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Havneholmen 29  
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CVR no. 20 22 26 70

**ROULUNDS BRAKING APS**  
**HESTEHAVEN 43, HJALLESE, 5260 ODENSE S**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2021**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 26 April 2022.**

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**Paul William Thomas**

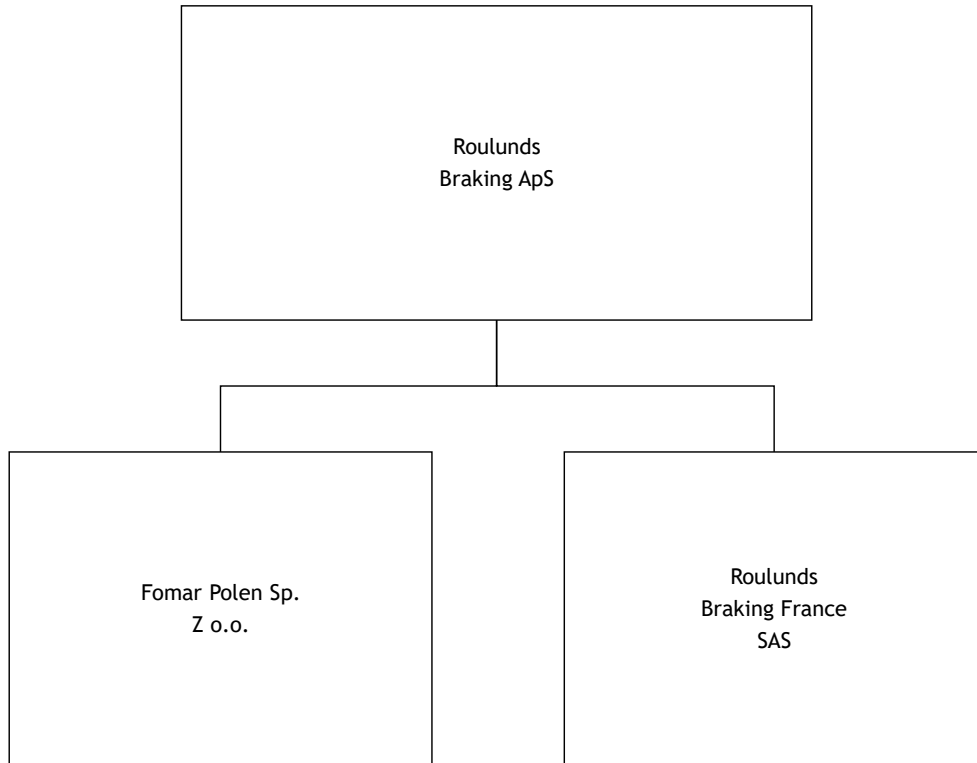
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**COMPANY DETAILS**

<b>Company</b>	Roulunds Braking ApS Hestehaven 43 Hjallese 5260 Odense S  CVR No.: 26 93 14 52 Established: 1 January 2003 Municipality: Odense Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Paul William Thomas, chairman Caroline Evelyne Lachaud Christopher Watson Per Kroer Andersen Lars Bjarne Madsen, elected by employees John Bøgedal, elected by employees
<b>Executive Board</b>	Christopher Watson Per Kroer Andersen
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
<b>Bank</b>	Nordea Bank A/S Vestre Stationsvej 7 5000 Odense C
<b>Law Firm</b>	Plesner Advokatpartnerselskab Amerika Plads 37 2100 Copenhagen Ø

## GROUP STRUCTURE



The following companies are consolidated and recognised at equity value under the equity method:

Fomar Poland Sp. Z.o.o.  
Roulunds Braking France SAS

## MANAGEMENT'S STATEMENT

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

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

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

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

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

Odense, 26 April 2022

### Executive Board

\_\_\_\_\_  
Christopher Watson

\_\_\_\_\_  
Per Kroer Andersen

### Board of Directors

\_\_\_\_\_  
Paul William Thomas  
Chairman

\_\_\_\_\_  
Caroline Evelyne Lachaud

\_\_\_\_\_  
Christopher Watson

\_\_\_\_\_  
Per Kroer Andersen

\_\_\_\_\_  
Lars Bjarne Madsen  
Elected by employees

\_\_\_\_\_  
John Bøgedal  
Elected by employees

## INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Roulunds Braking ApS

### Opinion

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

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

### Basis for Opinion

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

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

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements and the Annual Financial Statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## INDEPENDENT AUDITOR'S REPORT

