672</b>
Depreciation and impairment at 1 January	0	39	63	0	102
Depreciation	1.105	0	1.062	0	2.167
Disposals	0	0	-149	0	-149
<b>Depreciation and impairment at 31 December</b>	<b>1.105</b>	<b>39</b>	<b>976</b>	<b>0</b>	<b>2.120</b>
<b>Carrying amount at 31 December</b>	<b>58.516</b>	<b>0</b>	<b>4.212</b>	<b>824</b>	<b>63.552</b>
Depreciated over (years)	40	5	5		

**15 RIGHT OF USE ASSETS (TDKK)**
**CONSOLIDATED**

<b>2025</b>	<b>Buildings</b>	<b>Cars</b>	<b>Production equipment</b>	<b>Other assets</b>	<b>Total</b>
Cost at 1 January	93.767	17.682	1.108	841	113.398
Foreign exchange adjustment	-358	-126	2	1	-481
Additions	26.092	1.764	0	627	28.483
Disposals	-1.898	-729	0	-841	-3.468
Re-measure / modification of lease assets	5.126	-5.126	0	0	0
<b>Cost at 31 December</b>	<b>122.729</b>	<b>13.465</b>	<b>1.110</b>	<b>628</b>	<b>137.932</b>
Amortisation and impairment at 1 January	62.118	4.830	825	718	68.491
Foreign exchange adjustment	-457	14	1	1	-441
Amortisation	20.638	4.248	129	210	25.225
Amortisation and impairment of disposed assets	-1.894	-711	0	-813	-3.418
<b>Amortisation and impairment at 31 December</b>	<b>80.405</b>	<b>8.381</b>	<b>955</b>	<b>116</b>	<b>89.857</b>
<b>Carrying amount at 31 December</b>	<b>42.324</b>	<b>5.084</b>	<b>155</b>	<b>512</b>	<b>48.075</b>
Depreciated over (years)	2-40	3-13	3-5	3-5	

<b>2024</b>	<b>Buildings</b>	<b>Cars</b>	<b>Production equipment</b>	<b>Other assets</b>	<b>Total</b>
Cost at 1 January	87.326	9.099	2.308	700	99.433
Foreign exchange adjustment	1.732	54	42	1	1.829
Additions	8.242	7.633	0	208	16.083
Additions on company acquisitions	0	5.255	0	0	5.255
Disposals	-2.385	-4.359	-1.242	-68	-8.054
Re-measure / modification of lease assets	-1.148	0	0	0	-1.148
<b>Cost at 31 December</b>	<b>93.767</b>	<b>17.682</b>	<b>1.108</b>	<b>841</b>	<b>113.398</b>
Amortisation and impairment at 1 January	47.795	5.039	1.709	564	55.107
Foreign exchange adjustment	1.147	10	21	0	1.178
Amortisation	15.561	3.605	320	213	19.699
Amortisation and impairment of disposed assets	-2.385	-3.824	-1.225	-59	-7.493
<b>Amortisation and impairment at 31 December</b>	<b>62.118</b>	<b>4.830</b>	<b>825</b>	<b>718</b>	<b>68.491</b>
<b>Carrying amount at 31 December</b>	<b>31.649</b>	<b>12.852</b>	<b>283</b>	<b>123</b>	<b>44.907</b>
Depreciated over (years)	2-40	3-13	3-5	3-5	

**15 RIGHT OF USE ASSETS (TDKK)**

(Continued)

**PARENT COMPANY**

2025	PARENT COMPANY				Total
	Buildings	Cars	Production equipment	Other assets	
Cost at 1 January	0	4.395	0	0	4.395
Additions	0	234	0	0	234
Disposals	0	-321	0	0	-321
<b>Cost at 31 December</b>	<b>0</b>	<b>4.308</b>	<b>0</b>	<b>0</b>	<b>4.308</b>
Amortisation and impairment at 1 January	0	2.156	0	0	2.156
Amortisation	0	1.349	0	0	1.349
Disposals	0	-321	0	0	-321
<b>Amortisation and impairment at 31 December</b>	<b>0</b>	<b>3.184</b>	<b>0</b>	<b>0</b>	<b>3.184</b>
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>1.124</b>	<b>0</b>	<b>0</b>	<b>1.124</b>
Depreciated over (years)	-	3			
2024	PARENT COMPANY				Total
	Buildings	Cars	Production equipment	Other assets	
Cost at 1 January	2.386	4.320	0	0	6.706
Additions	0	1.868	0	0	1.868
Disposals	-2.386	-1.793	0	0	-4.179
<b>Adjusted cost at 1 January</b>	<b>0</b>	<b>4.395</b>	<b>0</b>	<b>0</b>	<b>4.395</b>
Amortisation and impairment at 1 January	2.297	2.439	0	0	4.736
Amortisation	88	1.472	0	0	1.560
Disposals	-2.385	-1.755	0	0	-4.140
<b>Amortisation and impairment at 31 December</b>	<b>0</b>	<b>2.156</b>	<b>0</b>	<b>0</b>	<b>2.156</b>
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>2.239</b>	<b>0</b>	<b>0</b>	<b>2.239</b>
Depreciated over (years)	2	3			

**LEASE LIABILITIES (TDKK)**

Lease liabilities expiring within the following periods from the balance sheet date:	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Within 1 year	25.849	23.847	782	1.029
Between 1 and 5 years	30.512	31.717	224	913
<b>Total lease liability, non-discounted</b>	<b>56.361</b>	<b>55.564</b>	<b>1.006</b>	<b>1.942</b>
<b>Lease liabilities are recognised in the balance sheet as follows:</b>				
Non-current liabilities	30.512	31.716	223	913
Current liabilities	25.849	23.847	783	1.029
<b>Total lease liabilities</b>	<b>56.361</b>	<b>55.563</b>	<b>1.006</b>	<b>1.942</b>
Repayment of lease debt	28.796	23.300	1.229	1.535
Recognised interests on lease contracts	3.158	1.910	59	73
<b>Lease payments in the year</b>	<b>31.954</b>	<b>25.210</b>	<b>1.288</b>	<b>1.608</b>

**15 RIGHT OF USE ASSETS (TDKK)**

(Continued)

Lease agreements not recognised in the balance sheet

**CONSOLIDATED**

	2025				2024			
	Service*	Small value assets	Short term leases	Total	Service*	Small value assets	Short term leases	Total
Due for payment within 1 year	142	6	0	148	425	20	0	445
Due for payment within >1-5 years	0	0	0	0	865	0	0	865
<b>Total commitments</b>	<b>142</b>	<b>6</b>	<b>0</b>	<b>148</b>	<b>1.290</b>	<b>20</b>	<b>0</b>	<b>1.310</b>
<b>Recognised in the income statement</b>	<b>142</b>	<b>6</b>	<b>0</b>	<b>148</b>	<b>251</b>	<b>20</b>	<b>0</b>	<b>271</b>

**PARENT COMPANY**

	2025				2024			
	Service*	Small value assets	Short term leases	Total	Service*	Small value assets	Short term leases	Total
Due for payment within 1 year	142	6	0	148	98	20	0	118
<b>Total commitments</b>	<b>142</b>	<b>6</b>	<b>0</b>	<b>148</b>	<b>98</b>	<b>20</b>	<b>0</b>	<b>118</b>
<b>Recognised in the income statement</b>	<b>142</b>	<b>6</b>	<b>0</b>	<b>148</b>	<b>98</b>	<b>20</b>	<b>0</b>	<b>118</b>

\*) The service (variable) element of lease contracts is the part of the lease commitment that are not included in the lease obligation in the balance sheet.

