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MAT DANIA APS
MARKEDSVEJ 21, 9600 AARS
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 28 June 2023**

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

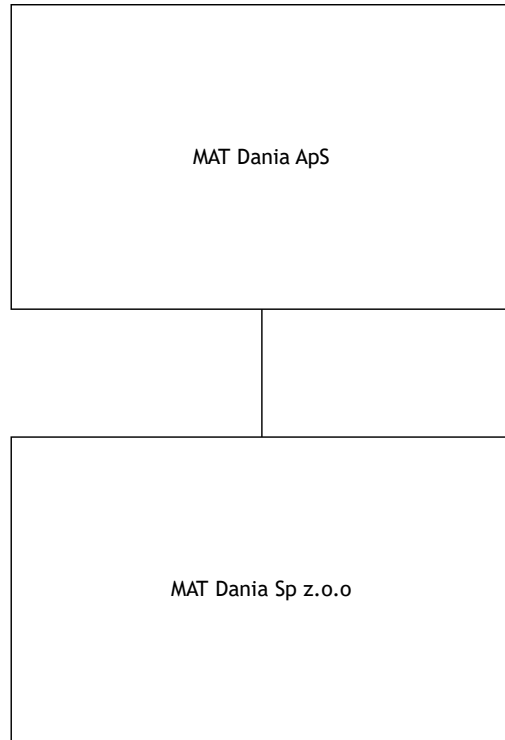
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COMPANY DETAILS

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 Carsten Hald
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 2022.

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 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

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, 28 June 2023

Executive Board

Jørn Krogager Henriksen

Board of Directors

George Michael Ruhl
Chairman

Thomas Krosnar

Hana Krosnar

Jessica Wang Olsson

Bent Adolf Antonsen

Carsten Hald

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 2022, 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 2022 and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2022 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, 28 June 2023

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

	2022 DKK mill.	2021 DKK mill.	2020 DKK mill.	2019 DKK mill.	2018 DKK mill.
Income statement					
Net revenue.....	475	343	263	324	342
Operating profit/loss of main activities...	15	5	3	-1	7
Financial income and expenses, net.....	-4	-2	-3	-2	-2
Profit/loss for the year.....	8	1	0	-2	4
Balance sheet					
Total assets.....	280	261	236	248	252
Equity.....	118	110	108	109	111
Invested capital.....	209	190	191	206	196
Cash flows					
Cash flows from operating activities.....	0	9	21	15	11
Cash flows from investing activities.....	-11	-8	2	-27	-35
Cash flows from financing activities.....	-4	-6	-1	15	5
Investment in property, plant and equipment.....	0	0	0	0	0
Average number of full-time employees.....	421	410	431	427	368
Key ratios					
Operating margin.....	3,6	1,6	-0,3	2,1	3,9
Return on invested capital.....	6,0	1,9	-1,2	2,7	7,3
Equity ratio.....	42,0	42,0	44,0	43,9	50,5
Return on equity.....	7,0	0,9	-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

2022 has generally been characterized by a good level of activity. The year has been affected by very high energy costs, raw material costs which have affected positive the year's turnover.

The company's capital availability was therefore under pressure throughout the year, mostly due to an imbalance in supplier credits, which is normal for the industry and customer credits, but is back at a normal level.

The massive price inflation from the supplier base and due to the fact MAT Dania has surcharges agreements with the customers base as means prices are updated.

During the year MAT Dania has changed ERP system to SAP as will improve the financial visibility and the overall planning.

It is also characterized by delivery disruptions and major logistics challenges.

Turnover

The year Turnover increase vs 2021 had an index of 140 and with an increase of 132.1 m. DKK to 474.7 m. DKK.

Total 70 % of the sales were to customers outside Denmark.

Market Development

The hydraulic market in Europe came out very strong in 2021 and 2022. Significant new projects were won in the recent years have contributed to the highest order intake in the history of the company.

Due to the strong volatile order intake and beyond the capacity a new supply chain strategy has been developed where MAT Dania are using its sister company MAT Foundries Europe Ueckermünde, Germany as a subcontractor to secure future growth.

