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MAT DANIA APS
MARKEDSVEJ 21, 9600 AARS
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2021

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 25 April 2022.**

George Michael Ruhl

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 11 79 39 91

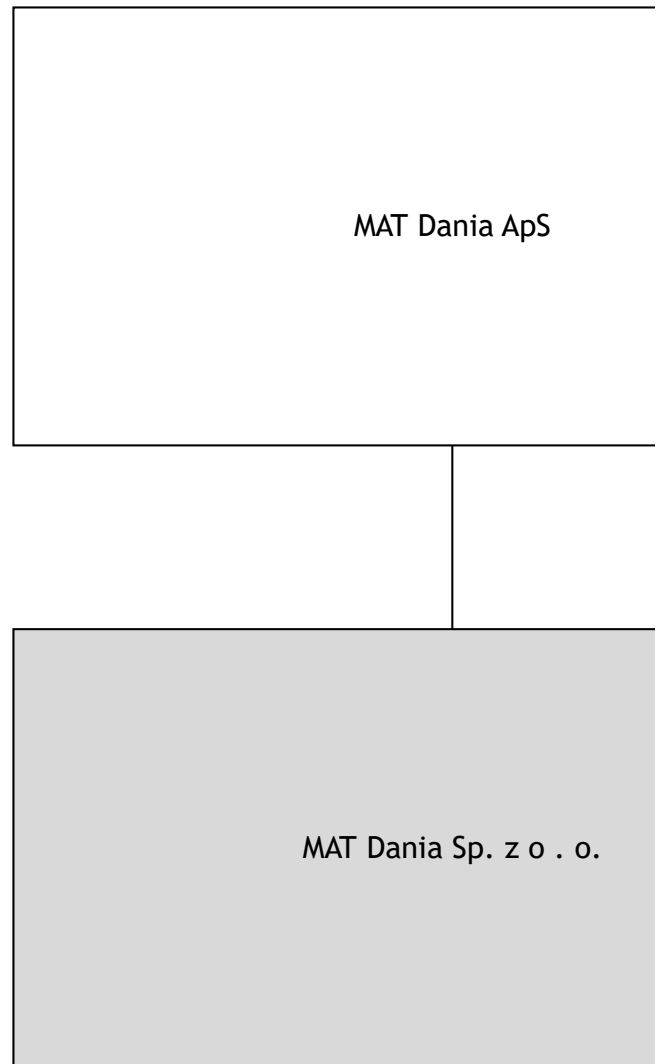
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COMPANY DETAILS

Company	MAT Dania ApS Markedsvej 21 9600 Aars CVR No.: 11 79 39 91 Established: 11 December 1987 Municipality: Vesthimmerlands Financial Year: 1 January - 31 December
Board of Directors	George Michael Ruhl, chairman Thomas Krosnar Hana Krosnar Jessica Wang Olsson Bent Adolf Antonsen, elected by employees Carsten Hald, elected by employees
Executive Board	Jørn Krogager Henriksen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Nordea Bank Danmark A/S Prinsensgade 15 9000 Aalborg

GROUP STRUCTURE



MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of MAT Dania ApS for the financial year 1 January - 31 December 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2021 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2021.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aars, 25 April 2022

Executive Board

Jørn Krogager Henriksen

Board of Directors

George Michael Ruhl
Chairman

Thomas Krosnar

Hana Krosnar

Jessica Wang Olsson

Bent Adolf Antonsen
Elected by employees

Carsten Hald
Elected by employees

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of MAT Dania ApS

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of MAT Dania ApS for the financial year 1 January - 31 December 2021, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies for both the Group and the Parent Company. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2021 and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company" 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

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

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance 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.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

INDEPENDENT AUDITOR'S REPORT

Copenhagen, 25 April 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ole C. K. Nielsen
State Authorised Public Accountant
MNE no. mne23299