**Other leasing information**

BA Group have subleased a part of a Right-of-use assets to an external party. The expected future income related to the sublease amounts to a total of TDKK 7.138 and a total amount of TDKK 2.470 have impacted cash flow in 2025.

The sublease arrangement will impact the cash-flows as listed below:

	0-1 years	1-5 years	> 5 years	Total cash flow
<b>Total cash-flow impact</b>	2.684	4.454	0	7.138

**16 INVESTMENTS IN SUBSIDIARIES (Parent company) (TDKK)**

	2025	2024
Cost at 1 January	268.863	268.463
Additions	20.000	400
<b>Cost at 31 December</b>	<b>288.863</b>	<b>268.863</b>
Adjustments at 1 January	271.889	244.188
Foreign exchange adjustments	2.000	9.309
Share of profit/(loss) after tax for the year	20.176	23.082
Other value adjustments	-3.037	2.767
Dividends paid	0	-7.457
<b>Adjustments at 31 December</b>	<b>291.028</b>	<b>271.889</b>
<b>Carrying amount at 31 December</b>	<b>579.891</b>	<b>540.752</b>

Name	Registered Office	Ownership interest	
		2025	2024
Borg Automotive Sp. z.o.o.	Poland, Zdunska Wola	100%	100%
Borg Automotive UK Ltd.	UK, Birmingham	100%	100%
Electro Steer UK Ltd.	UK, Birmingham	100%	100%
Car Parts Industries Belgium SRL	Belgium, Nivelles	100%	100%
Borg Automotive Spain S.L.	Spain, Pamplona	100%	100%
Borg Automotive Reman Spain S.L.	Spain, Pamplona	100%	100%
Borg Automotive Newman A/S	Denmark, Støvring	100%	100%
Borg Automotive GmbH	Germany, Eisenach	100%	100%
Borg Automotive SAS	France, Beauvais	100%	100%
Borg Automotive af 21 maj 2024 A/S	Denmark, Silkeborg	100%	100%
Electro Rebuild Tunisia SARL	Tunisia, Monastir	100%	100%

All subsidiaries are Limited Liability Companies.

## 17 ACQUISITION OF BUSINESSES (TDKK)

Effective 1 December 2024, BORG Automotive Group acquired 100% of the issued share capital of Electro Build Tunisia SARL (ERT). The company owns one production plant located in Monastir, Tunisia and have more than 40 years of experience with remanufacturing alternators and starters.

In 2024, the acquisition of ERT has effected Group revenue with TDKK 347 and profit for the year with TDKK 363, based on a closing date of 30 November 2024. Full-year revenue and results if the acquisition had taken place on January 1st would have been 480 TDKK and TDKK -359.

No acquisitions was made in 2025.

	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
<b>The assets and liabilities recognised as a result of the acquisition are as follows:</b>				
Know-how	0	13.490	0	0
Other intangible assets	0	10	0	0
Property, plant and equipment	0	3.262	0	0
Lease assets	0	5.255	0	0
Inventories	0	2.665	0	0
Tax asset	0	266	0	0
Cash	0	487	0	400
Interest-bearing debt	0	-5.254	0	0
Provisions	0	-377	0	0
Trade payables	0	-18.723	0	0
Tax payable	0	-879	0	0
Other provisions	0	-90	0	0
<b>Net assets acquired</b>	<b>0</b>	<b>112</b>	<b>0</b>	<b>400</b>
Of which cash and cash equivalents	0	-487	0	0
<b>Total cash acquisition costs</b>	<b>0</b>	<b>-375</b>	<b>0</b>	<b>400</b>

Transaction costs incurred in connection with the acquisition of ERT amount to TDKK 238, of which TDKK 163 has been recognised as an administrative expense in 2024.

The company was acquired at a purchase price of TDKK 112 (KEUR 15).

**18 DEFERRED TAX (TDKK)**

	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Deferred tax at 1 January	82.697	92.779	27.833	31.400
Foreign exchange adjustment	-234	857	0	0
Addition on acquisition	0	266	0	0
Deferred tax for the year recognised in profit for the year	-8.629	-12.360	2.420	-5.503
Deferred tax for the year recognised in equity	-15	1.155	-872	1.936
<b>Deferred tax at 31 December, net</b>	<b>73.819</b>	<b>82.697</b>	<b>29.381</b>	<b>27.833</b>
<b>Deferred tax is recognised as follows in the balance sheet:</b>				
Deferred tax asset	84.940	91.017	29.381	27.833
Deferred tax liability	-11.121	-8.320	0	0
<b>Net deferred tax at 31 December</b>	<b>73.819</b>	<b>82.697</b>	<b>29.381</b>	<b>27.833</b>
<b>Deferred tax pertains to:</b>				
Intangible assets	-3.400	-53	-4.480	-5.223
Property, plant and equipment	3.312	2.719	-1.131	-1.333
Receivables	-1.477	-2.114	0	0
Inventories	15.463	12.489	0	0
Other current assets	259	268	0	0
Equity	-1.165	-851	-1.165	-293
Provisions	60	114	0	0
Liabilities other than provisions	58.597	53.445	36.157	34.682
Tax losses	2.170	16.680	0	0
<b>Total deferred tax (net liability)</b>	<b>73.819</b>	<b>82.697</b>	<b>29.381</b>	<b>27.833</b>

Tax losses carried forward are recognised in the balance sheet only if they are expected to be utilised within a period of 5 (five) years. This principle entails that an amount of MDKK 13,5 (2024: MDKK 5,4) related to the subsidiary Borg Automotive UK Ltd. have not been recognised in the balance sheet. The unrecognised tax loss may be carried forward for an unlimited period.

**18 DEFERRED TAX (TDKK)**  
**(Continued)**
**CONSOLIDATED**

<b>2025</b>	<b>1 Jan.</b>	<b>Foreign exchange adjustment</b>	<b>Additions on acquisition</b>	<b>Recognised in profit for the year</b>	<b>Recognised in equity</b>	<b>31 Dec.</b>
Intangible assets	-53	0	0	-3.347	0	-3.400
Property, plant and equipment	2.719	0	0	593	0	3.312
Receivables	-2.114	0	0	637	0	-1.477
Inventories	12.489	80	0	2.894	0	15.463
Other current assets	268	-9	0	0	0	259
Equity, Hedging	-851	0	0	-299	-15	-1.165
Provisions	114	0	0	-54	0	60
Liabilities other than provisions	53.445	69	0	5.083	0	58.597
Tax credits, incentives etc.	0	0	0	0	0	0
Tax losses	16.680	-374	0	-14.136	0	2.170
<b>Deferred tax at 31 December, net</b>	<b>82.697</b>	<b>-234</b>	<b>0</b>	<b>-8.629</b>	<b>-15</b>	<b>73.819</b>

<b>2024</b>	<b>1 Jan.</b>	<b>Foreign exchange adjustment</b>	<b>Additions on acquisition</b>	<b>Recognised in profit for the year</b>	<b>Recognised in equity</b>	<b>31 Dec.</b>
Intangible assets	1.534	0	0	-1.587	0	-53
Property, plant and equipment	4.029	0	0	-1.310	0	2.719
Receivables	-1.994	-2	0	-118	0	-2.114
Inventories	8.143	100	0	4.246	0	12.489
Other current assets	0	2	266	0	0	268
Equity, Hedging	-2.006	0	0	0	1.155	-851
Provisions	-1	0	0	115	0	114
Liabilities other than provisions	66.446	154	0	-13.155	0	53.445
Tax losses	16.628	603	0	-551	0	16.680
<b>Deferred tax at 31 December, net</b>	<b>92.779</b>	<b>857</b>	<b>266</b>	<b>-12.360</b>	<b>1.155</b>	<b>82.697</b>