### 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.

Copenhagen, 26 April 2022

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

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



**FINANCIAL HIGHLIGHTS OF THE GROUP**

	2021 DKK '000	2020 DKK '000	2019 DKK '000	2018 DKK '000	2017 DKK '000
<b>Income statement</b>					
Net revenue.....	628.755	572.495	578.714	564.925	542.825
Gross profit.....	68.172	69.665	72.828	81.737	84.553
Operating profit.....	18.243	17.981	17.113	27.592	31.608
Financial income and expenses, net.....	-652	-2.867	-382	-571	-218
Profit for the year.....	14.932	13.343	12.399	20.708	23.925
<b>Balance sheet</b>					
Total assets.....	361.559	384.955	367.751	321.210	300.113
Equity.....	229.472	226.724	213.571	201.143	180.572
<b>Cash flows</b>					
Cash flows from operating activities.....	21.447	17.248	11.120	7.622	18.086
Cash flows from investing activities.....	-3.858	-2.599	-1.154	-3.527	-16.734
Cash flows from financing activities.....	-23.922	-1.750	-922	1.176	10.091
Investment in property, plant and equipment.....	-4.121	-3.209	-1.369	-4.689	-17.722
<b>Key ratios</b>					
Gross margin.....	10,8	12,2	12,6	14,5	15,6
Operating margin.....	2,9	3,1	3,0	4,9	5,8
Return on invested capital.....	8,0	8,2	8,3	14,5	18,8
Equity ratio.....	63,5	58,9	58,1	62,6	60,2
Return on equity.....	6,5	6,1	6,0	10,8	14,2

The key figures are prepared in accordance with the guidance of Den Danske Finansanalytikerforening on "Recommendation & Key Figures". Reference is made to the overview of principal figures and key figures concerning the formula for calculation of individual key figures.

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

## MANAGEMENT COMMENTARY

### Principal activities

The activities of the company in Denmark include:

- Distribution and sale of brake pads, brake shoes, rolled lining, brake discs and brake shoe kits manufactured by other MAT companies into the European market.
- Central R&D for all MAT friction companies.

### Development in activities and financial and economic position

The group result before tax showed a profit of 17,6 million DKK (Roulunds Braking Denmark 16,7 million DKK, Fomar Poland 0,4 million DKK, Roulunds Braking France 0,5 million DKK).

2021 sales were 628,8 million DKK.

In 2021 the group has invested 4,1 million DKK in tangible fixed assets.

Roulunds Braking Denmark inventory has increased by 10,6 million DKK. Total Group inventory 2021 was 127,2 million DKK.

### Major events in the year

2021 was a very challenging year as the world gradually started to recover from the covid crisis.

Spikes in demand and the uneven global recovery led to raw material shortages, cost increases and logistics challenges. Maintaining margins as costs increased was a major focus throughout the year.

### Quality and environment Certifications

Roulunds Braking is IATF 16949, ISO 14001 and ISO 9001 certified.

### Profit for the year compared to future expectations

Despite the above challenges record sales were recorded in 2021 as RBDK was able to better manage the supply chain issues than some of our competitors in order to ensure uninterrupted product availability.

Despite a slight erosion in margin the full year profit was at the budget level. Price increases have been implemented that will result in a recovery of the margin seen in the second half of 2021.

### Significant events after the end of the financial year

The improvement in global logistics that was expected following the Chinese New Year has not materialized and logistics problems are now expected to continue throughout 2022.

### Financial risk

Further increases in raw material and logistics cost are a concern.

Inflation is a growing problem and may result in a reduction in the current high level of demand later in the year.

## MANAGEMENT COMMENTARY

### Research and development activities

There was a slight underspend in R&D in 2021 primarily due to reduced travel costs.

R&D passenger car activity in 2021 was largely focused on development of the next generation of passenger car pads for North America. Commercial vehicle activities were split between the support of brake linings in North American and localization of brake pad production in China.

The new Euro 7 vehicle emission regulations will limit brake dust emissions and testing is ongoing in advance of this legislation.

### Future expectations

Sales growth is expected to continue into 2022 but the aforementioned challenges remain.

### Corporate social responsibility (CSR) report

Roulunds Braking is a part of MAT Friction, this group also includes the production sites. This has been beneficial setting up a global quality system.