FINANCIAL HIGHLIGHTS OF THE GROUP

	2021 DKK mill.	2020 DKK mill.	2019 DKK mill.	2018 DKK mill.	2017 DKK mill.
Income statement					
Net revenue.....	343	263	324	342	280
Operating profit/loss of main activities...	5	3	-1	7	11
Financial income and expenses, net.....	-2	-3	-2	-2	1
Profit/loss for the year.....	1	0	-2	4	9
Balance sheet					
Total assets.....	261	236	248	252	210
Equity.....	110	108	109	111	106
Invested capital.....	190	191	206	196	172
Cash flows					
Cash flows from operating activities.....	9	21	15	11	-9
Cash flows from investing activities.....	-8	2	-27	-35	-9
Cash flows from financing activities.....	-6	-1	15	5	-4
Investment in property, plant and equipment.....	0	0	0	0	8
Average number of full-time employees.....	376	410	431	427	368
Key ratios					
Operating margin.....	1,6	1,3	-0,3	2,1	3,9
Return on invested capital.....	1,9	0,2	-1,2	2,7	7,3
Equity ratio.....	42,0	45,9	44,0	43,9	50,5
Return on equity.....	0,9	22,7	-1,0	4,1	8,6

FINANCIAL HIGHLIGHTS OF THE GROUP

The ratios stated in the list of key figures and ratios have been calculated as follows:

Invested capital:	$\frac{\text{Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities}}{\text{Net revenue}}$
Operating margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$
Return on invested capital:	$\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$
Equity ratio:	$\frac{\text{Equity ex. minorities, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities

The company's main activity is manufacturing and sales of customer specified machine molded iron castings, supplied as raw castings, machined castings or ready for assembly goods.

Further the company supplies mainly to the factories of large international companies in northern Europe. Our customers typically supply their products, including MAT Dania components, to the global market. The components are primarily supplied to the segments; Hydraulics, Commercial Vehicles, and Machine Components.

Development in activities and financial and economic position

Turnover

The foundry activities showed vs. 2020 index 129,8 while the machine shop activities index 129,8. Total 66 % of the sales were to customers outside Denmark.

Market Development

The hydraulic market in Europe came out very strong in 2021 after the Covid-19 pandemic 2020. Significant new projects were won in the recent years have contribute to the highest order intake the history of the company. Especially the machine shop in Poland had strong development in 2021 and will with a new strategy contribute strong to the future development of MAT Dania Group.

Since the beginning of 2021 we have seen an important rebound in the global economy that has significantly stressed the pressure on raw materials, but also more broadly on our supply chain. This includes the disruption of international logistic routes, energy and fuel price increases as well as material shortages. All this has resulted in massive price increases from the supplier base. Due to the fact MAT Dania has surcharges agreements with our customers, including quarterly price updates we are financial compensated.

After the pandemic the current upswing situation in 2020 has hugely disrupted the labor market. Particularly in Norden Part of Denmark the unemployment rate is very low, and as result there has been started different projects to compensate for the labor situation with impact early 2022.

Equity and liquidity

Equity increased by 1,36 m DKK and solidity decreased from 51,6% to 47,4

Organization and Management

The main strategy for the company is profitable growth, operational savings, and KPI improvements. The strategies also have major focus on improving customer relations.

The organization works systematically with comprehensive improvement and development activities according to specific strategy and business plans.

The average number of employees increased from 410 to 421 for the MAT Dania group.

Environmental situation

MAT Dania has obtained energy ISO standard 50001. The system supporting and guiding the management in order to maintain and optimize the energy consumption in the company.

The company meets the requirements provided in its environmental permit under the Environmental Code §5. A systematic effort is made to define, develop and implement environmental improvement activities specifically focused on energy conversation.

The company submits green accounts in accordance with applicable law.

Knowledge and Core Competencies

MAT Dania mainly sells complex and core intensive castings. The latest technology for casting simulation is used and the company collaborates with external research and development centers. Through the company's management system within quality, environmental and energy control, competencies for various functions are ensured.

MANAGEMENT COMMENTARY

Employee Relations

The company strive to create a workplace in which there is a mutual trust and respect and where every person feels responsible for the performance and reputation of our company. MAT Dania respects the individual and each other's rights, customs and traditions. We will work towards achieving a diverse workforce, recruiting, employing and promoting employees only on the basis of objective criteria and the qualifications for the job to be performed.

Profit/loss for the year compared to expectations

The group EBITDA was 18,9 m DKK and earnings 1,47 m DKK. The result was influenced by a significant price increases there significantly stressed the pressure on raw materials and supply chain. That also includes the disruption of international logistic routes, energy and fuel price increases as well as material shortages.

Under above circumstances we consider the result as satisfactory.

Significant events after the end of the financial year

In 2020, the COVID-19 pandemic had a significant impact, especially during the second quarter. Since day one of the pandemic, our priority has been to keep our people safe, support and service our customers, and adapt cost to the new reality. However, during third quarter we saw a slightly improvement and towards the end of the year, we experienced significant grew in the order book.