**PARENT COMPANY**

<b>2025</b>	<b>1 Jan.</b>	<b>Foreign exchange adjustment</b>	<b>Additions on acquisition</b>	<b>Recognised in profit for the year</b>	<b>Recognised in equity</b>	<b>31 Dec.</b>
Intangible assets	-5.223	0	0	743	0	-4.480
Property, plant and equipment	-1.333	0	0	202	0	-1.131
Equity, Hedging	-293	0	0	0	-872	-1.165
Liabilities other than provisions	34.682	0	0	1.475	0	36.157
<b>Deferred tax at 31 December, net</b>	<b>27.833</b>	<b>0</b>	<b>0</b>	<b>2.420</b>	<b>-872</b>	<b>29.381</b>

<b>2024</b>	<b>1 Jan.</b>	<b>Foreign exchange adjustment</b>	<b>Additions on acquisition</b>	<b>Recognised in profit for the year</b>	<b>Recognised in equity</b>	<b>31 Dec.</b>
Intangible assets	-5.339	0	0	116	0	-5.223
Property, plant and equipment	-1.368	0	0	35	0	-1.333
Equity, Hedging	-2.229	0	0	0	1.936	-293
Liabilities other than provisions	40.336	0	0	-5.654	0	34.682
<b>Deferred tax at 31 December, net</b>	<b>31.400</b>	<b>0</b>	<b>0</b>	<b>-5.503</b>	<b>1.936</b>	<b>27.833</b>

19 INVENTORIES (TDKK)	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Raw materials and consumables	420.208	441.545	16.619	19.711
Finished goods and goods for resale	497.813	526.861	76.700	54.728
<b>Total inventories</b>	<b>918.021</b>	<b>968.406</b>	<b>93.319</b>	<b>74.439</b>
Inventory values are presented at lower of cost and net realisable value.				
Cost of inventories for which impairment losses have been recognised	151.726	184.020	471	545
Accumulated impairment losses on inventories	-75.920	-77.792	-275	-272
<b>Net sales value</b>	<b>75.806</b>	<b>106.228</b>	<b>196</b>	<b>273</b>

During 2025, TDKK 7.515 (2024: TDKK 6.824) was recognised in inventory as write-down of inventory to net realisable value at Group level. The adjustment of TDKK 691 (2024: TDKK 1.923) is recognised in cost of sales as a cost.

In the Parent Company, TDKK 691 (2024: TDKK 1.923) was recognised during 2025 as a cost for inventories carried at net realisable value. A cost was offset in cost sales (TDKK 571) and a cost was recognised as part of result in shares in subsidiaries (TDKK 120).

20 CORPORATE INCOME TAX (TDKK)	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Income tax payable at 1 January	33.784	14.966	10.498	-2.701
Exchange adjustments	40	-47	0	0
Current tax for the year	11.711	3.965	17.984	3.505
Adjustment related to prior years - current tax	15	2.464	13	0
Addition on acquisitions	0	-879	0	0
Corporate income tax paid during the year	19.974	25.872	0	8
Joint taxation contribution paid during the year	-25.170	-12.557	-10.510	9.686
<b>Income tax at 31 December</b>	<b>40.354</b>	<b>33.784</b>	<b>17.985</b>	<b>10.498</b>
<i>Which is distributed as follows:</i>				
Corporate income tax, receivable	3.873	3.105	0	0
Joint taxation contribution, receivable	46.829	33.361	17.985	10.511
Corporate income tax, payable	-10.348	-2.682	0	-13
<b>Income tax at 31 December</b>	<b>40.354</b>	<b>33.784</b>	<b>17.985</b>	<b>10.498</b>

The global minimum taxation rules (Pillar II) have applied to Schouw & Co. from 1 January 2024. The minimum tax rules imply that a top-up or minimum tax must be paid to Denmark if the effective tax rate in a jurisdiction is lower than 15%. Certain countries have implemented local top-up tax rules, and any minimum tax will be paid locally. Most of the Group's jurisdictions are exempt in 2025 due to certain transitional rules. In 2025, it is not expected that the global minimum taxation rules will have a significant impact on the Group.

The Group has applied the temporary exception to the accounting requirements on deferred tax under IAS 12 as issued by the IASB in May 2023.

*Deferred tax:*

The Group has applied the temporary exception issued by IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the group neither recognizes nor discloses information about deferred tax assets and liabilities to Pillar Two income taxes.

21 RECEIVABLES AND PAYABLES WITH RELATED PARTIES (TDKK)	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Receivables from related parties, interest-bearing, non-current	0	0	555.750	271.402
Receivables from related parties, interest-bearing, current	0	0	0	338.759
Receivables from related parties, current	0	0	15.339	11.364
Payables to related parties, interest-bearing, non-current	0	0	-74.121	-60.513
Payables to related parties, interest-bearing, current	-673.568	-625.324	-694.770	-648.098
Payables to related parties, current	-85	0	-147.448	-102.027
	<b>-673.653</b>	<b>-625.324</b>	<b>-345.249</b>	<b>-189.113</b>
<i>Recognised as follows in assets:</i>				
Receivables from related parties, non-current	0	0	555.750	271.402
Receivables from related parties, current	0	0	15.339	350.123
Payables to related parties, non-current	0	0	-74.121	-60.513
Payables to related parties, current	-673.653	-625.324	-842.218	-750.125
	<b>-673.653</b>	<b>-625.324</b>	<b>-345.249</b>	<b>-189.113</b>

**22 SHARE CAPITAL (TDKK)**

	2025	2024
The share capital consists of 5.000 shares of each DKK 200.	1.000	1.000

The shares have not been divided into classes. During the last five years, no changes have been made to the share capital.

The following shareholder is registered to hold 100 % of the shares and voting capital of the company:

Aktieselskabet Schouw & Co.  
 Chr. Filtenborgs Plads 1, 8000 Aarhus C  
 Company registration number: 63 96 58 12

23 INTEREST-BEARING DEBT (TDKK)	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Debt recognised in the balance sheet:				
Credit institutions	379	0	0	0
Mortgage debt	29.593	31.015	29.593	31.015
Lease liabilities	30.512	31.716	223	913
Payables to related parties	0	0	74.121	60.513
<b>Non-current interest bearing debt</b>	<b>60.484</b>	<b>62.731</b>	<b>103.937</b>	<b>92.441</b>
Current portion of non-current interest-bearing debt	28.406	25.111	2.169	2.293
Payables to related parties	673.568	625.324	694.770	648.098
<b>Current interest-bearing debt</b>	<b>701.974</b>	<b>650.435</b>	<b>696.939</b>	<b>650.391</b>
<b>Total interest-bearing debt</b>	<b>762.458</b>	<b>713.166</b>	<b>800.876</b>	<b>742.832</b>
<b>Fair-value of interest-bearing debt</b>	<b>762.458</b>	<b>713.166</b>	<b>800.876</b>	<b>742.832</b>
Weighted average effective rate of interest for the year was (%)	7,3%	7,3%	7,0%	7,0%
Weighted average effective rate of interest for the balance sheet date was (%)	7,7%	7,7%	7,5%	7,5%
<i>Interest-bearing debt per currency:</i>				
DKK	226.925	223.250	205.292	207.977
EUR	220.777	143.261	299.568	211.318
PLN	301.791	342.564	290.403	321.893
GBP	2.287	-842	2.361	-5
USD	2.521	-2.027	1.115	-14
NOK	2.137	1.663	2.137	1.663
TND	6.020	5.297	0	0
<b>Total interest-bearing debt</b>	<b>762.458</b>	<b>713.166</b>	<b>800.876</b>	<b>742.832</b>

BA Group net-borrowings are mainly in DKK, EUR and PLN with floating rates. The fair value of the floating rate loans are approximately the carrying amounts.