Through this system MAT Friction have launched a project to measure 2021 carbon dioxide emissions and to define goals for a reduction in the carbon footprint in the period 2022 - 2025.

Roulunds Braking are responsible for approving raw material for friction mix used at production sites, Roulunds Braking therefore influence the selection of raw material and make sure that material comply with legislation.

### Environment and climate conditions

Roulunds Braking have been certificated ISO 14001 since 2000 and thought that Roulunds Braking has been working with improvements to reduce our environmental impact and have an Environment policy to support the commitments Roulunds Braking have set.

Our significant environmental impact is freight, for that reason Roulunds Braking is always working on reduce number of containers, one way Roulunds Braking have done it is to change the size of the pallets so it is possible pack the container with less unutilized space.

### Responsible supplier management - human rights and anti-corruption

Roulunds Braking operates under the common MAT Friction Group Human Resources Policy and MAT code of Business ethics and Anti-bribery policy.

These policies are also valid for our production sites and are applied when performing a responsible supplier management, by conducting regularly visit or audits.

## MANAGEMENT COMMENTARY

### **Social conditions and employee relations**

MAT friction Quality, Health Safety and Environment Policy is the foundation for a safe and secure workplace. Roulunds braking had in 2021 1 work-related accidents, the total for the last 5 year is 0,75 work-related accidents in average.

In 2021 Roulunds Braking started a process which aim is to educate our employee to recognize and avoid insulting behavior.

MAT conduct employee satisfaction survey frequently, results are stored in our global quality system.

Roulunds Braking focuses on increasing the number of female managers and in 2013 established target figures for how many of the underrepresented gender should sit on the board of directors. Further the company has prepared policies to ensure the right composition of gender in the management generally.

Roulunds Braking met the objective of having a minimum of 20% female board members at the end of 2021.

### **Statement of data ethics**

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

In 2019 all employee was trained in GDPR rules, and IT-systems was setup to meet the GDPR-regulative. This process is continued and our GDPR is kept up to date.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
<b>NET REVENUE</b> .....	1	<b>628.755</b>	<b>572.495</b>	<b>628.755</b>	<b>572.495</b>
Cost of sales.....		-507.192	-450.220	-529.059	-472.291
Other operating income.....		0	2.258	0	2.258
Other external expenses.....	2	-53.391	-54.868	-48.963	-50.686
<b>GROSS PROFIT</b> .....		<b>68.172</b>	<b>69.665</b>	<b>50.733</b>	<b>51.776</b>
Staff costs.....	3	-44.858	-45.007	-28.834	-28.866
Depreciation, amortisation and impairment.....		-5.071	-6.677	-4.817	-6.438
<b>OPERATING PROFIT</b> .....		<b>18.243</b>	<b>17.981</b>	<b>17.082</b>	<b>16.472</b>
Result of equity investments in group enterprises.....		0	0	973	1.343
Other financial income.....	4	12	13	12	13
Other financial expenses.....		-664	-2.880	-651	-2.879
<b>PROFIT BEFORE TAX</b> .....		<b>17.591</b>	<b>15.114</b>	<b>17.416</b>	<b>14.949</b>
Tax on profit/loss for the year.....	5	-2.659	-1.771	-2.484	-1.606
<b>PROFIT FOR THE YEAR</b> .....	6	<b>14.932</b>	<b>13.343</b>	<b>14.932</b>	<b>13.343</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Development projects completed..		0	0	0	0
Knowhow.....		99	279	99	279
Goodwill.....		262	937	262	937
<b>Intangible assets.....</b>	<b>7</b>	<b>361</b>	<b>1.216</b>	<b>361</b>	<b>1.216</b>
Land and buildings.....		34.984	35.145	34.984	35.145
Production plants and machinery...		1.277	1.381	0	0
Other plants, machinery, tools and equipment.....		4.470	5.671	4.470	5.671
Leasehold improvements.....		410	532	410	532
Tangible fixed assets in progress and prepayment.....		2.164	934	2.164	934
<b>Property, plant and equipment...</b>	<b>8</b>	<b>43.305</b>	<b>43.663</b>	<b>42.028</b>	<b>42.282</b>
Equity investments in group enterprises.....		0	0	4.541	4.074
<b>Financial non-current assets.....</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>4.541</b>	<b>4.074</b>
<b>NON-CURRENT ASSETS.....</b>		<b>43.666</b>	<b>44.879</b>	<b>46.930</b>	<b>47.572</b>
Raw materials and consumables....		20.956	18.386	20.956	18.386
Finished goods and goods for sale..		106.236	98.232	106.236	98.232
<b>Inventories.....</b>		<b>127.192</b>	<b>116.618</b>	<b>127.192</b>	<b>116.618</b>
Trade receivables.....		148.643	163.099	148.160	162.615
Receivables from group enterprises.....		15.112	23.174	14.965	18.557
Deferred tax assets.....	10	299	0	299	0
Other receivables.....		9.142	11.227	9.090	11.051
Receivables corporation tax.....		934	3.054	934	3.054
<b>Receivables.....</b>		<b>174.130</b>	<b>200.554</b>	<b>173.448</b>	<b>195.277</b>
<b>Cash and cash equivalents.....</b>		<b>16.571</b>	<b>22.904</b>	<b>14.462</b>	<b>21.091</b>
<b>CURRENT ASSETS.....</b>		<b>317.893</b>	<b>340.076</b>	<b>315.102</b>	<b>332.986</b>
<b>ASSETS.....</b>		<b>361.559</b>	<b>384.955</b>	<b>362.032</b>	<b>380.558</b>

