

**MENETA HOLDING A/S**  
**STRANDHOLTVEJ 49, STIGE, 5270 ODENSE N**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2020**

The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 21 April 2021

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Georg 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.*

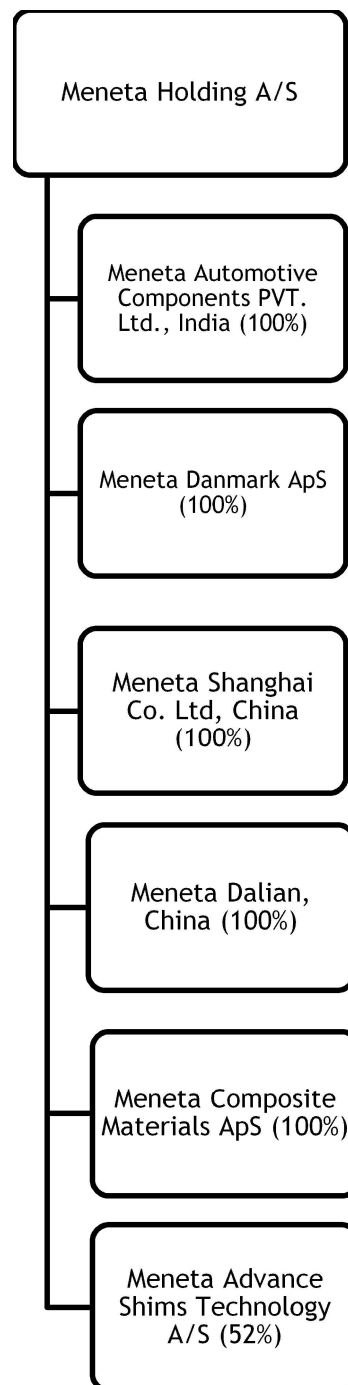
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**COMPANY DETAILS**

<b>Company</b>	Meneta Holding A/S Strandholtvej 49 Stige 5270 Odense N  CVR No.: 25 67 39 48 Established: 15 October 2000 Registered Office: Odense Financial Year: 1 January - 31 December
<b>Board of Directors</b>	George Michael Ruhl, chairman Christopher Watson Ole Thanning Roholdt Jessica Wang Olsson Kim Walther Østergaard
<b>Executive Board</b>	Kim Walther Østergaard
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
<b>Bank</b>	Danske Bank Albani Torv 2-3 5000 Odense C

## GROUP STRUCTURE



## BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Meneta Holding A/S for the financial year 1 January - 31 December 2020.

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 2020 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2020.

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.

Odense, 21 April 2021

Executive Board

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Kim Walther Østergaard

Board of Directors

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George Michael Ruhl  
Chairman

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Christopher Watson

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Ole Thanning Roholdt

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Jessica Wang Olsson

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Kim Walther Østergaard

## INDEPENDENT AUDITOR'S REPORT

### *To the Shareholder of Meneta Holding A/S*

#### **Opinion**

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company Meneta Holding A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Meneta Holding A/S give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2020 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2020 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover the 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 the Management Commentary and, in doing so, consider whether the 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 the Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management Commentary.

