Tel.: +45 39 15 52 00
koebenhavn@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 Copenhagen V
CVR no. 20 22 26 70

MENETA ADVANCED SHIMS TECHNOLOGY A/S

KIRKEGYDEN 52, 5270 ODENSE N

ANNUAL REPORT

1. JANUAR - 31. DECEMBER 2016

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 16 May 2017

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Chairman

CVR NO. 26 31 40 89

CONTENTS

COMPANY DETAILS

Company	Meneta Advanced Shims Technology A/S Kirkegyden 52 5270 Odense N	
	Website:	www.meneta.dk
	E-mail:	oth@meneta.dk
	CVR no.:	26 31 40 89
	Established:	1 November 2001
	Registered Office:	Odense
	Financial Year:	1 January - 31 December
Board of Directors	Johnny Haakonsson, Chairman Mal Hartland, Vice-chairman Kim Østergaard Jeremy Mark Adams	
Board of Executives	Kim Østergaard	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	
Bank	Nordea Bank A/S Vester Stationsvej 7 5000 Odense C	

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Meneta Advanced Shims Technology A/S for the year 1 January - 31 December 2016.

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

In our opinion the Financial Statements give a true and fair view of the the Company's financial position at 31 December 2016 and of the results of the the Company's operations for the financial year 1 January - 31 December 2016.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

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

Odense, 7 March 2017

Board of Executives

Kim Østergaard

Board of Directors

Johnny Haakonsson Chairman	Mal Hartland Vice-chairman	Kim Østergaard

Jeremy Mark Adams

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Meneta Advanced Shims Technology A/S

Opinion
We have audited the Financial Statements of Meneta Advanced Shims Technology A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 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 Financial Statements" section of our report. We are independent of the Company 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements
Management is responsible for the preparation of Financial Statements 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 Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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's Review
Management is responsible for Management's Review.

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

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

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

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

Copenhagen, 7 March 2017

BDO Statsautoriseret revisionsaktieselskab
CVR-nr. 20 22 26 70

Ole C. K. Nielsen State Authorised Public Accountant	Søren Søndergaard Jensen State Authorised Public Accountant

FINANCIAL HIGHLIGHTS

	2016 DKK '000	2015 DKK '000	2014 DKK '000	2013 DKK '000	2012 DKK '000
Income statement					
Net revenue	265.103	261.853	238.836	195.987	182.610
Gross profit/loss	88.298	86.239	72.440	65.310	56.013
Operating profit/loss	20.672	22.910	14.178	15.319	13.695
Financial income and expenses, net	-604	291	-301	-1.278	-745
Profit/loss for the year	15.686	17.655	10.405	10.523	9.702
Balance sheet					
Balance sheet total	171.170	157.655	151.538	122.285	116.015
Equity	96.160	80.474	62.819	52.415	43.012
Invested capital	117.194	99.749	80.927	70.276	63.286
Ratios					
Profit margin	7,8	8,7	5,9	7,8	7,5
Rate of return	19,1	25,4	18,8	22,9	24,6
Solvency ratio	56,2	51,0	41,5	42,9	37,1
Return on equity	17,8	24,6	18,1	22,1	25,4
Index for net revenue	145	143	131	107	100
Net revenue per employee	1.841	2.062	2.095	2.202	2.403

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

Profit margin:

$$\frac{\text{Operating profit / loss} \times 100}{\text{Net revenue}}$$

Rate of return:

$$\frac{\text{Profit / loss on ordinary activities} \times 100}{\text{Average invested capital}}$$

Invested capital:

Intangible fixed assets (ex goodwill) + tan gible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities

Solvency ratio:

$$\frac{\text{Equity, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$$

Return on equity:

$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

Net revenue per employee:

$$\frac{\text{Net revenue}}{\text{Average number of full-time employees}}$$

FINANCIAL HIGHLIGHTS

The ratios follow in all material respects the recommendations of the Danish Finance Society.

Principal activities
Meneta Advanced Shims Technology A/S develops, manufactures and sells shims (noise reduction product) for brake pads for use in the automotive industry.

Meneta ApS owns 52% of the share capital whereas a large manufacturer of friction material, TMD Friction Holdings (UK) Limited owns the remaining shares.

Development in activities and financial position
The company was able to increase revenues by 1.2% to 265.1 mil. DKK (261.9 mil. DKK) despite various market challenges throughout the year.

Operating profit before tax for the year recorded at 20.7 mil. DKK (22.9 mil. DKK) resulting in a net result after tax of 15.7 mil. DKK. (17.7 mil. DKK).

Total balance sheet shows 171.2 mil. DKK with a solvency rate of 56.2%.

Throughout the year, the company invested in mainly production equipment and increased its CAPEX by 7.4 mil. DKK.