**BALANCE SHEET AT 31 DECEMBER**

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
Share capital.....		2.560	2.560	2.560	2.560
Retained profit.....		226.912	211.858	226.912	211.858
Proposed dividend.....		0	12.306	0	12.306
<b>EQUITY.....</b>		<b>229.472</b>	<b>226.724</b>	<b>229.472</b>	<b>226.724</b>
Deferred tax assets.....	10	0	327	0	327
<b>PROVISIONS.....</b>		<b>0</b>	<b>327</b>	<b>0</b>	<b>327</b>
Mortgage debt.....		1.984	10.581	1.984	10.581
Holiday allowance.....		0	2.682	0	2.682
<b>Non-current liabilities.....</b>	11	<b>1.984</b>	<b>13.263</b>	<b>1.984</b>	<b>13.263</b>
Mortgage debt.....		502	961	502	961
Trade payables.....		21.614	16.552	19.917	14.149
Payables to group enterprises.....		100.702	119.791	104.931	119.676
Corporation tax joint taxation.....		394	970	394	970
Other liabilities.....		6.891	6.367	4.832	4.488
<b>Current liabilities.....</b>		<b>130.103</b>	<b>144.641</b>	<b>130.576</b>	<b>140.244</b>
<b>LIABILITIES.....</b>		<b>132.087</b>	<b>157.904</b>	<b>132.560</b>	<b>153.507</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>361.559</b>	<b>384.955</b>	<b>362.032</b>	<b>380.558</b>
Contingencies etc.	12				
Charges and securities	13				
Related parties	14				



## EQUITY

	Group			
	Share capital	Retained profit	Proposed dividend	Total
Equity at 1 January 2021.....	2.560	211.858	12.306	226.724
Proposed profit allocation, cf. note 6.....		14.932		14.932
Dividend paid.....			-12.306	-12.306
Foreign exchange adjustments.....		122		122
<b>Equity at 31 December 2021.....</b>	<b>2.560</b>	<b>226.912</b>	<b>0</b>	<b>229.472</b>

	Parent Company			
	Share capital	Retained profit	Proposed dividend	Total
Equity at 1 January 2021.....	2.560	211.858	12.306	226.724
Proposed profit allocation, cf. note 6.....		14.932		14.932
Dividend paid.....			-12.306	-12.306
Foreign exchange adjustments.....		122		122
<b>Equity at 31 December 2021.....</b>	<b>2.560</b>	<b>226.912</b>	<b>0</b>	<b>229.472</b>

The share capital has remained unchanged for the last 5 years.

**CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER**

	<b>Group</b>		<b>Parent Company</b>	
	<b>2021</b> DKK '000	<b>2020</b> DKK '000	<b>2021</b> DKK '000	<b>2020</b> DKK '000
Profit/loss for the year.....	14.932	13.343	14.932	13.343
Depreciation and amortisation, reversed....	5.071	6.677	4.817	6.438
Profit/loss from subsidiaries.....	0	0	-973	-1.343
Tax on profit/loss, reversed.....	2.659	1.771	2.484	1.605
Corporation tax paid.....	-2.650	-5.119	-2.650	-4.953
Change in inventories.....	-10.574	-1.301	-10.574	-1.301
Change in receivables (ex tax).....	26.482	-5.930	22.062	-746
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)..	-14.473	7.807	-9.603	6.523
<b>CASH FLOWS FROM OPERATING ACTIVITY..</b>	<b>21.447</b>	<b>17.248</b>	<b>20.495</b>	<b>19.566</b>
Purchase of property, plant and equipment.	-4.121	-3.209	-3.971	-2.898
Sale of property, plant and equipment.....	263	610	263	610
Other cash flows from investing activities...	0	0	506	688
<b>CASH FLOWS FROM INVESTING ACTIVITY...</b>	<b>-3.858</b>	<b>-2.599</b>	<b>-3.202</b>	<b>-1.600</b>
Repayment on loans.....	-9.056	-937	-9.056	-937
Other changes in non-current debt.....	-2.682	-623	-2.682	1.621
Dividends paid in the financial year.....	-12.306	0	-12.306	0
Other cash flows from financing activities...	122	-190	122	-190
<b>CASH FLOWS FROM FINANCING ACTIVITY...</b>	<b>-23.922</b>	<b>-1.750</b>	<b>-23.922</b>	<b>494</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.</b>	<b>-6.333</b>	<b>12.899</b>	<b>-6.629</b>	<b>18.460</b>
Cash and cash equivalents at 1. januar.....	22.904	10.005	21.091	2.631
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>	<b>16.571</b>	<b>22.904</b>	<b>14.462</b>	<b>21.091</b>
Cash and cash equivalents at 31 December comprise:				
Cash and cash equivalents.....	16.571	22.904	14.462	21.091
<b>CASH AND CASH EQUIVALENTS, NET DEBT.</b>	<b>16.571</b>	<b>22.904</b>	<b>14.462</b>	<b>21.091</b>

## NOTES

Note

	Group		Parent Company		
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000	
<b>Net revenue</b>					<b>1</b>
Revenue, Denmark.....	4.058	4.037	4.058	4.037	
Revenue, Europe.....	624.697	568.458	624.697	568.458	
	<b>628.755</b>	<b>572.495</b>	<b>628.755</b>	<b>572.495</b>	
<b>Segment details (geography)</b>					
Revenue, Denmark.....	4.058	4.037	4.058	4.037	
Revenue, Europe.....	624.697	568.458	624.697	568.458	
	<b>628.755</b>	<b>572.495</b>	<b>628.755</b>	<b>572.495</b>	
<b>Fee to statutory auditor</b>					<b>2</b>
Statutory audit.....	372	374	295	295	
Other services.....	195	217	195	217	
	<b>567</b>	<b>591</b>	<b>490</b>	<b>512</b>	
<b>Staff costs</b>					<b>3</b>
Average number of employees	91	94	51	54	
Wages and salaries.....	38.673	38.989	24.914	25.123	
Pensions.....	3.945	3.987	2.301	2.335	
Social security costs.....	2.240	2.031	1.619	1.408	
	<b>44.858</b>	<b>45.007</b>	<b>28.834</b>	<b>28.866</b>	
Information on management remuneration is omitted in accordance with the exemption provision in the Danish Financial Statements Act, section 98 b, subsection 3 No. 2.					
<b>Other financial income</b>					<b>4</b>
Other interest income.....	12	13	12	13	
	<b>12</b>	<b>13</b>	<b>12</b>	<b>13</b>	
<b>Tax on profit for the year</b>					<b>5</b>
Calculated tax on taxable income of the year.....	3.285	1.661	3.110	1.495	
Adjustment of deferred tax.....	-626	110	-626	111	
	<b>2.659</b>	<b>1.771</b>	<b>2.484</b>	<b>1.606</b>	

## NOTES

	Group		Parent Company		Note
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000	
<b>Proposed distribution of profit</b>					<b>6</b>
Proposed dividend for the year.....	0	12.306	0	12.306	
Retained earnings.....	14.932	1.037	14.932	1.037	
	<b>14.932</b>	<b>13.343</b>	<b>14.932</b>	<b>13.343</b>	