## INDEPENDENT AUDITOR'S REPORT

Copenhagen, 21 April 2021

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

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

Søren Søndergaard Jensen  
State Authorised Public Accountant  
MNE no. mne32069

## FINANCIAL HIGHLIGHTS OF THE GROUP

	2020 DKK '000	2019 DKK '000	2018 DKK '000	2017 DKK '000	2016 DKK '000
<b>Income statement</b>					
Net revenue.....	689,094	720,638	738,713	679,206	631,706
Gross profit/loss.....	276,075	263,911	281,946	265,687	266,548
Operating profit/loss of main activities...	77,817	65,210	88,810	87,689	91,825
Financial income and expenses, net.....	-3,365	1,229	-6,414	-1,302	-3,607
Profit/loss for the year before tax.....	74,452	66,439	82,396	86,387	88,218
Profit/loss for the year .....	57,462	50,691	59,927	63,421	68,572
<b>Balance sheet</b>					
Total assets.....	754,405	742,363	647,262	611,190	566,091
Equity.....	505,503	471,985	424,451	378,093	280,931
Invested capital.....	470,220	448,327	407,395	346,071	304,525
<b>Cash flows</b>					
Investment in property, plant and equipment.....	-39,121	-127,178	-48,101	-73,130	-52,040
<b>Average number of full-time employees .....</b>	<b>1,603</b>	<b>1,563</b>	<b>1,439</b>	<b>1,487</b>	<b>1,615</b>
<b>Key ratios</b>					
Gross margin.....	40.1	36.6	38.2	39.1	42.2
Operating margin.....	11.3	9.0	12.0	12.9	14.5
Return on invested capital.....	12.2	11.3	14.7	18.3	22.5
Equity ratio.....	67.0	63.9	65.6	62.0	49.6
Return on equity.....	11.8	11.3	14.9	19.2	27.5
Index for net revenue.....	109	114	117	108	100
Net revenue per employee.....	430	461	513	457	391

## FINANCIAL HIGHLIGHTS OF THE GROUP

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

Invested capital:	$\frac{\text{Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities}}{\text{Net revenue}}$
Gross margin:	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
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:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$
Net revenue per employee DKK ('000)	$\frac{\text{Net revenue DKK('000)}}{\text{Average number of full-time employees}}$

## MANAGEMENT COMMENTARY

### ***Principal activities***

Meneta Holding A/S is the Parent Company of Meneta Denmark ApS, Meneta Advanced Shims Technology A/S, and Meneta Composite Materials ApS in Denmark, as well as Meneta Automotive Components Private Limited in India, and Meneta Shanghai and Meneta Dalian, both in China.

The activities of the Company range from production and sales of a broad portfolio of automotive components to multi-layer sealing materials for both automotive and other applications.

Meneta Holding A/S also generates revenues and profits from paid testing from a branch office in Koblenz, Germany, mainly targeting external customers.

Aside from Management and Secretary, the Company employs staff within the areas of new technology, finance and IT as well as employees to support the various subsidiaries on a global basis within business development, marketing, production and R&D/product design.

### ***Development in activities and financial and economic position***

The Chinese companies recorded total revenues of DKK 107m with an EBITDA of DKK 23m

The Indian companies recorded total revenues of DKK 290m with an EBITDA of DKK 41m

The Danish companies recorded revenues of DKK 427m with an EBITDA of DKK 53m

The consolidated revenue ended at DKK 689m with an EBITDA of DKK 117m  
Revenues decreased by 4.4%, whereas EBITDA increased by 13%.

The 2020 net result was DKK 57m against DKK 51m in 2019.

Throughout the year, Meneta Holding A/S invested DKK 39m in fixed assets in the different Group companies.

### ***Profit/loss for the year compared to the expected development***

For 2021, we expect an increase in revenues and improved profit levels compared to 2020, which were affected by the global outbreak of the corona virus pandemic.

### ***Events after the end of the financial year***

To the best of our knowledge, no events have occurred after the end of the financial year of material importance for the financial position of the Company in 2020.

The global corona virus pandemic continues to affect day-to-day business with limited traveling, increase in raw material pricing (primarily steel) and other restrictions with some consequences for all Meneta companies, however, the situation seems to be under control.

## MANAGEMENT COMMENTARY

### ***Financial risk***

A considerable part of the Group's raw materials depends on commodities such as steel and oil, prices of which may vary. We do expect increases in global steel prices to continue.

Raw materials, sales prices, and assets and liabilities depend on the development in a line of currencies. The currency exposure is continuously evaluated, and risk hedging takes place according to determined policies and rules.

New restrictions and lockdowns in the global car production resulting from new corona virus waves continues to be a risk factor in 2021 as such lockdowns may impact revenue and profit levels.