Future expectations

There is an expectation the turnover development in 2021, and the years to come will increase with 2-5 % yearly. The focus is a profitable business development.

With the current very strong order book, MAT Dania expects to continue to expand or maintain our market share, while maintaining or improving the profitability.

However, we might expect the war in Ukraine will bring uncertainties and decline in the demands in the second half of 2022.

We are also affected by the increasing prices on energy and raw material in 2022, but the prices are passed on to the sales prices in surcharges that are continuously calculated and adjusted acc. to contacts. This secures revenue for the increasing operating costs.

Overall, the Management of MAT Dania expects to improve the business performance in 2022 compared to 2021.

Corporate social responsibility (CSR) report

MAT Dania are committed to follow MAT friction Quality, Safety and Environment Policy, that is the foundation for a safe and secure workplace.

In 2021 MAT Dania started a process which aim to educate our employee to recognize and avoid accidents.

MAT Dania conduct employee satisfaction survey, and the results are stored in our quality system. www.matdania.com/dania/csr-policy/

Target figures and policy for the underrepresented gender

The company focuses on increasing the number of female managers and has established target figures for how many of the underrepresented gender should sit on the board of directors. Further the company has prepared policies to ensure the right composition of gender in the management generally.

Target Figures

The company did meet the objective of having a minimum of 20% female board members at the end of 2021.

MANAGEMENT COMMENTARY

Data Ethics

MAT Dania is committed to follow the guidelines described in MAT Dania Politic on Personal data Protection and General informational Security and MAT Global IT-Policy.

All employees are trained in GDPR rules, and IT systems is setup to meet the GDPR-regulative.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
NET REVENUE	1	342.587	263.072	340.043	262.073
Cost of sales.....		-182.763	-126.179	-219.115	-155.114
Other operating income.....		0	5.400	0	5.400
Other external expenses.....	2	-15.883	-12.584	-9.287	-7.663
GROSS PROFIT/LOSS		143.941	129.709	111.641	104.696
Staff costs.....	3, 4	-125.025	-112.440	-106.011	-96.437
Depreciation, amortisation and impairment.....		-13.519	-13.964	-8.636	-8.414
OPERATING PROFIT		5.397	3.305	-3.006	-155
Income from investments in subsidiaries.....		0	0	4.019	955
Other financial income.....	5	605	201	764	443
Other financial expenses.....		-2.403	-3.084	-1.096	-1.222
PROFIT BEFORE TAX		3.599	422	681	21
Tax on profit/loss for the year.....	6	-2.126	-182	792	219
PROFIT FOR THE YEAR	7	1.473	240	1.473	240

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Land and buildings.....		31.690	33.078	31.690	33.078
Production plants and machinery...		66.347	61.815	31.827	37.018
Other plants, machinery, tools and equipment.....		936	1.070	833	980
Tangible fixed assets in progress and prepayment.....		8.046	16.775	1.446	1.142
Property, plant and equipment...	8	107.019	112.738	65.796	72.218
Equity investments in group enterprises.....		0	0	18.612	14.708
Financial non-current assets.....	9	0	0	18.612	14.708
NON-CURRENT ASSETS.....		107.019	112.738	84.408	86.926
Raw materials and consumables....		14.286	10.216	13.814	9.739
Work in progress.....		8.285	5.692	7.839	5.357
Finished goods and goods for resale.....		29.071	29.160	25.409	25.904
Inventories.....		51.642	45.068	47.062	41.000
Trade receivables.....		92.729	69.057	92.187	68.903
Receivables from group enterprises.....		41	28	3.242	8.334
Other receivables.....		7.849	7.653	4.190	3.545
Receivables corporation tax.....		660	1.312	394	970
Receivables.....		101.279	78.050	100.013	81.752
Cash and cash equivalents.....		976	346	36	37
CURRENT ASSETS.....		153.897	123.464	147.111	122.789
ASSETS.....		260.916	236.202	231.519	209.715