## Intangible assets

	Group			Note
	Development projects completed	Knowhow	Goodwill	
Cost at 1 January 2021.....	11.715	1.786	6.572	<b>7</b>
Cost at 31 December 2021.....	<b>11.715</b>	<b>1.786</b>	<b>6.572</b>	
Amortisation at 1 January 2021.....	11.715	1.507	5.635	
Amortisation for the year.....	0	180	675	
Amortisation at 31 December 2021.....	<b>11.715</b>	<b>1.687</b>	<b>6.310</b>	
Carrying amount at 31 December 2021.....	<b>0</b>	<b>99</b>	<b>262</b>	

	Parent Company		
	Development projects completed	Knowhow	Goodwill
Cost at 1 January 2021.....	11.715	1.786	6.572
Cost at 31 December 2021.....	<b>11.715</b>	<b>1.786</b>	<b>6.572</b>
Amortisation at 1 January 2021.....	11.715	1.507	5.635
Amortisation for the year.....	0	180	675
Amortisation at 31 December 2021.....	<b>11.715</b>	<b>1.687</b>	<b>6.310</b>
Carrying amount at 31 December 2021.....	<b>0</b>	<b>99</b>	<b>262</b>

## NOTES

Note

## Property, plant and equipment

8

	<b>Group</b>		
	Land and buildings	Production plants and machinery	Other plants, machinery, tools and equipment
Cost at 1 January 2021.....	40.370	3.474	49.400
Transferred.....	1.214	0	605
Additions.....	0	150	858
Disposals.....	0	-67	-810
<b>Cost at 31 December 2021.....</b>	<b>41.584</b>	<b>3.557</b>	<b>50.053</b>
Depreciation and impairment losses at 1 January 2021.....	5.225	2.093	43.729
Reversal of depreciation of assets disposed of..	0	-67	-579
Depreciation for the year.....	1.375	254	2.433
<b>Depreciation and impairment losses at 31 December 2021.....</b>	<b>6.600</b>	<b>2.280</b>	<b>45.583</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>34.984</b>	<b>1.277</b>	<b>4.470</b>

	<b>Group</b>	
	Leasehold improvements	Tangible fixed assets in progress and prepayment
Cost at 1 January 2021.....	3.039	934
Transferred.....	0	-1.819
Additions.....	64	3.049
<b>Cost at 31 December 2021.....</b>	<b>3.103</b>	<b>2.164</b>
Depreciation and impairment losses at 1 January 2021.....	2.507	
Depreciation for the year.....	186	
<b>Depreciation and impairment losses at 31 December 2021...</b>	<b>2.693</b>	
<b>Carrying amount at 31 December 2021.....</b>	<b>410</b>	<b>2.164</b>

## NOTES

Note

## Tangible fixed assets (continued)

8

	Parent Company	
	Land and buildings	Other plants, machinery, tools and equipment
Cost at 1 January 2021.....	40.370	49.400
Transferred.....	1.214	605
Additions.....	0	858
Disposals.....	0	-810
<b>Cost at 31 December 2021.....</b>	<b>41.584</b>	<b>50.053</b>
Depreciation and impairment losses at 1 January 2021.....	5.225	43.729
Reversal of depreciation of assets disposed of.....	0	-579
Depreciation for the year.....	1.375	2.433
<b>Depreciation and impairment losses at 31 December 2021...</b>	<b>6.600</b>	<b>45.583</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>34.984</b>	<b>4.470</b>

	Parent Company	
	Leasehold improvements	Tangible fixed assets in progress and prepayment
Cost at 1 January 2021.....	2.905	934
Transferred.....	0	-1.819
Additions.....	64	3.049
<b>Cost at 31 December 2021.....</b>	<b>2.969</b>	<b>2.164</b>
Depreciation and impairment losses at 1 January 2021.....	2.373	
Depreciation for the year.....	186	
<b>Depreciation and impairment losses at 31 December 2021...</b>	<b>2.559</b>	
<b>Carrying amount at 31 December 2021.....</b>	<b>410</b>	<b>2.164</b>

## NOTES

Note

## Financial non-current assets

9

	<u>Parent Company</u>
	Equity investments in group enterprises
Cost at 1 January 2021.....	13.702
Additions.....	0
Disposals.....	0
<b>Cost at 31 December 2021.....</b>	<b>13.702</b>
Revaluation at 1 January 2021.....	-9.628
Exchange adjustment.....	-22
Dividend.....	-484
Profit/loss for the year.....	973
<b>Revaluation at 31 December 2021.....</b>	<b>-9.161</b>
<b>Carrying amount at 31 December 2021.....</b>	<b>4.541</b>