### ***Environmental situation***

Meneta Holding A/S is aware of the potential impact of its products and production processes on the environment. It is an ongoing process, and work is continuously done to reduce it.

Efforts are focused on reducing CO2 emissions. As a result, two of the Danish companies are now running on 100% green power from local wind power.

We expect to finalize our first CO2 emission report during the first half of 2021 - this report is important as it will form the baseline for future CO2 reduction initiatives.

We continue to be a dedicated partner of the United Nations Global Compact programme.

### ***Development activities***

The Group's utilized means on development activities have been taken to the profit and loss account.

### ***Expected development***

For 2021, we expect a continued reduction in the environmental impact of our products, including the elimination of heavy metals.

It is expected that the global corona virus pandemic will continue to have an impact on the Company's revenue and profit levels.

## MANAGEMENT COMMENTARY

### ***Corporate social responsibility (CSR) report***

Product development is focused on reducing the environmental impact of our products, including the elimination of heavy metals.

The Company continues to follow its overarching CSR policy, including but not limited to its Code of Conduct scheme outlining, e.g. ethical business standards for its employees.

The Indian subsidiary company, Meneta Automotive Components Ltd., continues to collaborate with the NGO Manavta Drishti to offer educational support for underprivileged children.

Generally, the Group endeavours to show corporate social responsibility for local communities through charity work, minor sponsorships and temps hired for a seasonal job from local high schools and sports clubs.

The Company continues to collaborate with clusters that help impaired people obtain work temporarily. All companies within the Group are encouraged to take in students from local schools and universities to collaborate on specific projects, offer internships or help them complete their bachelor's or master's thesis.

The Company continues to be devoted to reducing its CO2 emission levels and footprint. Recently, the Company identified which of the seventeen SDGs (Sustainable Development Goals) under the United Nations are most relevant and align with our overall environmental efforts for a more sustainable future when it comes to production and transport.

Moreover, the Company is rolling out a roadmap towards a higher degree of sustainability that encompasses not only own production sites but also its suppliers.