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Share capital.....		15.500	15.500	15.500	15.500
Retained profit.....		94.149	92.790	94.149	92.790
EQUITY.....		109.649	108.290	109.649	108.290
Provision for deferred tax.....	10	8.172	8.571	8.172	8.571
PROVISIONS.....		8.172	8.571	8.172	8.571
Mortgage debt.....		14.437	16.588	14.437	16.588
Other bank debt.....		480	1.573	0	0
Lease liabilities.....		6.583	8.225	6.583	8.225
Other liabilities.....		9.502	9.812	9.502	9.812
Non-current liabilities.....	11	31.002	36.198	30.522	34.625
Mortgage debt.....		2.162	2.169	2.162	2.169
Bank debt.....		38.288	34.016	19.275	14.360
Lease debt.....		1.668	1.668	1.668	1.668
Trade payables.....		34.116	20.852	29.527	17.701
Payables to group enterprises.....		13.648	3.795	13.910	4.413
Corporation tax.....		266	0	0	0
Other liabilities.....		21.945	20.643	16.634	17.918
Current liabilities.....		112.093	83.143	83.176	58.229
LIABILITIES.....		143.095	119.341	113.698	92.854
EQUITY AND LIABILITIES.....		260.916	236.202	231.519	209.715
Contingencies etc.	12				
Charges and securities	13				
Related parties	14				

EQUITY

	Group		
	Share capital	Retained profit	Total
Equity at 1 January 2021.....	15.500	92.790	108.290
Proposed profit allocation, note 7.....		1.473	1.473
Other legal bindings			
Foreign exchange adjustments.....		-114	-114
Equity at 31 December 2021.....	15.500	94.149	109.649

	Parent Company		
	Share capital	Retained profit	Total
Equity at 1 January 2021.....	15.500	92.790	108.290
Proposed profit allocation, note 7.....		1.473	1.473
Other legal bindings			
Foreign exchange adjustments.....		-114	-114
Equity at 31 December 2021.....	15.500	94.149	109.649

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group		Parent Company	
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Profit/loss for the year.....	1.473	240	1.473	240
Depreciation and amortisation, reversed....	13.517	13.964	8.636	8.414
Profit/loss from subsidiaries.....	0	0	-4.019	-955
Tax on profit/loss, reversed.....	2.126	182	-792	-219
Corporation tax paid.....	-1.606	652	970	1.034
Change in inventories.....	-6.576	4.289	-6.062	3.099
Change in receivables (ex tax).....	-23.881	-3.599	-18.837	-3.918
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)..	24.423	6.223	20.041	6.565
Other cash flows from operating activities..	-114	-1.084	0	0
CASH FLOWS FROM OPERATING ACTIVITY..	9.362	20.867	1.410	14.260
Purchase of property, plant and equipment.	-7.798	-1.534	-2.214	-2.980
CASH FLOWS FROM INVESTING ACTIVITY...	-7.798	-1.534	-2.214	-2.980
Repayments of loans.....	-5.505	-815	-4.112	1.845
CASH FLOWS FROM FINANCING ACTIVITY...	-5.505	-815	-4.112	1.845
CHANGE IN CASH AND CASH EQUIVALENTS.	-3.941	18.518	-4.916	13.125
Cash and cash equivalents at 1. januar.....	-32.395	-50.913	-14.323	-27.448
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	-36.336	-32.395	-19.239	-14.323
Cash and cash equivalents at 31 December comprise:				
Cash and cash equivalents.....	976	347	36	37
Bank overdraft.....	-37.312	-32.742	-19.275	-14.360
CASH AND CASH EQUIVALENTS, NET DEBT.	-36.336	-32.395	-19.239	-14.323

NOTES

Note

	Group		Parent Company		
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000	
Net revenue					1
Segment details (geography)					
Revenue, Denmark.....	163.076	85.107	163.076	85.107	
Revenue, countries outside Denmark.....	179.511	177.965	176.967	176.966	
	342.587	263.072	340.043	262.073	
 Fee to statutory auditor					2
Samlet honorar:					
Specifikation af honorar:					
Statutory audit.....	230	230	200	200	
Other services.....	135	135	99	99	
	365	365	299	299	
 Staff costs					3
Average number of employees	376	410	246	285	
Wages and salaries.....	112.752	99.955	95.630	85.620	
Pensions.....	8.376	8.514	6.484	6.844	
Social security costs.....	3.897	3.971	3.897	3.971	
	125.025	112.440	106.011	96.435	
Remuneration of Management and Board of Directors.....	1.611	1.611	1.611	1.611	
	1.611	1.611	1.611	1.611	
 Special items					4
The company have in the year 2020 received a compensation package in Denmark from the Danish Authorities of TDKK 5.400 related to payroll.					
Payroll compensation.....	0	5.400	0	5.400	
	0	5.400	0	5.400	
 Other financial income					5
Group enterprises.....	1	0	160	244	
Other interest income.....	604	201	604	201	
	605	201	764	445	