Further Polish Foundries is under development to directly support the MAT Dania Poland Machine shop with castings.

Equity and liquidity

Equity increased by 8,1 m DKK and solidity decreased from 47,4 to 44,8.

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.

Uncertainty in recognition and measurement

During 2022, we have implemented a new ERP system in SAP. The implementation has challenged our master data and may therefore have made it difficult to assess the inventory.

MANAGEMENT COMMENTARY

Profit/loss for the year compared to the expected development

The group EBITDA was 29.8 m DKK and earnings before tax 11.9 m DKK. The result was influenced by a significant price increase on energy, material, and transportation. Our robust customer contracts and renegotiation allowed to transfer the price increase to the market.

The group's result and financial development were better than expected under above circumstances.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

Financial risk

The company has extensive sales and purchasing activities in foreign currency, provides credit to customers and has taken out loans with variable interest rates.

Consequently, the group has a risk exposure to changes in exchange rates, interest rates and the creditworthiness of customers.

To manage currency and interest rate risks, the group uses derivative financial instruments and takes out credit insurance on customers. The group's credit provision to customers follows standard conditions, which have been determined by the board of directors. Customers are credit insured for all orders.

Environmental situation

MAT Dania has ISO 14001 environment certificate which also include requirement for energy review according to applicable law.

We meet the requirements provided in our environmental permission under the Environmental Code §5. A systematic effort is made to define, develop, and implement environmental improvement activities.

Sustainability is important. We're seeing a push from customers concerning climate account and targets to reduce CO2 emission. The first step towards reducing the CO2 emissions is to understand our climate footprint. Preparation of the climate account is important tool for creating an overview and making visible where we have the biggest CO2 footprint.

Climate account for foundry activities 2021 and 2022 will be prepared in 2023. Carbon footprint is made by using "Klimakompasset" and it cover scope 1, scope 2 and scope 3 (to gate). CO2 reductions project for scope 1 and 2 will be identified and roadmap 2030 to reduce CO2 emission will be prepared.

Knowledge resources

MAT Dania mainly sells complex 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.

Future expectations

MAT Dania has a continued trust to expand the market share. The expected growth and profitability performance is very much depending on the development of the war in Ukraine, inflation rates, the general growth rates in the world economy and not least the energy cost development.

For the year 2023 our sales on consolidated level are expected to be in the range of 410-480 Mio DKK. (depending of surcharge development).

The EBITA margin is expected to be held in a level of approximately 8-10%.

Overall, the Management of MAT Dania expects to improve the business profitability in 2023 compared to 2022.

MANAGEMENT COMMENTARY

Future expectations (continued)

There is an expectation the turnover development in 2023, and the years to come will increase with an average of 5 % yearly in tons of produced castings.

The focus is a profitable business development.

Corporate social responsibility (CSR) report

MAT Dania is committed to follow MAT Foundry Groups, Corporate Social Responsibility Policy and include environmental policy and our working environment policy. These can be viewed on our website <https://matdania.com/dania/csr-policy/> and include the following points.

1. Ethical Business Conduct
2. Employment
3. Customer & the Community
4. Workplace Health & Safety
5. Sustainability
6. Supply Chain Management

On the working environment policy, we are working on the following points:

- a) MAT Dania conduct employee satisfaction survey, and the results are stored in our quality system.
- b) All accident and nearby accident are reported with corrective actions.
- c) Waste management are monitored and reported.
- d) Educations short term and long term are prioritized.
- e) We are taken responsibility and care for our sick employees.
- f) We work with employee satisfaction.

In 2023, one of the company's objectives is a well-being process, which from a strategic level must put on even more focus in the initiatives that promote the job satisfaction with a view to retaining employees.

The company's guidelines encourage to foster openness, sustainability, and respect for employee's rights. Our employment policies cover all employees of MAT Dania.

Target figures and policy for the underrepresented gender

It is the company's goal that the share of the underrepresented gender in the board amounts to at least 20%.

Board members are selected according to qualifications and in relation to the desired competencies in the board. The boards work, competences and composition are continuously assessed. No changes are expected in the board of directors in the coming financial year.