### ***Target figures and policy for the underrepresented gender***

The Company continues to meet its target that at least 20% of the Board members elected at the Annual General Meeting of shareholders in the Company should be female by 2020, and the Board of Meneta Holding A/S now meets the first target.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	Note	Group		Parent Company	
		2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000
<b>NET REVENUE</b> .....	<b>1</b>	<b>689,094</b>	<b>720,638</b>	<b>32,142</b>	<b>32,090</b>
Cost of sales.....		-320,576	-359,395	-122	-109
Other operating income/cost.....		-6,173	10,016	12,574	9,901
Other external expenses.....	<b>2</b>	-86,270	-107,348	-5,984	-5,067
<b>GROSS PROFIT/LOSS</b> .....		<b>276,075</b>	<b>263,911</b>	<b>38,610</b>	<b>36,815</b>
Staff costs.....	<b>3</b>	-159,090	-159,954	-7,905	-9,305
Depreciation, amortisation and impairment.....		-39,168	-38,747	-8,434	-7,437
<b>OPERATING PROFIT</b> .....		<b>77,817</b>	<b>65,210</b>	<b>22,271</b>	<b>20,073</b>
Result of equity investments in Group and associates.....		0	0	35,190	29,333
Other financial income.....	<b>4</b>	187	3,588	33	20
Other financial expenses.....	<b>5</b>	-3,552	-2,359	-1,886	-1,598
<b>PROFIT BEFORE TAX</b> .....		<b>74,452</b>	<b>66,439</b>	<b>55,608</b>	<b>47,828</b>
Tax on profit/loss for the year.....	<b>6</b>	-16,990	-15,748	-4,645	-4,370
<b>PROFIT FOR THE YEAR</b> .....	<b>7</b>	<b>57,462</b>	<b>50,691</b>	<b>50,963</b>	<b>43,458</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000
Land and buildings.....		154,652	119,475	112,857	70,041
Other plant, machinery, tools and equipment.....		96,366	112,264	4,798	6,288
Other plant, machinery, tools and equipment.....		10,314	10,663	901	1,424
Tangible fixed assets in progress and prepayment.....		88,103	112,078	1,960	45,462
<b>Property, plant and equipment...</b>	<b>8</b>	<b>349,435</b>	<b>354,480</b>	<b>120,516</b>	<b>123,215</b>
Participating interests in affiliated undertakings.....		0	0	411,843	372,960
Other long-term receivables from affiliated undertakings.....		0	4,944	0	0
Rent deposit and other receivables.....		483	485	47	47
<b>Financial non-current assets.....</b>	<b>9</b>	<b>483</b>	<b>5,429</b>	<b>411,890</b>	<b>373,007</b>
<b>NON-CURRENT ASSETS.....</b>		<b>349,918</b>	<b>359,909</b>	<b>532,406</b>	<b>496,222</b>
Raw materials and consumables...		65,896	60,711	0	0
Goods in progress.....		20,282	19,639	0	0
Finished goods and goods for resale.....		84,016	94,834	0	0
<b>Inventories.....</b>		<b>170,194</b>	<b>175,184</b>	<b>0</b>	<b>0</b>
Trade receivables.....		162,240	159,983	1,988	2,616
Amounts owed by affiliated undertakings.....		0	0	5,640	7,521
Other receivables.....		16,085	17,443	61	865
Receivable corporation tax.....		3,158	3,498	3,040	1,956
Prepayments and accrued income.		17,527	1,780	392	470
<b>Receivables.....</b>		<b>199,010</b>	<b>182,704</b>	<b>11,121</b>	<b>13,428</b>
Other securities and equity investments.....		0	908	0	0
<b>Current investments.....</b>		<b>0</b>	<b>908</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents.....</b>		<b>35,283</b>	<b>23,658</b>	<b>1,339</b>	<b>1</b>
<b>CURRENT ASSETS.....</b>		<b>404,487</b>	<b>382,454</b>	<b>12,460</b>	<b>13,429</b>
<b>ASSETS.....</b>		<b>754,405</b>	<b>742,363</b>	<b>544,866</b>	<b>509,651</b>

# BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000
Share capital.....	10	40,600	40,600	40,600	40,600
Reserve for net revaluation according to equity value method.		0	0	270,425	29,334
Retained earnings.....		389,248	362,230	118,831	332,896
Minority shareholders.....		75,655	69,155	0	0
<b>EQUITY.....</b>		<b>505,503</b>	<b>471,985</b>	<b>429,856</b>	<b>402,830</b>
Provision for deferred tax.....	11	1,909	1,069	1,693	1,358
<b>PROVISIONS.....</b>		<b>1,909</b>	<b>1,069</b>	<b>1,693</b>	<b>1,358</b>
Bank loan.....		38,257	28,735	38,257	28,735
Lease liabilities.....		28,507	22,867	0	0
Other liabilities.....		7,137	3,967	1,340	472
<b>Non-current liabilities.....</b>	12	<b>73,901</b>	<b>55,569</b>	<b>39,597</b>	<b>29,207</b>
Bank loans.....		11,834	7,686	11,834	7,686
Bank debt.....		32,739	77,430	4,368	30,656
Lease liabilities.....		4,443	5,280	0	0
Trade payables.....		70,253	86,472	1,299	2,606
Payables to Group enterprises.....		0	0	46,421	29,307
Other liabilities.....		53,823	36,780	9,798	6,001
Accruals and deferred income.....		0	92	0	0
<b>Current liabilities.....</b>		<b>173,092</b>	<b>213,740</b>	<b>73,720</b>	<b>76,256</b>
<b>LIABILITIES.....</b>		<b>246,993</b>	<b>269,309</b>	<b>113,317</b>	<b>105,463</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>754,405</b>	<b>742,363</b>	<b>544,866</b>	<b>509,651</b>
Contingencies, etc.	13				
Charges and securities	14				
Related parties	15				