## Investments in subsidiaries (DKK '000)

Company	Equity	Profit/loss for the year	Ownership %
Fomar Polen Sp. Z o.o., Polen.....	2.608	435	100 %
Roulunds Braking France SAS, France.....	1.933	538	100 %

NOTES

Note

**Deferred tax assets**

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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>2021</b> DKK '000	<b>2020</b> DKK '000	<b>2021</b> DKK '000	<b>2020</b> DKK '000
Knowhow.....	22	61	22	61
Goodwill.....	58	206	58	206
Land and buildings.....	313	284	313	284
Other plants, machinery, tools and equipment.....	-820	-893	-820	-893
Leasehold improvements.....	47	42	47	42
Other receivables.....	81	627	81	627
	<b>-299</b>	<b>327</b>	<b>-299</b>	<b>327</b>

	<b>Group</b>		<b>Parent Company</b>	
	<b>2021</b> DKK '000	<b>2020</b> DKK '000	<b>2021</b> DKK '000	<b>2020</b> DKK '000
Deferred tax, beginning of year.....	327	217	327	217
Adjustment for the year.....	-626	110	-626	110
<b>Deferred tax assets 31 December 2021.....</b>	<b>-299</b>	<b>327</b>	<b>-299</b>	<b>327</b>

There are no special assumptions in relation to the utilization of the deferred tax asset which is expected to be utilized within 1 year.

**Long-term liabilities**

11

	<b>Group</b>			
	<b>31/12 2021</b> total liabilities	<b>Repayment</b> next year	<b>Debt</b> outstanding after 5 years	<b>31/12 2020</b> total liabilities
Mortgage debt.....	2.486	502	252	11.542
Holiday allowance.....	0	0	0	2.682
	<b>2.486</b>	<b>502</b>	<b>252</b>	<b>14.224</b>

	<b>Parent Company</b>			
	<b>31/12 2021</b> total liabilities	<b>Repayment</b> next year	<b>Debt</b> outstanding after 5 years	<b>31/12 2020</b> total liabilities
Mortgage debt.....	2.486	502	252	11.542
Holiday allowance.....	0	0	0	2.682
	<b>2.486</b>	<b>502</b>	<b>252</b>	<b>14.224</b>



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

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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) 4,647 up to 3 1/2 years.

**Contingent liabilities****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 recievable of the group's jointly taxed income amounts to DKK ('000) 934 at the balance sheet date.

**Charges and securities**

13

Land and buildings with a carrying amount of DKK('000) 34,984 have been provided as security for mortgage debt off DKK('000) 2.486.

**Related parties**

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Roulunds Braking ApS' related parties include:

**Controlling interest**

MAT Holdings Inc. is the principal shareholder.

MAT Holdings Inc.

6700 Wildlife Way

Long Grove, IL 60047, U.S.A.

**Other related parties having performed transactions with the company**

Roulunds Braking ApS' related parties with 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 partiesterial interests.**

Roulunds Braking ApS did not carry out any substantial transactions that were not concluded on market conditions.

## ACCOUNTING POLICIES

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

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

The Annual Report is prepared with the following accounting principles.

### **Consolidated Financial Statements**

The consolidated financial statements include the parent company Roulunds Braking ApS and its subsidiaries in which Roulunds Braking 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.

The date of acquisition is the date at which the Group gains actual control over the acquired business.

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.

At 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.

Transaction costs, incurred in connection with acquisition of businesses, are recognised in the income statement in the year when costs are incurred.

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.

## ACCOUNTING POLICIES

### 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.

#### Other operating income

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

#### Cost of sales

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

#### Other external expenses

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 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.

**ACCOUNTING POLICIES**

**BALANCE SHEET**

**Intangible fixed assets**

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 10 years. The period of amortisation is determined based on an assessment of the acquired company’s position in the market and earnings profile, and the industry-specific conditions.

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company’s development activities and which fulfil the criteria for recognition.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

**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. 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:

	Useful life	Residual value
Buildings.....	30 years	0 %
Production plant and machinery.....	3-7 years	0 %
Other plant, fixtures and equipment.....	3-7 years	0 %
Leasehold improvements.....	5 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.

**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.

## ACCOUNTING POLICIES

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 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, write-down is provided 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.

### **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.

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 would 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.

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

## 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.

### 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.