Profit/loss for the year compared to future expectations
The company was able to increase revenues by 1.2% to 265.1 mil. DKK (261.9 mil. DKK). The company was unable to meet expected growth of 7% due to sales in second half of the year that were lower than expected.

Significant events after the end of the financial year
No events have occurred after the end of the financial year that may have a significant impact on the financial position of the company.

Special risks
A considerable part of the company’s raw materials is dependent on the price of steel and oil. Raw materials, sales prices, assets, and liabilities are dependent on the development in a number of currencies. The currency exposure is constantly evaluated and risk hedging takes place according to determined policies and rules.

Environmental situation
The company is aware of the potential environmental impact of the products and of the production process. Efforts are being made on a regular basis to reduce the impact.

Knowledge resources
The company is ISO/TS 16949 certified.

Research and development activities
The means used for development activities have been recognised as expenses.

Future expectations
The company has been successful in gaining higher market shares measured on incoming new projects.

For the year 2017, we aim at reducing cost base and increasing productivity rendering higher profit margin. We expect a growth in revenues and profits of approximately 7%.

The company’s foreign branches
The company has a branch in Koblenz, Germany

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2016 DKK '000	2015 DKK '000
NET REVENUE		**265.103**	**261.853**
Cost of sales		-147.086	-144.590
Other external expenses		-29.719	-31.024
GROSS PROFIT		**88.298**	**86.239**
Staff costs	1	-63.254	-59.220
Depreciation, amortisation and impairment		-4.372	-4.109
OPERATING PROFIT		**20.672**	**22.910**
Other financial income	2	381	843
Other financial expenses	3	-985	-552
PROFIT BEFORE TAX		**20.068**	**23.201**
Tax on profit/loss for the year	4	-4.382	-5.546
PROFIT FOR THE YEAR	5	**15.686**	**17.655**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2016 DKK '000	2015 DKK '000
Production plants and machinery		11.087	12.808
Other plants, machinery, tools and equipment		1.032	606
Leasehold improvements		286	181
Tangible fixed assets in progress and prepayment		6.069	1.849
Tangible fixed assets	6	**18.474**	**15.444**
FIXED ASSETS		**18.474**	**15.444**
Raw materials and consumables		8.590	11.298
Work in progress		8.933	5.230
Finished goods and goods for resale		24.580	21.761
Inventories		**42.103**	**38.289**
Trade receivables		43.604	39.548
Receivables from group enterprises		65.109	55.660
Other receivables		1.589	2.882
Receivables corporation tax		0	366
Prepayments and accrued income	7	114	0
Receivables		**110.416**	**98.456**
Cash and cash equivalents		**177**	**5.466**
CURRENT ASSETS		**152.696**	**142.211**
ASSETS		**171.170**	**157.655**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2016 DKK '000	2015 DKK '000
Share capital	8	525	525
Retained profit		95.635	79.949
EQUITY		**96.160**	**80.474**
Provision for deferred tax	9	547	491
PROVISION FOR LIABILITIES		**547**	**491**
Lease liabilities		2.493	4.092
Long-term liabilities	10	**2.493**	**4.092**
Short-term portion of long-term liabilities	10	1.599	2.165
Bank debt		15.261	18.250
Trade payables		16.979	27.088
Payables to group enterprises		24.044	6.433
Corporation tax		1.311	110
Other liabilities		12.776	18.552
Current liabilities		**71.970**	**72.598**
LIABILITIES		**74.463**	**76.690**
EQUITY AND LIABILITIES		**171.170**	**157.655**

Contingencies etc.	11
Charges and securities	12
Related parties	13

EQUITY

	Share capital	Retained profit	Total
Equity at 1 January 2016	525	79.949	80.474
Proposed distribution of profit		15.686	15.686
Equity at 31 December 2016	**525**	**95.635**	**96.160**

The share capital has not been changed in the past 5 years.

NOTES

	2016 DKK '000	2015 DKK '000	Note
Staff costs			1
Average number of employees			
144 (2015: 127)			
Wages and salaries	57.377	54.021	
Pensions	4.485	3.934	
Social security costs	1.392	1.265	
	63.254	**59.220**	
Other financial income			2
Group enterprises	350	44	
Other interest income	31	799	
	381	**843**	
Other financial expenses			3
Group enterprises	337	331	
Other interest expenses	648	221	
	985	**552**	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year	4.371	4.894	
Adjustment of tax for previous years	-45	0	
Adjustment of deferred tax	56	652	
	4.382	**5.546**	
PROPOSED DISTRIBUTION OF PROFIT			5
Accumulated profit	15.686	17.655	
	15.686	**17.655**	

NOTES

		Note

Tangible fixed assets (Note 6)

	Production plants and machinery	Other plants, machinery, tools and equipment
Cost at 1 January 2016	45.240	1.803
Additions	2.148	845
Cost at 31 December 2016	**47.388**	**2.648**
Depreciation and impairment losses at 1 January 2016	32.433	1.197
Depreciation for the year	3.868	419
Depreciation and impairment losses at 31 December 2016	**36.301**	**1.616**
Carrying amount at 31 December 2016	**11.087**	**1.032**
Finance lease assets	5.277	