## EQUITY

Group					
	Share capital	Reserve for net revaluation according to equity value method	Retained earnings	Minority shareholders	Total
Equity at 1 January 2020.....	40,600	0	362,230	69,155	471,985
Proposed profit allocation, note 7.....			50,963	6,501	57,464
<b>Transactions with owners</b>					
Other value adjustments relating equity..			-4,037		-4,037
<b>Other legal bindings</b>					
Foreign exchange adjustments.....			-19,909		-19,909
<b>Equity at 31 December 2020.....</b>	<b>40,600</b>	<b>0</b>	<b>389,247</b>	<b>75,656</b>	<b>505,503</b>

Parent Company				
	Share capital	Reserve for net revaluation according to equity value method	Retained earnings	Total
Equity at 1 January 2020.....	40,600	235,234	126,997	402,831
Proposed profit allocation, jf. note 7.....		35,191	15,772	50,963
<b>Transactions with owners</b>				
Other value adjustments relating equity.....			-4,037	-4,037
<b>Other legal bindings</b>				
Foreign exchange adjustments.....			-19,901	-19,901
<b>Equity at 31 December 2020.....</b>	<b>40,600</b>	<b>270,425</b>	<b>118,831</b>	<b>429,856</b>

# CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2020 DKK '000	2019 DKK '000
Profit/loss for the year.....	57,462	50,691
Depreciation and amortisation, reversed.....	39,168	38,746
Tax on profit/loss, reversed.....	16,986	15,750
Other adjustments.....	-23,959	-3,139
Change in inventories.....	-15,388	-12,018
Change in receivables (ex tax).....	4,988	17,238
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	-12,949	-27,315
<b>CASH FLOWS FROM OPERATING ACTIVITY.....</b>	<b>66,308</b>	<b>79,953</b>
Purchase of property, plant and equipment.....	-39,121	-127,178
Sale of property, plant and equipment.....	4,997	135
Purchase of financial assets.....	4,964	-5,429
<b>CASH FLOWS FROM INVESTING ACTIVITY.....</b>	<b>-29,160</b>	<b>-132,472</b>
Other changes in non-current debt.....	19,171	19,488
<b>CASH FLOWS FROM FINANCING ACTIVITY.....</b>	<b>19,171</b>	<b>19,488</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>56,319</b>	<b>-33,031</b>
Cash and cash equivalents at 1 January.....	-53,772	-20,741
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER.....</b>	<b>2,547</b>	<b>-53,772</b>

## NOTES

## Note

	Group		Parent Company		
	2020	2019	2020	2019	
	DKK '000	DKK '000	DKK '000	DKK '000	
<b>Net revenue</b>					<b>1</b>
Revenue, Denmark.....	703	644	10,903	9,440	
Revenue, Europe.....	23,569	0	239	0	
Revenue, other countries.....	664,822	719,994	21,000	22,650	
	<b>689,094</b>	<b>720,638</b>	<b>32,142</b>	<b>32,090</b>	
<b>Segment details (geography)</b>					
Revenue, Denmark.....	703	644	10,903	9,440	
Revenue, other countries.....	688,391	719,994	21,239	22,650	
	<b>689,094</b>	<b>720,638</b>	<b>32,142</b>	<b>32,090</b>	
<b>Segment details (activities)</b>					
Production.....	689,094	720,638	32,142	32,090	
	<b>689,094</b>	<b>720,638</b>	<b>32,142</b>	<b>32,090</b>	
<b>Fee to statutory auditor</b>					<b>2</b>
Total fee:					
BDO.....	1,161	1,106	220	220	
	<b>1,161</b>	<b>1,106</b>	<b>220</b>	<b>220</b>	
Specification of fee:					
Statutory audit.....	664	664	120	120	
Other services.....	455	442	159	100	
	<b>1,119</b>	<b>1,106</b>	<b>279</b>	<b>220</b>	
<b>Staff costs</b>					<b>3</b>
Average number of employees	1,603	1,563	13	13	
Wages and salaries.....	140,262	142,275	6,610	8,020	
Pensions.....	9,741	9,466	1,180	1,190	
Social security costs.....	9,087	8,213	115	95	
	<b>159,090</b>	<b>159,954</b>	<b>7,905</b>	<b>9,305</b>	

Remuneration of Management is not disclosed according to the exemption provision of section 98 b(3)(2) of the Danish Financial Statements Act.