Other management levels (hereafter referred to as management) are understood to mean senior employees who are not related to the board, i.e., the executive board and other managers.

It is the company's goal that the proportion of the underrepresented gender in management must be at least 20%. In top management, the proportion of the underrepresented gender is 20%, which is unchanged compared to the previous year.

The company continues to focus on the employment of managers from the underrepresented gender for new hires and promotions, and it is emphasized in job advertisements that the company values diversity in the organization and encourages everyone regardless of gender, ethnicity, age etc. to apply for the positions.

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.

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	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
NET REVENUE	1	474.709	342.587	540.658	340.043
Cost of sales.....		-296.370	-182.763	-402.837	-219.115
Other external expenses.....	2	-17.679	-15.883	-10.801	-9.287
GROSS PROFIT/LOSS		160.660	143.941	127.020	111.641
Staff costs.....	3	-130.776	-125.025	-111.479	-106.010
Depreciation, amortisation and impairment.....		-14.408	-13.519	-9.474	-8.637
OPERATING PROFIT		15.476	5.397	6.067	-3.006
Income from investments in subsidiaries.....		0	0	3.410	4.019
Other financial income.....	4	2.229	605	2.229	764
Other financial expenses.....		-5.759	-2.404	-1.829	-1.096
PROFIT BEFORE TAX		11.946	3.598	9.877	681
Tax on profit/loss for the year.....	5	-3.498	-2.126	-1.429	792
PROFIT FOR THE YEAR	6	8.448	1.472	8.448	1.473

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Land and buildings.....		28.966	31.690	28.966	31.690
Production plants and machinery...		61.625	66.347	27.667	31.827
Other plants, machinery, tools and equipment.....		1.053	936	913	833
Tangible fixed assets in progress and prepayment.....		12.351	8.046	6.869	1.446
Property, plant and equipment...	7	103.995	107.019	64.415	65.796
Equity investments in group enterprises.....		0	0	21.690	18.612
Financial non-current assets.....	8	0	0	21.690	18.612
NON-CURRENT ASSETS.....		103.995	107.019	86.105	84.408
Raw materials and consumables....		27.396	14.286	16.091	13.814
Work in progress.....		24.942	8.285	24.115	7.839
Finished goods and goods for resale.....		14.597	29.071	8.689	25.409
Inventories.....		66.935	51.642	48.895	47.062
Trade receivables.....		102.301	92.729	96.426	92.187
Receivables from group enterprises.....		45	41	25.224	3.242
Other receivables.....		24.989	7.849	24.882	4.190
Receivables corporation tax.....		394	660	394	394
Receivables.....		127.729	101.279	146.926	100.013
Cash and cash equivalents.....		620	976	14	36
CURRENT ASSETS.....		195.284	153.897	195.835	147.111
ASSETS.....		299.279	260.916	281.940	231.519

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Share capital.....		15.500	15.500	15.500	15.500
Retained profit.....		102.265	94.149	102.265	94.149
EQUITY.....		117.765	109.649	117.765	109.649
Provision for deferred tax.....	9	8.211	8.172	8.211	8.172
PROVISIONS.....		8.211	8.172	8.211	8.172
Mortgage debt.....		12.315	14.437	12.315	14.437
Other bank debt.....		0	480	0	0
Lease liabilities.....		5.844	6.583	5.844	6.583
Other liabilities.....		9.357	9.502	9.357	9.502
Non-current liabilities.....	10	27.516	31.002	27.516	30.522
Mortgage debt.....		2.155	2.162	2.155	2.162
Bank debt.....		52.307	38.288	22.390	19.275
Lease debt.....		2.047	1.668	2.047	1.668
Trade payables.....		41.638	34.116	44.157	29.527
Payables to group enterprises.....		24.749	13.648	41.286	13.910
Corporation tax.....		2.434	266	1.390	0
Other liabilities.....		20.457	21.945	15.023	16.634
Current liabilities.....		145.787	112.093	128.448	83.176
LIABILITIES.....		173.303	143.095	155.964	113.698
EQUITY AND LIABILITIES.....		299.279	260.916	281.940	231.519
Contingencies etc.	11				
Charges and securities	12				
Related parties	13				
Fee to statutory auditor	2				