**23 INTEREST-BEARING DEBT (TDKK)**

(Continued)

**Development in Net interest-bearing debt**
**CONSOLIDATED**

2025	Non-cash changes						31 Dec.
	1 Jan.	Cash flow	Acquisitions	Currency exchange movements	Leasing	Other	
<b>Interest-bearing assets</b>							
Non-current receivables	72	0	0	0	0	0	72
Cash	22.033	8.349	0	271	0	0	30.653
<b>Interest-bearing liabilities</b>							
Non-current credit institutions	0	-1.549	0	0	0	1.170	-379
Non-current mortgage debt	-31.015	0	0	0	0	1.422	-29.593
Non-current lease liabilities	-31.716	0	0	27	1.177	0	-30.512
Current part of non-current, credit institutions	0	0	0	-1	0	-1.170	-1.171
Current part of non-current mortgage debt	-1.264	1.322	0	0	0	-1.444	-1.386
Current part of non-current lease debt	-23.847	28.796	0	71	-30.869	0	-25.849
Current debt to group companies	-625.324	-45.297	0	-2.947	0	0	-673.568
<b>Net interest-bearing debt</b>	<b>-691.061</b>	<b>-8.379</b>	<b>0</b>	<b>-2.579</b>	<b>-29.692</b>	<b>-22</b>	<b>-731.733</b>

2024	Non-cash changes						31 Dec.
	1 Jan.	Cash flow	Acquisitions	Currency exchange movements	Leasing	Other	
<b>Interest-bearing assets</b>							
Non-current receivables	72	0	0	0	0	0	72
Cash	11.976	9.388	487	182	0	0	22.033
<b>Interest-bearing liabilities</b>							
Non-current credit institutions	-37	38	0	-1	0	0	0
Non-current mortgage debt	0	-33.034	0	0	0	2.019	-31.015
Non-current lease liabilities	-39.095	0	-3.678	-496	11.553	0	-31.716
Current part of non-current, credit institutions	-394	402	0	-8	0	0	0
Current part of non-current mortgage debt	0	770	0	0	0	-2.034	-1.264
Current part of non-current lease debt	-19.234	23.300	-1.576	-284	-26.053	0	-23.847
Current debt to group companies	-588.655	-30.886	0	-5.783	0	0	-625.324
<b>Net interest-bearing debt</b>	<b>-635.367</b>	<b>-30.022</b>	<b>-4.767</b>	<b>-6.390</b>	<b>-14.500</b>	<b>-15</b>	<b>-691.061</b>

**23 INTEREST-BEARING DEBT (TDKK)**

(Continued)

**Development in Net interest-bearing debt**

**PARENT COMPANY**

2025	1 Jan.	Cash flow	Non-cash changes				31 Dec.
			Acquisitions	Currency exchange movements	Leasing	Other	
<b>Interest-bearing assets</b>							
Non-current receivables from related parties	271.402	-95.771	0	2.358	0	377.761	555.750
Current receivables from related parties	338.759	0	0	0	0	-338.759	0
Cash	1.544	7.989	0	69	0	0	9.602
<b>Interest-bearing liabilities</b>							
Non-current mortgage debt	-31.015	1.322	0	0	0	100	-29.593
Non-current lease liabilities	-913	-59	0	0	0	749	-223
Non-current payables to related parties	-60.513	-9.369	0	-127	0	-4.112	-74.121
Current part of non-current mortgage debt	-1.264	0	0	0	0	-122	-1.386
Current part of non-current lease debt	-1.029	1.229	0	0	-983	0	-783
Current payables to related parties	-648.098	-44.018	0	-2.654	0	0	-694.770
<b>Net interest-bearing debt</b>	<b>-131.127</b>	<b>-138.677</b>	<b>0</b>	<b>-354</b>	<b>-983</b>	<b>35.617</b>	<b>-235.524</b>

2024	1 Jan.	Cash flow	Non-cash changes				31 Dec.
			Acquisitions	Currency exchange movements	Leasing	Other	
<b>Interest-bearing assets</b>							
Non-current receivables from related parties	594.408	-21.186	0	772	0	-302.592	271.402
Current receivables from related parties	0	-2.929	0	5.720	0	335.968	338.759
Cash	725	802	0	17	0	0	1.544
<b>Interest-bearing liabilities</b>							
Non-current mortgage debt	0	-33.034	0	0	0	2.019	-31.015
Non-current lease liabilities	-704	0	0	0	-209	0	-913
Non-current payables to related parties	-52.462	-11.838	0	-31	0	3.818	-60.513
Current part of non-current mortgage debt	0	770	0	0	0	-2.034	-1.264
Current part of non-current lease debt	-941	1.535	0	0	-1.623	0	-1.029
Current payables to related parties	-596.123	-46.297	0	-5.678	0	0	-648.098
<b>Net interest-bearing debt</b>	<b>-55.097</b>	<b>-112.177</b>	<b>0</b>	<b>800</b>	<b>-1.832</b>	<b>37.179</b>	<b>-131.127</b>

<b>24 OTHER PAYABLES (TDKK)</b>	<b>CONSOLIDATED</b>		<b>PARENT COMPANY</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Core liability, specification below	64.253	62.421	46.145	47.119
Employee related debt	1.664	1.908	0	0
Other payables	0	91	0	0
<b>Other payables, non-current</b>	<b>65.917</b>	<b>64.420</b>	<b>46.145</b>	<b>47.119</b>
Core liability, specification below	192.947	187.588	138.435	141.358
Employee related debt	36.395	35.063	6.087	4.215
Hedging instruments	2.485	0	0	0
Customer chains bonus	32.834	39.098	16.765	22.721
VAT	1.759	5.685	0	3.770
Other payables	31.798	26.614	3.649	3.213
<b>Other payables, current</b>	<b>298.218</b>	<b>294.048</b>	<b>164.936</b>	<b>175.277</b>
<b>Total other payables</b>	<b>364.135</b>	<b>358.468</b>	<b>211.081</b>	<b>222.396</b>
<b>CORE LIABILITY (TDKK)</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
BA Group has a repayment obligation in respect of deposits received from customers conditional on and at the same rate as customers return of used units (cores).				
Repayment obligation at year-end	794.370	718.202	597.575	548.688
Estimated value of cores	-537.170	-468.193	-412.995	-360.211
<b>Net core liability accrued for in the balance sheet</b>	<b>257.200</b>	<b>250.009</b>	<b>184.580</b>	<b>188.477</b>

25 PROVISIONS (TDKK)	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
At 1 January	31.085	32.697	24.666	26.269
Utilized during the year	-19.802	-15.575	-15.713	-12.513
Additions	46.536	13.963	17.496	10.910
<b>At 31 December</b>	<b>57.819</b>	<b>31.085</b>	<b>26.449</b>	<b>24.666</b>
<i>Recognised in the balance sheet as follows:</i>				
Non-current liabilities	12.123	13.499	9.600	10.711
Current liabilities	45.696	17.587	16.849	13.956
<b>Provisions 31 December</b>	<b>57.819</b>	<b>31.086</b>	<b>26.449</b>	<b>24.667</b>
<i>Recognised in the income statement:</i>				
Cost of sales	46.536	13.963	17.496	10.910
<b>Provisions recognised in the income statement</b>	<b>46.536</b>	<b>13.963</b>	<b>17.496</b>	<b>10.910</b>

Provisions made comprise expected cost related to closure of the production in UK and warranty commitments related to goods sold, since the company has a contractual obligation to provide warranties up to 24 months. Under these warranties the company either replace or repair goods which do not function according to promised standards. The statement of expected expiry dates is based on historical data and previous experience related to the typical receipt or return of goods.