## NOTES

	Group		Parent Company		Note
	2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000	
<b>Other financial income</b>					<b>4</b>
Affiliated undertakings.....	0	0	28	18	
Other interest income.....	187	3,588	5	2	
	<b>187</b>	<b>3,588</b>	<b>33</b>	<b>20</b>	
<b>Other financial expenses</b>					<b>5</b>
Group enterprises.....	0	0	623	505	
Other interest expenses.....	3,552	2,359	1,263	1,093	
	<b>3,552</b>	<b>2,359</b>	<b>1,886</b>	<b>1,598</b>	
<b>Tax on profit/loss for the year</b>					<b>6</b>
Calculated tax on taxable income of the year.....	16,171	13,490	4,331	2,910	
Adjustment of tax for previous years.....	-21	-62	-21	-62	
Adjustment of deferred tax.....	840	2,320	335	1,522	
	<b>16,990</b>	<b>15,748</b>	<b>4,645</b>	<b>4,370</b>	
<b>Proposed distribution of profit</b>					<b>7</b>
Allocation to reserve for net revaluation according to equity value method.....	0	0	35,191	29,333	
Retained earnings.....	57,462	50,691	15,772	14,125	
	<b>57,462</b>	<b>50,691</b>	<b>50,963</b>	<b>43,458</b>	
<b>Property, plant and equipment</b>					<b>8</b>
			Group		
			Land and buildings	Production plants and machinery	
Cost at 1 January 2020.....			166,987	369,753	
Exchange adjustment.....			-8,084	-17,530	
Additions.....			49,582	24,983	
Disposals.....			0	-10,389	
<b>Cost at 31 December 2020.....</b>			<b>208,485</b>	<b>366,817</b>	
Depreciation and impairment losses at 1 January 2020.....			47,512	257,489	
Exchange adjustment.....			-2,194	-11,868	
Adjustment at beginning of the year.....			0	3,433	
Reversal of depreciation of assets disposed of.....			0	-4,534	
Depreciation for the year.....			8,515	25,931	
<b>Depreciation and impairment losses at 31 December 2020....</b>			<b>53,833</b>	<b>270,451</b>	
<b>Carrying amount at 31 December 2020.....</b>			<b>154,652</b>	<b>96,366</b>	
Finance lease assets.....				33,137	

## NOTES

Note

## Tangible fixed assets (continued)

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	Group	
	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2020.....	34,411	112,078
Exchange adjustment.....	-2,194	-837
Additions.....	4,342	23,298
Disposals.....	-8	-46,436
<b>Cost at 31 December 2020.....</b>	<b>36,551</b>	<b>88,103</b>
Depreciation and impairment losses at 1 January 2020.....	23,748	
Exchange adjustment.....	-1,497	
Reversal of depreciation of assets disposed of.....	-4	
Depreciation for the year.....	3,990	
<b>Depreciation and impairment losses at 31 December 2020....</b>	<b>26,237</b>	
<b>Carrying amount at 31 December 2020.....</b>	<b>10,314</b>	<b>88,103</b>
	Parent Company	
	Land and buildings	Production plants and machinery
Cost at 1 January 2020.....	98,621	16,159
Exchange adjustment.....	0	-6
Additions.....	49,025	41
<b>Cost at 31 December 2020.....</b>	<b>147,646</b>	<b>16,194</b>
Depreciation and impairment losses at 1 January 2020.....	28,580	9,871
Exchange adjustment.....	0	-3
Transferred.....	0	-137
Depreciation for the year.....	6,209	1,665
<b>Depreciation and impairment losses at 31 December 2020....</b>	<b>34,789</b>	<b>11,396</b>
<b>Carrying amount at 31 December 2020.....</b>	<b>112,857</b>	<b>4,798</b>
	Parent Company	
	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2020.....	2,830	45,461
Exchange adjustment.....	0	-2
Additions.....	174	1,209
Disposals.....	0	-44,708
<b>Cost at 31 December 2020.....</b>	<b>3,004</b>	<b>1,960</b>
Depreciation and impairment losses at 1 January 2020.....	1,406	
Transferred.....	137	
Depreciation for the year.....	560	
<b>Depreciation and impairment losses at 31 December 2020....</b>	<b>2,103</b>	
<b>Carrying amount at 31 December 2020.....</b>	<b>901</b>	<b>1,960</b>

