Intra-group restructuring

Scandinavian Brake Systems A/S has carried out an intra-group restructuring in which Scandinavian Brake Systems A/S transfers 89% of its shares in the German subsidiary SBS Deutschland GmbH to the Danish subsidiary SBS Automotive A/S, after which SBS Deutschland GmbH becomes a subsidiary of SBS Automotive A/S. There will be no changes to functions, assets and risks (daily operation) in the individual companies.

The purpose of the transfer is to gather the SBS Automotive activities under SBS Automotive A/S with a view to obtaining a more optimal and clearer group structure, which was mentioned in stock exchange announcement no. 8-2012. German legislation on intra-group transactions of companies is the reason why only 89% of the shares in SBS Deutschland GmbH have been transferred.

The intra-group transfer of 89% of the shares in SBS Deutschland GmbH is carried out at market value. The management has assessed the enterprise value (value on a debt-free basis) of the shares at DKK 112.6 million. The valuation is based on a valuation report prepared by a recognised corporate finance company.

The accounting consequences of the transaction for Scandinavian Brake Systems A/S are as follows: the consolidated financial statements are not affected by the transaction, while the parent company’s financial statements are affected by an income of DKK 91.2 million in the income statement and a corresponding increase in equity, as the accounting policies applied by Scandinavian Brake Systems A/S use cost for the recognition and measurement of subsidiaries. After the transaction, the equity of the parent company is positive and amounts to around DKK 60-65 million.

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