NOTES

	Group		Parent Company		Note
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000	
Tax on profit/loss for the year					6
Calculated tax on taxable income of the year.....	2.524	-569	-394	-970	
Adjustment of deferred tax.....	-398	751	-398	751	
	2.126	182	-792	-219	
Proposed distribution of profit					7
Retained earnings.....	1.473	240	1.473	240	
	1.473	240	1.473	240	
Property, plant and equipment					8
			Group		
			Land and buildings	Production plants and machinery	
Cost at 1 January 2021.....			95.583	250.240	
Exchange adjustment.....			0	-324	
Additions.....			72	16.306	
Cost at 31 December 2021.....			95.655	266.222	
Depreciation at 1 January 2020.....			62.504	188.425	
Exchange adjustment.....			0	-169	
Depreciation for the year.....			1.461	11.619	
Depreciation and impairment losses at 31 December 2021...			63.965	199.875	
Carrying amount at 31 December 2021.....			31.690	66.347	
			Group		
			Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment	
Cost at 1 January 2021.....			9.068	17.460	
Exchange adjustment.....			-6	-102	
Additions.....			277	304	
Disposals.....			0	-9.616	
Cost at 31 December 2021.....			9.339	8.046	
Depreciation and impairment losses at 1 January 2021.....			7.997		
Exchange adjustment.....			-5		
Depreciation for the year.....			411		
Depreciation and impairment losses at 31 December 2021...			8.403		
Carrying amount at 31 December 2021.....			936	8.046	
Finance lease assets.....			10.018		

NOTES

Tangible fixed assets (continued)

Note

8

	Parent Company	
	Land and buildings	Production plants and machinery
Cost at 1 January 2021.....	95.583	198.437
Additions.....	72	1.667
Disposals.....	0	0
Cost at 31 December 2021.....	95.655	200.104
Depreciation at 1 January 2020.....	62.504	161.419
Reversal of depreciation of assets disposed of.....	0	0
Depreciation for the year.....	1.461	6.858
Depreciation and impairment losses at 31 December 2021...	63.965	168.277
Carrying amount at 31 December 2021.....	31.690	31.827
	Parent Company	
	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2021.....	8.127	1.142
Additions.....	170	304
Cost at 31 December 2021.....	8.297	1.446
Depreciation and impairment losses at 1 January 2021.....	7.146	
Depreciation for the year.....	318	
Depreciation and impairment losses at 31 December 2021...	7.464	
Carrying amount at 31 December 2021.....	833	1.446
Finance lease assets.....	10.018	

Financial non-current assets

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	Parent Company
	Equity investments in group enterprises
Cost at 1 January 2021.....	20.191
Cost at 31 December 2021.....	20.191
Revaluation at 1 January 2021.....	-6.445
Exchange adjustment.....	-114
Result.....	4.980
Revaluation at 31 December 2021.....	-1.579
Impairment losses and amortisation of goodwill at 1 January 2021.....	-961
Reversed amortisation of goodwill on disposal.....	961
Impairment losses and amortisation of goodwill at 31 December 2021.....	0
Carrying amount at 31 December 2021.....	18.612

NOTES

	Note
Fixed asset investments (continued)	9
Investments in subsidiaries (DKK '000)	

Name and domicil	Equity	Profit/loss for the year	Ownership
MAT Dania Sp. z o. o., ul. Jana Pawla, nr II 26, 05-250 Slupno.....	18.612	4.019	100 %

Provision for deferred tax

Provision for deferred tax comprises deferred tax on contract work in progress, inventory and intangible and tangible fixed assets.