	Leasehold improvements	Tangible fixed assets in progress and prepayment
Cost at 1 January 2016	692	1.849
Additions	216	4.636
Disposals	0	-416
Cost at 31 December 2016	**908**	**6.069**
Depreciation and impairment losses at 1 January 2016	511	
Depreciation for the year	111	
Depreciation and impairment losses at 31 December 2016	**622**	
Carrying amount at 31 December 2016	**286**	**6.069**

	2016 DKK '000	**2015** DKK '000	Note
Prepayments and accrued income			7
Costs	114	0	
	114	**0**	
Share capital			8
Specification of the share capital:			
Share, 525 in the denomination of 1.000 DKK	525	525	
	525	**525**	

NOTES

Note

Provision for deferred tax 9

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

	2016 DKK '000	2015 DKK '000
The amount breaks down as follows:		
Production plants and machinery	1.197	1.499
Leasehold improvements	-26	-21
Inventory	280	419
Trade receivables	-2	-26
Lease liabilities	-900	-1.377
Borrowing costs	-2	-3
	547	**491**
Deferred tax assets at 1 January 2016	491	-166
Provisions of the year	56	657
Provision for deferred tax 31 December 2016	**547**	**491**

Long-term liabilities 10

	1/1 2016 total liabilities	31/12 2016 total liabilities	Repayment next year	Debt outstanding after 5 years
Lease liabilities	6.257	4.092	1.599	0
	6.257	**4.092**	**1.599**	**0**

NOTES

Note

Contingencies etc. 11

Operating lease

The company has in addition to finance lease contracts entered into operating rent and lease agreements with an average annual lease payment of DKK ('000) 652.

The lease contracts have a residual term of 21 months, on average, and a total residual lease payment of DKK ('000) 1,266.

Lease agreement

The company has an annual lease agreement with Meneta Holding A/S. The annual lease is DKK ('000) 3,960 for 2017. The company has entered into a lease agreement with a residual period of 1 year with an annual lease of DKK ('000) 448.

Purchase agreements

The company has committed to purchase machinery for an amount of DKK ('000) 3,800 in 2017.

Joint liabilities

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group 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 of the group's joint taxable income is stated in the annual report of Meneta Holding A/S, which serves as management company for the joint taxation.

Charges and securities 12

The company has issued a chattel mortgage of DKK ('000) 2,000, which is secured on machinery which was fully depreciated at 31 December 2016.

Production plant and machinery of a carrying amount of DKK ('000) 5,277 at 31 December 2016 is financed by a finance lease. The lease liabilities are stated at DKK ('000) 4,092 at 31 December 2016.

As security for bank debt of DKK ('000) 15,261 the company has issued a business charge of a nominal amount of DKK ('000) 15,000 on inventory and trade receivables of a total carrying amount of DKK ('000) 85,707 at 31 December 2016.

NOTES

Note

Related parties 13

Meneta Advanced Shims Technology A/S' related parties include:

TMD Friction Holdings (UK) Limited
Meneta Danmark ApS
Meneta Holding A/S
Meneta Automotive Component Pvt. Ltd.
Meneta (Shanghai) Co.
Ltd.Meneta Dalian Co.Ltd.

Controlling interest
Meneta Holding A/S.

Other related parties having performed transactions with the company
The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Transactions with related parties
The company did not carry out any substantial transactions that were not concluded on market conditions.

ACCOUNTING POLICIES

The annual report of Meneta Advanced Shims Technology A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium enterprise.

The annual report is prepared consistently with the accounting principles used last year.

Consolidated financial statements

Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of Meneta Holding A/S, Kirkegyden 52, 5270 Odense N, CVR number 25673948.

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 and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less 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.

Other external expenses

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

Financial income and expenses in general

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 on profit for the year

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

Production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down. Land is not depreciated.

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

ACCOUNTING POLICIES

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.

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
Other investment assets	5-10 years	0 %
Production plant and machinery	4 - 10 years	0 %
Other plants, fixtures and equipment	3 - 7 years	0-30 %
Leasehold improvements	3 - 8 years	0-30 %

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.

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 based on weighted average prices. If the net realisable value is lower than cost, the amount is 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 the cost of raw materials, consumables, direct payroll costs and direct production 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.

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 impairmenbt losses to meet expected losses.

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

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.

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 on account tax 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
Liabilities are measured at amortised cost equal to nominal value.
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.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

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.

CASH FLOW STATEMENT

In accordance with section 86(4) of the Danish Financial Statements Act, the company has omitted to prepare a cash flow statement because these cash flows are included in the cash flow statement of the group, see the consolidated financial statements of Meneta Holding A/S.