## NOTES

Note

## Financial non-current assets

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	Group	
	Other securities	Rent deposit and other receivables
Cost at 1 January 2020.....	4,944	485
Exchange adjustment.....	0	-2
Disposals.....	-4,944	0
<b>Cost at 31 December 2020.....</b>	<b>0</b>	<b>483</b>
 Carrying amount at 31 December 2020.....	 0	 483

	Parent Company	
	Equity investments in group enterprises	Rent deposit and other receivables
Cost at 1 January 2020.....	134,406	47
Exchange adjustment.....	-6,328	0
Additions.....	27,000	0
<b>Cost at 31 December 2020.....</b>	<b>155,078</b>	<b>47</b>
 Revaluation at 1 January 2020.....	 238,557	 0
Exchange adjustment.....	-13,549	0
Profit/loss for the year.....	35,190	0
Other adjustments.....	-3,433	0
<b>Revaluation at 31 December 2020.....</b>	<b>256,765</b>	<b>0</b>
 Carrying amount at 31 December 2020.....	 411,843	 47

## Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
Meneta Danmark ApS, Odense.....	101,559	5,618	100 %
Meneta Advance Shims Technology A/S, Odense.....	157,615	13,543	52 %
Meneta Automative Components Pvt. Ltd., India.....	134,997	21,870	100 %
Meneta Shanghai Co. Ltd, China.....	50,146	5,187	100 %
Meneta Dalian Co. Ltd., China.....	33,783	6,836	100 %
Meneta Composite Materials ApS, Odense.....	9,648	-11,265	100 %

## Share capital

Allocation of share capital:

	2020 DKK '000	2019 DKK '000
Shares, 100 units in the denomination of 406,000 DKK.....	40,600	40,600
	<b>40,600</b>	<b>40,600</b>

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## NOTES

## Note

**Provision for deferred tax**

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

	<b>Group</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>DKK '000</b>	<b>DKK '000</b>	<b>DKK '000</b>	<b>DKK '000</b>
Deferred tax assets, 1 January 2020.	-1,069	1,115	-1,358	-100
Added in the year 2020.....	-840	-2,184	-335	-1,258
<b>Provision for deferred tax at 31 December 2020.....</b>	<b>-1,909</b>	<b>-1,069</b>	<b>-1,693</b>	<b>-1,358</b>

**Long-term liabilities**

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	<b>Group</b>			
	<b>31/12 2020</b>	<b>Repayment</b>	<b>Debt</b>	<b>31/12 2019</b>
	<b>total liabilities</b>	<b>next year</b>	<b>outstanding</b>	<b>total liabilities</b>
			<b>after 5 years</b>	
Bank loan.....	40,473	11,834	0	36,421
Lease liabilities.....	32,950	4,443	0	28,147
Other liabilities.....	16,755	0	0	3,967
	<b>90,178</b>	<b>16,277</b>	<b>0</b>	<b>68,535</b>