EQUITY

	Group		
	Share capital	Retained profit	Total
Equity at 1 January 2022.....	15.500	94.149	109.649
Proposed profit allocation, note 6.....		8.448	8.448
Other legal bindings			
Foreign exchange adjustments.....		-332	-332
Equity at 31 December 2022.....	15.500	102.265	117.765

	Parent Company		
	Share capital	Retained profit	Total
Equity at 1 January 2022.....	15.500	94.149	109.649
Proposed profit allocation, note 6.....		8.448	8.448
Other legal bindings			
Foreign exchange adjustments.....		-332	-332
Equity at 31 December 2022.....	15.500	102.265	117.765

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group		Parent Company	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Profit/loss for the year.....	8.448	1.472	8.448	1.473
Depreciation and amortisation, reversed....	14.408	13.517	9.474	8.636
Profit/loss from subsidiaries.....	0	0	-3.410	-4.019
Tax on profit/loss, reversed.....	3.498	2.126	1.421	-792
Corporation tax paid.....	-1.025	-1.606	8	970
Change in inventories.....	-15.290	-6.576	-1.836	-6.062
Change in receivables (ex tax).....	-7.680	-23.881	-27.847	-18.837
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)..	-1.828	24.424	21.334	20.041
Other cash flows from operating activities..	-332	-114	0	0
CASH FLOWS FROM OPERATING ACTIVITY..	199	9.362	7.592	1.410
Purchase of property, plant and equipment.	-11.384	-7.798	-8.092	-2.214
CASH FLOWS FROM INVESTING ACTIVITY...	-11.384	-7.798	-8.092	-2.214
Repayments of loans.....	-3.594	-5.505	-2.636	-4.112
CASH FLOWS FROM FINANCING ACTIVITY...	-3.594	-5.505	-2.636	-4.112
CHANGE IN CASH AND CASH EQUIVALENTS.	-14.779	-3.941	-3.136	-4.916
Cash and cash equivalents at 1. januar.....	-36.336	-32.395	-19.240	-14.323
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	-51.115	-36.336	-22.376	-19.239
Cash and cash equivalents at 31 December comprise:				
Cash and cash equivalents.....	690	976	4	36
.....	-51.805	-37.312	-22.380	-19.275
CASH AND CASH EQUIVALENTS.....	-51.115	-36.336	-22.376	-19.239

NOTES

Note

	Group		Parent Company		
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
Net revenue					1
Segment details (geography)					
Revenue, Denmark.....	450.568	163.076	450.568	163.076	
Revenue, countries outside Denmark.....	24.141	179.511	90.090	176.967	
	474.709	342.587	540.658	340.043	
Fee to statutory auditor					2
Samlet honorar:					
Specifikation af honorar:					
Statutory audit.....	248	230	216	200	
Other services.....	146	135	107	99	
	394	365	323	299	
Staff costs					3
Average number of employees	421	410	246	246	
Wages and salaries.....	118.705	112.752	102.460	95.629	
Pensions.....	10.762	8.376	7.710	6.484	
Social security costs.....	1.309	3.897	1.309	3.897	
	130.776	125.025	111.479	106.010	
Remuneration of Executive Board....	1.624	1.624	0	1.624	
	1.624	1.624	0	1.624	
Other financial income					4
Group enterprises.....	289	1	289	160	
Other interest income.....	1.940	604	1.940	604	
	2.229	605	2.229	764	
Tax on profit/loss for the year					5
Calculated tax on taxable income of the year.....	1.391	2.524	1.390	-394	
Adjustment of deferred tax.....	2.107	-398	39	-398	
	3.498	2.126	1.429	-792	