The provision for the restructuring in the UK amounts to MDKK 24.4 and the provision for warranty amounts to MDKK 33.4.

The historical return rate of warranty units in 2025 was on average 8,7 months, compared to 10,5 months in 2024.

26 ADJUSTMENT FOR NON-CASH TRANSACTIONS (TDKK)	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Purchase of intangible assets	-619	-295	-583	-295
Of which had not been paid at the balance sheet date/adjustment for the year	0	137	0	137
<b>Amount paid in relation to intangible assets</b>	<b>-619</b>	<b>-158</b>	<b>-583</b>	<b>-158</b>
Purchase of property, plant and equipment	-23.000	-58.016	-61	-4.025
Of which had not been paid at the balance sheet date/adjustment for the year	0	244	0	244
<b>Amount paid in relation to purchase of property, plant and equipment</b>	<b>-23.000</b>	<b>-57.772</b>	<b>-61</b>	<b>-3.781</b>
Incurring financial liabilities	30.032	42.714	234	34.902
Of which lease debt	-28.483	-9.680	-234	-1.868
<b>Proceeds from incurring financial liabilities</b>	<b>1.549</b>	<b>33.034</b>	<b>0</b>	<b>33.034</b>

27 CHANGES IN WORKING CAPITAL (TDKK)	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Change in inventories	54.617	-115.023	-18.880	-18.353
Change in receivables and other receivables	595	35.774	-27.827	33.984
Change in trade payables and other payables	-54.018	27.575	35.440	-106.307
<b>Changes in working capital in total</b>	<b>1.194</b>	<b>-51.674</b>	<b>-11.267</b>	<b>-90.676</b>

## 28 FINANCIAL ASSETS AND LIABILITIES (TDKK)

The maturity profile of financial assets and liabilities is disclosed below according to category and class distributed on period to maturity. All interest payments on and repayments of financial assets and liabilities are based on contracts.

At 31 December 2025 exchange rate contracts have been applied for hedging of cash flows covering future periods. The hedging relates to BA Groups purchase of finished goods in USD and internal trade of finished goods in PLN. All contracts are expected to expire - and thus affect results - in the financial year 2026. Derivatives are disclosed in note 30.

### CONSOLIDATED

2025	Carrying amount	Fair value	0-1 years	1-5 years	> 5 years	Total cash flow
Trade receivables	271.739	271.739	271.739	0	0	271.739
Other receivables	46.500	46.500	41.227	10.563	0	51.790
Cash in hand and in bank	30.653	30.653	30.653	0	0	30.653
<b>Receivables measured at amortised cost</b>	<b>348.892</b>	<b>348.892</b>	<b>343.619</b>	<b>10.563</b>	<b>0</b>	<b>354.182</b>
Derivative financial assets (level 2)	5.290	5.290	5.290	0	0	5.290
<b>Financial derivatives used for hedging purposes</b>	<b>5.290</b>	<b>5.290</b>	<b>5.290</b>	<b>0</b>	<b>0</b>	<b>5.290</b>
<b>Total financial assets</b>	<b>354.182</b>	<b>354.182</b>	<b>348.909</b>	<b>10.563</b>	<b>0</b>	<b>359.472</b>
Interest bearing debt	32.529	32.529	2.640	6.402	24.251	33.294
Lease liabilities	56.361	55.249	27.908	32.306	24.251	84.466
Payables to related parties	673.568	673.568	673.568	0	0	673.568
Trade payables	177.194	177.194	177.194	0	0	177.194
Other payables	364.135	364.135	298.218	65.917	0	364.135
<b>Financial liabilities measured at amortised cost</b>	<b>1.303.787</b>	<b>1.302.675</b>	<b>1.179.529</b>	<b>104.625</b>	<b>48.502</b>	<b>1.332.657</b>
Derivative financial liabilities (level 2)	0	0	0	0	0	0
<b>Financial derivatives used for hedging purposes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total financial liabilities</b>	<b>1.303.787</b>	<b>1.302.675</b>	<b>1.179.529</b>	<b>104.625</b>	<b>48.502</b>	<b>1.332.657</b>

Non-contractual items such as accruals and deferred income are excluded from other receivables and other debt.

Due to the short term nature of trade receivables and trade payables as well as other receivables and other debt falling due within 1 year, their carrying amount are considered to be approximately the same as their fair value.

**28 FINANCIAL ASSETS AND LIABILITIES (TDKK)**

(Continued)

**CONSOLIDATED**

<b>2024</b>	<b>Carrying amount</b>	<b>Fair value</b>	<b>0-1 years</b>	<b>1-5 years</b>	<b>&gt; 5 years</b>	<b>Total cash flow</b>
Trade receivables	305.405	305.405	305.405	0	0	305.405
Other receivables	54.331	54.331	41.947	13.142	0	55.089
Cash in hand and in bank	22.033	22.033	22.033	0	0	22.033
<b>Receivables measured at amortised cost</b>	<b>381.769</b>	<b>381.769</b>	<b>369.385</b>	<b>13.142</b>	<b>0</b>	<b>382.527</b>
Derivative financial assets (level 2)	3.863	3.863	3.863	0	0	3.863
<b>Financial derivatives used for hedging purposes</b>	<b>3.863</b>	<b>3.863</b>	<b>3.863</b>	<b>0</b>	<b>0</b>	<b>3.863</b>
<b>Total financial assets</b>	<b>385.632</b>	<b>385.632</b>	<b>373.248</b>	<b>13.142</b>	<b>0</b>	<b>386.390</b>
Interest bearing debt	32.279	32.279	1.310	4.410	27.721	33.441
Lease liabilities	52.797	52.797	25.755	33.372	0	59.128
Payables to related parties	661.993	661.993	625.324	0	0	625.324
Trade payables	256.398	256.398	256.398	0	0	256.398
Other payables	358.468	358.468	294.048	64.420	0	358.468
<b>Financial liabilities measured at amortised cost</b>	<b>1.361.935</b>	<b>1.361.935</b>	<b>1.202.835</b>	<b>102.203</b>	<b>27.721</b>	<b>1.332.759</b>
Derivative financial liabilities (level 2)	0	0	0	0	0	0
<b>Financial derivatives used for hedging purposes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total financial liabilities</b>	<b>1.361.935</b>	<b>1.361.935</b>	<b>1.202.835</b>	<b>102.203</b>	<b>27.721</b>	<b>1.332.759</b>