	<b>Parent Company</b>			
	<b>31/12 2020</b>	<b>Repayment</b>	<b>Debt</b>	<b>31/12 2019</b>
	<b>total liabilities</b>	<b>next year</b>	<b>outstanding</b>	<b>total liabilities</b>
			<b>after 5 years</b>	
Bank loan.....	50,091	11,834	0	36,421
Payables to associated enterprises.....	0	0	1,340	0
Other liabilities.....	1,340	0	0	472
	<b>51,431</b>	<b>11,834</b>	<b>1,340</b>	<b>36,893</b>

## NOTES

### Note

#### Contingencies, etc.

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#### Contingent liabilities

	Group		Parent Company	
	2020 DKK '000	2019 DKK '000	2020 DKK '000	2019 DKK '000
Guarantee for subsidiaries.....	3,534	17,941	3,534	17,941

#### Joint liabilities

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

Tax payable on the Group's joint taxable income amounts to DKK ('000) 0 at the balance sheet date.

#### Charges and securities

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	Group		Parent Company	
	Carrying amount of assets DKK '000	Nominal value of mortgage or outstanding debt DKK '000	Carrying amount of assets DKK '000	Nominal value of mortgage or outstanding debt DKK '000
Property, plant and machinery, estimated value.....	88,000	88,000	70,000	70,000
Chattel mortgage on inventory and receivables.....	158,654	165,291	0	0

**NOTES****Note****Related parties****15**

Meneta Holding A/S' related parties include:

Meneta Danmark ApS  
Meneta Advanced Shims Technology A/S  
Meneta Composite Materials ApS  
Meneta Automotive Component Pvt. Ltd., India  
Meneta (Shanghai) Co. Ltd., China  
Meneta Dalian Co. Ltd., China

Controlling interest  
Steve Wang, USA

Other related parties having performed transactions with the Company  
The Company's related parties with significant influence comprise subsidiaries and associates, the Board of Directors, Executive Board and leading employees of such companies as well as closely related family members of these. Related parties also comprise companies in which members of the above group hold significant interest.

**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 Meneta Holding A/S for 2020 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 used last year.

### ***Consolidated Financial Statements***

The Consolidated Financial Statements include the Parent Company Meneta Holding A/S and its subsidiaries in which Meneta Holding A/S 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, intercompany balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

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.

### ***Minority interests***

The accounting items of the subsidiaries are recognised in full in the Consolidated Financial Statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and in individual main items under equity.

## INCOME STATEMENT

### ***Net revenue***

Net revenue from sale of merchandise and 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 revenue 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.

### ***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.

## ACCOUNTING POLICIES

### ***Other external expenses***

Other external expenses include cost of sales, advertising, administration, premises, bad debts, operating lease expenses, etc.

Payments related to operating lease expenses and other lease agreements are recognised in the income statement during the continuance of the contract. The Company's total liability concerning operating and other lease agreements are stated under contingencies, 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 equity interests 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.

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

### ***Financial income and expenses***

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, 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 may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

## BALANCE SHEET

### ***Tangible fixed assets***

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

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:

	<i>Useful life</i>	<i>Residual value</i>
Buildings.....	5-30 years	0 %
Production plant and machinery.....	4-10 years	0 %
Other plant, fixtures and equipment.....	3-10 years	0 %

## ACCOUNTING POLICIES

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.

### ***Fixed asset investments***

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

Investments in subsidiaries 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.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the Company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiary's deficit.

### ***Impairment of fixed assets***

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, is assessed 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 recoverable amount is lower than the carrying amount, the assets are written down 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, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

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.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

### ***Receivables***

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

## ACCOUNTING POLICIES

### ***Accruals, assets***

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

### ***Securities***

Securities and investments, recognised as current assets, comprise public quoted bonds, shares and other current investments that are measured at fair market value on the balance sheet date. Public quoted securities are measured at quoted price. Non-quoted securities are measured at sales value based on computed net present value.

### ***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.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

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 will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in 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.

Amortised cost of current liabilities usually corresponds to nominal value.

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

### ***Accruals, liabilities***

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

### ***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.

Receivables, payables 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**

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Group'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 cash in hand.