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	Group		Parent Company	
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Deferred tax, beginning of year.....	8.571	7.820	8.571	7.820
Deferred tax of the year, income statement.....	-398	751	-398	751
Deferred tax for the year.....	8.173	8.571	8.173	8.571

Long-term liabilities

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	Group			
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Mortgage debt.....	16.599	2.162	10.111	18.757
Other bank debt.....	1.453	973	0	2.848
Lease liabilities.....	8.251	1.668	2.960	9.893
Holiday pay commitment.....	9.502	0	9.502	9.812
	35.805	4.803	22.573	41.310
	Parent Company			
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Mortgage debt.....	16.599	2.162	10.111	18.757
Lease liabilities.....	8.251	1.668	2.960	9.893
Other liabilities.....	9.502	0	9.502	9.812
	34.352	3.830	22.573	38.462

NOTES**Note****Contingencies etc.**

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Contingent liabilities

The company is with approx. 1,100 other Danish companies party to a pending case against Dong (ex Elsam), as the Competition Appeals Tribunal is convicted of abuse of market power in determining the settlement price of electricity. DONG has appealed the decision to the Maritime and Commercial court. Of the total requirement of 4.4 billion. DKK represents the Company's share DKK 12.1 million.

Operating Lease:

The Company has entered into operating leases with an average annual lease payment of DKK ('000) 310. The leases have a remaining maturity of up to 36 months and a total remaining lease payments DKK ('000) 568.

Joint liabilities

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax receivable of the group's jointly taxed income amounts to DKK ('000) 660 at the balance sheet date.

Charges and securities

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Mortgages

For the safety of mortgage debt of DKK ('000) 16,599 is pledged to DKK ('000) 56,500 in land and buildings which is booked at DKK ('000) 31,690 and other fixed assets booked at DKK ('000) 34,106.

The company has pledged DKK ('000) 27,000 for concerns with the bank that pledge in the following assets:

Simple claims
Inventory
Unregistered vehicles
Other machinery, tools and equipment etc.
Goodwill etc.

Related parties

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The Company's related parties include:

Controlling interest

Eurac Ltd.
16 Mannings Heath Road
Poole, BH12 4NJ

Transactions with related parties

The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

ACCOUNTING POLICIES

The Annual Report of MAT Dania ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements

The consolidated financial statements include the parent company MAT Dania ApS and its subsidiaries in which MAT Dania ApS directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

New acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement up to the time of disposal. Comparative figures are not adjusted for new acquired, sold or wound up enterprises.

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipment.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' market value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the balance sheet at the proportional share of the value of the enterprises, calculated under the accounting policies of the parent company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the income statement after elimination of the proportional share of internal gains and losses.

INCOME STATEMENT

Net revenue

The net revenue from sale of finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year. Net revenues is recognised exclusive of VAT, duties and less discounts related to the sale.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

ACCOUNTING POLICIES

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external costs

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that can be attributed to the profit for the year, and is recognised directly in the equity by the portion that can be attributed to entries directly to the equity.

The company is jointly taxed with Roulunds Braking ApS. The current Danish corporation tax is distributed between the jointly taxed Danish companies in proportion to their taxable income, and with full distribution with refund regarding taxable losses. The jointly taxed companies are included in the tax-on-account scheme.

BALANCE SHEET

Tangible fixed assets

Land and buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down. No depreciation is provided on land.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Buildings.....	10-40 years	0%
Production plant and machinery.....	5-15 years	0%
Other plant, fixtures and equipment.....	3-5 years	0%
Leased other assets.....	10 years	0%

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Decrease in value of fixed assets

The book value of tangible fixed assets are assessed annually for indications of impairment beyond what is expensed through depreciation.

If there are indications of impairment, and impairment test of each asset or group of assets is carried out. The assets are written down to their recoverable amounts if this is lower than the book value.

The recoverable amount is the higher of fair value less costs to sell and capitalised value. the capitalised value is calculated as the present value of expected net cash flows from the use of the asset or asset group.

Lease contracts

Lease contracts relating to tangible fixed assets

for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

Fixed asset investments

Investments in are measured in the company's balance sheet under the equity method.

Investments in are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Change in deferred tax due to change in the actual tax rate is recognised in the income statement except adjustments on equity.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Mortgage debt is measured at amortised cost which for cash loans is equal to the debt outstanding and for bond loans is equal to the debt outstanding, calculated on the basis of the underlying cash value of the loan at the time of borrowing.

Other liabilities are measured at amortised cost equal to nominal value.

Other liabilities which include debt to suppliers, affiliates and associates and other are measured at amortised cost which usually corresponds to the nominal value.

Accruals recognised as liabilities include payments received regarding income in subsequent years.

The capitalised residual lease liability in finance lease contracts is also recognised as financial liabilities.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Accounts receivables, payable and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

ACCOUNTING POLICIES

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include bank overdraft and liquid funds.