**PARENT COMPANY**

<b>2025</b>	<b>Carrying amount</b>	<b>Fair value</b>	<b>0-1 years</b>	<b>1-5 years</b>	<b>&gt; 5 years</b>	<b>Total cash flow</b>
Trade receivables	195.016	195.016	195.016	0	0	195.016
Receivables from related parties	571.089	571.089	15.339	63.447	708.519	787.305
Other receivables	8.376	8.376	8.376	0	0	8.376
Cash in hand and in bank	9.602	9.602	9.602	0	0	9.602
<b>Receivables measured at amortised cost</b>	<b>784.083</b>	<b>784.083</b>	<b>228.333</b>	<b>63.447</b>	<b>708.519</b>	<b>1.000.299</b>
Derivative financial assets (level 2)	5.290	5.290	5.290	0	0	5.290
<b>Financial derivatives used for hedging purposes</b>	<b>5.290</b>	<b>5.290</b>	<b>5.290</b>	<b>0</b>	<b>0</b>	<b>5.290</b>
<b>Total financial assets</b>	<b>789.373</b>	<b>789.373</b>	<b>233.623</b>	<b>63.447</b>	<b>708.519</b>	<b>1.005.589</b>
Lease liabilities	1.006	1.006	806	226	0	1.032
Payables to related parties	916.339	916.339	842.218	5.688	96.493	944.398
Trade payables	29.766	29.766	29.766	0	0	29.766
Other payables	211.081	211.081	164.936	46.145	0	211.081
<b>Financial liabilities measured at amortised cost</b>	<b>1.158.191</b>	<b>1.158.191</b>	<b>1.037.725</b>	<b>52.059</b>	<b>96.493</b>	<b>1.186.277</b>
Contingent consideration (level 3)	0	0	0	0	0	0
<b>Financial derivatives used for hedging purposes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total financial liabilities</b>	<b>1.158.191</b>	<b>1.158.191</b>	<b>1.037.725</b>	<b>52.059</b>	<b>96.493</b>	<b>1.186.277</b>

Non-contractual items such as accruals and dererred income are excluded from other receivables and other debt.

Due to the short term nature of trade receivables and trade payables as well as other receivables and other debt falling due within 1 year, their carrying amount are considered to be approximately the same as their fair value.

**28 FINANCIAL ASSETS AND LIABILITIES (TDKK)**

(Continued)

**PARENT COMPANY**

<b>2024</b>	<b>Carrying amount</b>	<b>Fair value</b>	<b>0-1 years</b>	<b>1-5 years</b>	<b>&gt; 5 years</b>	<b>Total cash flow</b>
Trade receivables	169.738	169.738	169.738	0	0	169.738
Receivables from related parties	621.525	621.525	11.364	362.093	407.837	781.294
Other receivables	2.901	2.901	2.901	0	0	2.901
Cash in hand and in bank	1.544	1.544	1.544	0	0	1.544
<b>Receivables measured at amortised cost</b>	<b>795.708</b>	<b>795.708</b>	<b>185.547</b>	<b>362.093</b>	<b>407.837</b>	<b>955.477</b>
Derivative financial assets (level 2)	1.327	1.327	1.327	0	0	1.327
<b>Financial derivatives used for hedging purposes</b>	<b>1.327</b>	<b>1.327</b>	<b>1.327</b>	<b>0</b>	<b>0</b>	<b>1.327</b>
<b>Total financial assets</b>	<b>797.035</b>	<b>797.035</b>	<b>186.874</b>	<b>362.093</b>	<b>407.837</b>	<b>956.804</b>
Lease liabilities	1.942	1.942	1.085	938	0	2.023
Payables to related parties	810.638	810.638	750.125	13.243	76.365	839.733
Trade payables	26.057	26.057	26.057	0	0	26.057
Other payables	222.396	175.277	175.277	47.119	0	222.396
<b>Financial liabilities measured at amortised cost</b>	<b>1.061.033</b>	<b>1.013.914</b>	<b>952.544</b>	<b>61.300</b>	<b>76.365</b>	<b>1.090.209</b>
Contingent consideration (level 3)	0	0	0	0	0	0
<b>Financial derivatives used for hedging purposes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total financial liabilities</b>	<b>1.061.033</b>	<b>1.013.914</b>	<b>952.544</b>	<b>61.300</b>	<b>76.365</b>	<b>1.090.209</b>

## 29 FINANCIAL RISKS (TDKK)

### GROUP RISK MANAGEMENT

BA Group actively monitors and manages financial risks to which the Group is exposed through its operations, investments and financing activities. The financial risk management covers all areas of the business such as raw material price risk, foreign exchange risk, interest rate risk, credit risk, liquidity risk and the capital structure of the Group.

### RAW MATERIAL PRICE RISK

The raw material risk relates to the risk of changes in the market prices of raw materials, the cores, to which BA Group is exposed. The development in raw material prices not only affect the direct cost of purchasing the cores for production, but also the value of the net core liability to customers accounted for in the balance sheet.

The potential impact on the financial results may be of a significant size, since the price change of the cores can not immediately be transferred to the sales prices. The development of the prices in the unregulated core market are therefore monitored continuously and closely, since the timing of the core purchases are of the essence, both in regards to the required quantities and prices. The skills and market knowledge of the core purchasers are thus very crucial to reduce this raw material price risk.

A reduction in the core market price will result in a short term loss for the Group due to the change in the purchase obligation to the customers, but will in the longer perspective reduce the cost price of the raw materials thus affecting the result positively. The opposite is also applicable.

The raw material risk for the Group is considered medium and the potential impact high on both the Groups results and equity.

The following table shows the groups and parent companies sensitivity to changes in raw material prices of cores:

### CONSOLIDATED

	Change	2025	2024
Revenue	+5%	41.001	40.144
Profit for the year/Equity	+5%	26.665	23.969

The opposite effect will impact revenue and profit for the year/equity per a 5% decrease in the raw material prices.

### PARENT COMPANY

	Change	2025	2024
Revenue	+5%	32.304	32.051
Profit for the year/Equity	+5%	22.651	20.318

The opposite effect will impact revenue and profit for the year/equity per a 5% decrease in the raw material prices.

### FOREIGN CURRENCY RISK

BA Group's presentation currency is DKK, but a large part of the Groups activities and investments is dominated in other currencies. The Group is with reference to the high intercompany trading of both cores and finished goods therefore exposed to the exchange rate risk when trading in PLN, EUR and GBP respectively and as well exposed to the USD when purchasing finished goods from China. Consequently there is an inherent risk of exchange rate fluctuations impacting both profits and the financial position in DKK.

As a main rule, BA Group hedges significant foreign exchange risks regarding in- and out going payments in foreign currencies in accordance with the Group hedging policy. The sensitivity analysis shows the impact on the income statement and equity from likely changes in the exchange rates for the currencies where a risk is identified.

## 29 FINANCIAL RISKS (TDKK)

(Continued)

The largest currency risk exposures for the BA Group and the Parent Company is the purchase of goods from the subsidiary in Poland in PLN as well as the purchase of finished goods from China in USD by the Newman business. As a safeguard to this exposure a “rolling” hedge strategy is applied by the Group Management, where the expected requirements of PLN and USD on a rolling 12 months basis is hedged. EUR cash flows are not hedged due to the Danish fixed exchange rate policy against EUR, while the GBP exposure relates mainly to internal sales of a more limited size and are therefore not hedged.

The parent company also incur the foreign exchange risk related to Intercompany loans with subsidiaries which are in the local currency of the subsidiaries and the risk relate to the net investments in foreign subsidiaries. This risk is not hedged.

The foreign exchange risk is considered low, but the potential impact on profits /(losses) and financial position are considered medium.