NOTES

	Group		Parent Company		Note
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
Proposed distribution of profit					
Retained earnings.....	8.448	1.472	8.448	1.473	6
	8.448	1.472	8.448	1.473	
 Property, plant and equipment					7
			Group		
			Land and buildings	Production plants and machinery	
Cost at 1 January 2022.....			95.654	266.221	
Exchange adjustment at closing rate.....			0	-1.179	
Additions.....			0	7.584	
Disposals.....			0	-383	
Cost at 31 December 2022.....			95.654	272.243	
Depreciation at 1 January 2020.....			63.964	199.875	
Exchange adjustment.....			0	-564	
Reversal of depreciation of assets disposed of.....			0	-161	
Depreciation for the year.....			2.724	11.468	
Depreciation and impairment losses at 31 December 2022...			66.688	210.618	
Carrying amount at 31 December 2022.....			28.966	61.625	
Recognised assets not owned by the company: DKK('000).....				9.980	
			Group		
			Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment	
Cost at 1 January 2022.....			9.340	8.046	
Exchange adjustment at closing rate.....			-19	-118	
Additions.....			162	4.423	
Cost at 31 December 2022.....			9.483	12.351	
Depreciation and impairment losses at 1 January 2022.....			8.403		
Exchange adjustment.....			-17		
Depreciation for the year.....			44		
Depreciation and impairment losses at 31 December 2022...			8.430		
Carrying amount at 31 December 2022.....			1.053	12.351	

NOTES

	Parent Company		Note
	Land and buildings	Production plants and machinery	
Tangible fixed assets (continued)			7
Cost at 1 January 2022.....	95.654	200.104	
Additions.....	0	2.585	
Disposals.....	0	0	
Cost at 31 December 2022.....	95.654	202.689	
Depreciation at 1 January 2020.....	63.964	168.277	
Reversal of depreciation of assets disposed of.....	0	0	
Depreciation for the year.....	2.724	6.745	
Depreciation and impairment losses at 31 December 2022...	66.688	175.022	
Carrying amount at 31 December 2022.....	28.966	27.667	
	Parent Company		
	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment	
Cost at 1 January 2022.....	8.297	1.446	
Additions.....	80	5.423	
Cost at 31 December 2022.....	8.377	6.869	
Depreciation and impairment losses at 1 January 2022.....	7.464		
Depreciation and impairment losses at 31 December 2022...	7.464		
Carrying amount at 31 December 2022.....	913	6.869	
Financial non-current assets			8
		Parent Company	
		Equity investments in group enterprises	
Cost at 1 January 2022.....		20.191	
Cost at 31 December 2022.....		20.191	
Revaluation at 1 January 2022.....		-1.579	
Exchange adjustment.....		-62	
Result.....		3.140	
Revaluation at 31 December 2022.....		1.499	
Carrying amount at 31 December 2021.....		21.690	

NOTES

				Note
Fixed asset investments (continued)				8
Investments in subsidiaries (DKK '000)				
Name and domicil	Equity	Profit/loss for the year	Ownership	
MAT Dania Sp. z o. o., Polen.....	21.690	3.410	100 %	
Provision for deferred tax				9
The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.				
Deferred tax, beginning of year.....	8.172	8.570	8.172	8.570
Deferred tax of the year, income statement.....	39	-398	39	-398
Deferred tax for the year.....	8.211	8.172	8.211	8.172
Long-term liabilities				10
	Group			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Mortgage debt.....	14.470	2.155	3.762	16.599
Other bank debt.....	492	492	0	1.453
Lease liabilities.....	7.891	2.047	19	8.251
Holiday pay commitment.....	9.357	0	9.357	9.502
	32.210	4.694	13.138	35.805
	Parent Company			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Mortgage debt.....	14.470	2.155	3.762	16.599
Lease liabilities.....	7.891	2.047	19	8.251
Other liabilities.....	9.357	0	9.357	9.502
	31.718	4.202	13.138	34.352

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) 168. The leases have a remaining maturity of up to 14 months and a total remaining lease payments DKK ('000) 184.

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) 2.434 at the balance sheet date.

Charges and securities

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Mortgages

For the safety of mortgage debt of DKK ('000) 21,340 is pledged to DKK ('000) 56,500 in land and buildings which is booked at DKK ('000) 32,812 and other fixed assets booked at DKK ('000) 44,842.

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 2022 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.

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.

ACCOUNTING POLICIES

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.

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.

ACCOUNTING POLICIES

Decrease in value of fixed assets

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

Financial non-current assets

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.

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.

ACCOUNTING POLICIES

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.

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.