Below for both BA Group and the parent company is illustrated the most significant foreign exchange exposures at year-end:

### CONSOLIDATED

The Group's significant foreign exchange risks recognised in the balance sheet at 31 December 2025:

Currency	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Hedged by financial instruments	Net position after hedging
EUR / DKK	2.208	505.908	-1.020.804	-512.688	0	-512.688
EUR / GBP	6.447	21.727	-2.849	25.325	0	25.325
EUR / PLN	1.773	36.950	-37.297	1.426	0	1.426
EUR / TND	0	9.851	-8.907	944	0	944
PLN / DKK	12.078	281.624	-374.503	-80.801	81.243	442
PLN/EUR	853	9.231	-40.567	-30.483	0	-30.483
GBP / DKK	313	14.991	-45.698	-30.394	0	-30.394
GBP / EUR	831	14.585	-5.147	10.269	0	10.269
USD /DKK	1.377	0	-16.276	-14.899	12.690	-2.209
NOK / DKK	0	-979	-5.059	-6.038	0	-6.038
USD / PLN	302	0	-22.506	-22.204	0	-22.204
USD / EUR	0	0	-20.695	-20.695	0	-20.695

The group's foreign exchange risks recognised in the balance sheet at 31 December 2024:

Currency	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Hedged by financial instruments	Net position after hedging
EUR / DKK	171	485.523	-607.578	-121.884	0	-121.884
EUR / GBP	59	21.495	-9.867	11.687	0	11.687
GBP / DKK	400	22.315	-21.183	1.532	0	1.532
PLN / DKK	1.992	320.462	-148.005	174.449	51.432	225.881
USD /DKK	582	0	-17.758	-17.176	27.174	9.998
NOK / DKK	0	1.560	-7.142	-5.582	0	-5.582
USD / PLN	1	0	-5.200	-5.199	0	-5.199
USD / EUR	1	0	-20.852	-20.851	0	-20.851
GBP / EUR	0	10.977	0	10.977	0	10.977

### Sensitivity of currency risk

To measure currency risk in accordance with IFRS 7, sensitivity is calculated as the change in fair value of future cash flow from financial instruments as a result of fluctuations in exchange rates at the Balance Sheet date. Below analysis includes the effect on profit after tax on a 5% increase in the exchange rates, all other things being equal. A 5% decrease are expected to have a corresponding inverse effect.

Due to the DKK being fixed to the EUR, significant fluctuations on this exposure are not included in the sensitivity analysis below, since it is considered immaterial.

	Change	2025	2024
PLN/DKK	+ 5%	-17	-717
GBP/EUR	+ 5%	-400	-427
GBP/DKK	+ 5%	1.185	-646
EUR /GBP	+ 5%	-988	-865
EUR/TND	+ 5%	-37	701
USD/PLN	+ 5%	#N/A	1.076
USD /EUR	+ 5%	#N/A	1.472

## 29 FINANCIAL RISKS (TDKK)

(Continued)

### PARENT COMPANY

The Parent Company's significant foreign exchange risks recognised in the balance sheet at 31 December 2025:

Currency	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Hedged by financial instruments	Net position after hedging
EUR / DKK	2	466.603	-809.649	-343.044	0	-343.044
GBP / DKK	3	14.716	-45.687	-30.968	0	-30.968
NOK / DKK	0	-979	-5.059	-6.038	0	-6.038
CNY / DKK	4	0	-54	-50	0	-50
PLN / DKK	9.487	281.624	-374.474	-83.363	81.243	-2.120

The Parent Company's foreign exchange risks recognised in the balance sheet at 31 December 2024:

Currency	Securities and cash/ equivalents	Receivables	Debt	Net position before hedging	Hedged by financial instruments	Net position after hedging
EUR / DKK	3	446.747	-541.041	-94.291	0	-94.291
GBP / DKK	3	20.734	-21.183	-446	0	-446
USD / DKK	0	0	-1.660	-1.660	0	-1.660
NOK / DKK	0	1.560	-7.142	-5.582	0	-5.582
PLN / DKK	694	320.462	-147.863	173.293	51.432	224.725

#### Sensitivity of currency risk

Below analysis includes the effect on profit after tax on a 5% increase in the exchange rates for the Parent company, all other things being equal. A 5% decrease are expected to have a corresponding inverse effect.

Due to the DKK being fixed to the EUR, significant fluctuations on this exposure are not included in the sensitivity analysis below.

	Change	2025	2024
PLN / DKK	+5%	83	-700
GBP / DKK	+5%	1.208	-595

### INTEREST RATE RISK

BA Groups interest rate risk related to interest-bearing debt and interest-bearing assets. The Groups interest-bearing assets and debt relates mainly to deposits and borrowings with the parent company (Schouw & Co.) in the form of cash-pool accounts and to a minor extent to deposits or borrowings with local external banks as well as leasing obligations towards external leasing companies and mortgage debt. As of 31 December 2025 interest-bearing assets amounted to TDKK 30.725 (2024: TDKK 22.105) and interest-bearing debt of TDKK 762.458 (2024: TDKK 713.166).

The interest rate risk is not hedged, but the risk and threat is considered medium, primarily as a result of the financing of the activities in Poland.

Below tables shows the sensitivity to changes in the interest rates as per Net Interest-bearing debt (NIBD) balance as per 31

### CONSOLIDATED

	Change	2025	2024
Profit for the year	+1%	-5.813	-5.489
Equity	+1%	-5.813	-5.489

The opposite effect will impact revenue and profit for the year/equity per a 5% decrease in the interest rates.

**29 FINANCIAL RISKS (TDKK)**

(Continued)

**PARENT COMPANY**

	Change	2025	2024
Profit for the year	+1%	1.837	1.023
Equity	+1%	5.594	5.310

The parent company have large receivable intercompany loans with subsidiaries which impact the profit before tax positively and thus offset the negative impact of changes in interest rates.

**CREDIT RISK**

BA Group is exposed to credit risks arising from receivables and from balances with banks including derivative financial instruments. Risks related to receivables are primarily with reference to external customers not fulfilling their contractual obligations. Credit risk with banks occur when it is uncertain whether the bank is capable of settling its obligations when due towards the Group.

The credit risk in relation to customers (trade receivables) is countered by Group policy, with effective management of customer credit and thorough regular analyses based on customer type, country, and specific conditions. Generally, customers are creditworthy and historically only a small and insignificant losses has been realized. Additionally external credit insurance are generally used on all customers if possible, which together with the possibility to offset outstanding deposits (core liability) on the outstanding amounts from customers reduces the risk of losses significantly on a large part of the customer base. The risk of losses is therefore considered low which is illustrated by the very insignificant losses incurred.

Trade receivables can be specified as follows:

	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Not overdue	191.758	238.291	141.223	154.993
Due below 30 days	53.121	26.855	38.606	13.650
Due between 31 and 90 days	17.014	7.537	12.410	724
Due above 90 days	18.173	3.336	2.777	371
<b>Trade receivables before allowance</b>	<b>280.066</b>	<b>276.019</b>	<b>195.016</b>	<b>169.738</b>
Impairment	-8.327	-7.838	0	0
<b>Total trade receivables</b>	<b>271.739</b>	<b>268.181</b>	<b>195.016</b>	<b>169.738</b>
Proportion of the total receivables which is expected to be settled	97,0%	97,2%	100,0%	100,0%
Impairment rate	3,0%	2,8%	0,0%	0,0%

The impairment of TDKK 8.327 (consolidated) relates primarily to trade receivables due above 30 and 90 days with the Newman business.

	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
<b>Impairment losses on trade receivables</b>				
Impairment losses at 1 January	-7.838	-7.467	0	-172
Exchange rate adjustment	-17	-9	0	0
Impairment losses during the year	-520	-730	-1	212
Realised loss	48	368	1	-40
<b>Impairment losses at 31 December</b>	<b>-8.327</b>	<b>-7.838</b>	<b>0</b>	<b>0</b>

The risk credit risk related to deposits on the cash pool accounts with Schouw & Co. via Danske bank as well as receivables from the subsidiaries by the parent company are considered low.

The overall credit risk of the BA Group is considered to be low.

## 29 FINANCIAL RISKS

(Continued)

### LIQUIDY RISK

Liquidity is managed centrally and is continuously monitored and assessed, to ensure that financial resources are available in all BA Group companies at any given time.

At year-end 2025 the Groups liquidity reserve consist of both cash at hand, deposits at credit institutions, mortgage debt and cash pool accounts which amount to TDKK 147.995, of which TDKK 61.239 are cash-pool deposits. Based on the available facilities from the ultimate parent company Schouw & Co., sufficient liquidity is considered to be in place.

It is the Management's opinion that the Group has sufficient financial resources to settle its outstanding obligations as they become due, and the liquidity risk of BA Group is considered to be low.

### CAPITAL STRUCTURE

The BA Group Management monitors the capital structure of all legal entities within the Group and takes adequate measures to ensure it is capitalised in the best interest of the Group and its shareholders. The overall objective is to ensure a continued development and of BA Group which support the Groups strategy and growth ambitions.

BA Group is predominately financed by resources of the parent company Schouw & Co. as well as a number of committed and to a lesser extent uncommitted credit facilities. The available facilities are continuously reviewed and the ultimate parent company Schouw & Co. provides the adequate funds required for the Group to support the BA Group.

## 30 DERIVATIVE FINANCIAL INSTRUMENTS (TDKK)

BA Group uses forward contracts to hedge specific currency exposure related to the purchase of raw materials (cores) and finished goods. Hedging contracts are not entered into for speculative purposes, but are only used to reduce the exposure to changes in exchange rates relates to purchase or sales transactions.

### CONSOLIDATED

Currency	Period	Contractual value in currency		Average price		Gains and losses recognized in the equity	
		2025	2024	2025	2024	2025	2024
PLN/EUR	0-1 year	165.500	230.000	4,3546	4,4112	5.289	1.326
USD/EUR	0-1 year	10.000	10.000	1,1635	0,9070	-1.356	2.536
Tax						-864	-849
<b>Total after tax</b>						<b>3.069</b>	<b>3.013</b>

### PARENT COMPANY

Currency	Period	Contractual value in currency		Average price		Gains and losses recognized in the equity	
		2025	2024	2025	2024	2025	2024
PLN/EUR	0-1 year	165.500	230.000	4,3546	4,4112	5.289	1.326
Tax						-1.164	-292
<b>Total after tax</b>						<b>4.125</b>	<b>1.034</b>

**31 CONTINGENT LIABILITIES AND GUARANTEES  
(TDKK)**

	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
<b>Guarantees</b>				
As security for the engagement with mortgage institutions, mortgage deeds have been issued with a total value at year-end of	33.710	33.710	33.710	33.710
The value of the related assets amounts to the following	57.402	58.516	57.402	59.975
Debt to the mortgage-institution at year-end amounted to	30.979	32.279	30.979	32.279
Borg Automotive A/S have issued a mortgage deed, which is in the possession of the company. The mortgage deed amounts to:	35.000	35.000	35.000	35.000
Borg Automotive A/S have issued a guarantee towards HMRC in UK related to postponed VAT accounting, a total of TGBP 900. The guarantee in TDKK amounts to:	7.719	8.094	7.719	8.094
As security for the engagement with an external supplier a subsidiary in BA Group have issued a bankguarantee of TEUR 270 with a total value at year-end of:	2.016	2.013	0	0

The company is predominately financed by resources of the parent company Schouw & Co. as well as a number of committed and to a lesser extent uncommitted credit facilities.

The parent company's source of financing is primarily composed of a syndicated banking facility, which in December 2020 was refinanced with a total facility framework of DKK 3,275 million. The facility expires April 2027 and has an outstanding of DKK 1.145 million.

In April 2019 and in November 2023, Schouw & Co. issued Schuldschein transactions of EUR 136 million, and EUR 225 million. The amount outstanding on the Schuldscheins is EUR 58 million (DKK 359 million) which expires in April 2026, November 2026, November 2028 and November 2030.

In December 2021, a loan was established for a total of DKK 400 million with Nordic Investment Bank for specific capacity and development investments. The loan is amortizing and has an outstanding of DKK 267 million and expires in December 2028.

In June 2024, Schouw & Co. issued a bond in the Norwegian bond market with a nominal value of NOK 1,300 million. The bond was further supplemented with an additional NOK 500 million in September 2024 to a total of NOK 1,800 million (DKK 1,161 million). To eliminate any currency risk, the nominal amount and all future interest payments is swapped to DKK.

In 2025, Schouw & Co. established a series of term loans totaling DKK 1,500 million with expiry in April 2027.

The company, like other major subsidiaries in Schouw & Co., co-guarantees the aforementioned facilities totaling DKK 6,561 million, where of DKK 4,432 million is utilized per 31/12-2025.

	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
The following amount was drawn on the credit facilities as mentioned above at year-end	704.155	654.023	694.770	648.098
<b>Contractual commitments</b>				
BA Group have committed to the purchase of assets in the next year of the following amounts:	0	1.758	0	0
A subsidiary in the Group have entered into an agreement with a third-party regarding packaging operations in Poland. At year-end the obligation amounts to:	4.674	525	0	0

### 31 CONTINGENT LIABILITIES AND GUARANTEES

(Continued)

#### Joint taxation liability

Borg Automotive A/S is jointly taxed with the other danish companies of Schouw & Co. Group. According to the joint taxation provisions of the Danish Corporation Tax Act, the company is therefore liable for income taxes etc. for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies. Schouw & Co. serves as the administration company in a Danish joint taxation agreement.

### 32 RELATED PARTIES (TDKK)

The Parent Company of BA Group, Borg Automotive A/S is owned 100% by Aktieselskabet Schouw & Co.

All companies within the Schouw & Co.Group including BA Group companies are considered related parties.

Additionally members of the Board of Directors, Executive management as well as their family members are considered related parties.

Furthermore, related parties are companies in which the above mentioned group of people has significant interests.

Transactions between companies within the BA Group and other entities within the Schouw & Co. Group are included below:

	CONSOLIDATED		PARENT COMPANY	
	2025	2024	2025	2024
Sale of goods to subsidiaries	0	0	224.392	252.608
Purchase of goods from subsidiaries	0	0	1.078.055	1.084.156
Sales of services to subsidiaries	0	0	60.679	48.783
Purchase of services from subsidiaries	0	0	15.252	12.892
Sales of fixed assets to subsidiaries	0	0	0	31
Purchase of research and development from subsidiaries	0	0	16.935	16.827
Royalty income from subsidiaries	0	0	2.126	2.888
Royalty payment to subsidiaries	0	0	0	10.140
Sales storage financing	0	0	45	0
Storage financing	0	0	31.231	32.112
Interests paid to subsidiaries	0	0	4.156	3.213
Interests paid to parent company	46.355	46.435	45.834	45.841
Interests received from subsidiaries	0	0	39.002	40.407
Interests received from parent company	626	1.024	3	17
Management fee paid to parent company	2.600	2.000	2.600	2.000
Dividend received from subsidiaries	0	0	0	7.457
Receivables from subsidiaries	0	0	571.089	621.525
Payables to subsidiaries	0	0	221.569	162.540
Payables to parent company	673.568	625.324	694.770	648.098

The consolidated figures of BORG Automotive Group is included in the consolidated financial statements of the ultimate parent company Aktieselskabet Schouw & Co., Aarhus, Denmark, CVR no: 63 96 58 12.

The consolidated financial accounts for Schouw & Co. is publicly available and can be acquired at the following website:

[www.schouw.dk](http://www.schouw.dk)