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Havneholmen 29  
DK-1561 København V  
CVR no. 20 22 26 70

**ROULUNDS BRAKING APS**  
**HESTEHAVEN 43, HJALLESE, 5260 ODENSE S**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2022**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 25 April 2023**

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**Paul William Thomas**

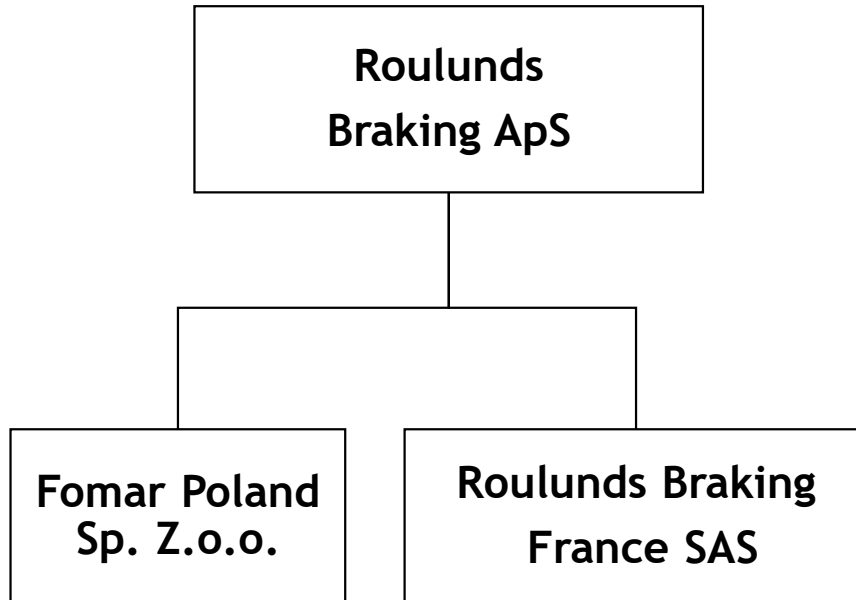
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**COMPANY DETAILS**

<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 Jessica Wang Olsson Lars Bjarne Madsen John Bøgedal
<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 2022.

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

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

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

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

Odense, 25 April 2023

### Executive Board

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

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

### Board of Directors

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

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

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

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

\_\_\_\_\_  
Jessica Wang Olsson

\_\_\_\_\_  
Lars Bjarne Madsen

\_\_\_\_\_  
John Bøgedal

## 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 2022, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies for both the Group and the Parent Company. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2022 and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

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

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

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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

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

### **Statement on Management Commentary**

Management is responsible for Management Commentary.

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

Copenhagen, 25 April 2023

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

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



**FINANCIAL HIGHLIGHTS OF THE GROUP**

	2022	2021	2020	2019	2018
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Income statement</b>					
Net revenue.....	708.144	628.755	572.495	578.714	564.925
Gross profit.....	74.805	68.172	69.665	72.828	81.737
Operating profit.....	24.880	18.243	17.981	17.113	27.592
Financial income and expenses, net.....	-1.982	-652	-2.867	-382	-571
Profit for the year.....	18.968	14.932	13.343	12.399	20.708
<b>Balance sheet</b>					
Total assets.....	357.490	361.559	384.955	367.751	321.210
Equity.....	248.381	229.472	226.724	213.571	201.143
<b>Cash flows</b>					
Cash flows from operating activities.....	6.013	21.447	17.248	11.120	7.622
Cash flows from investing activities.....	-3.813	-3.858	-2.599	-1.154	-3.527
Cash flows from financing activities.....	-443	-23.922	-1.750	-922	1.176
Investment in property, plant and equipment.....	-4.114	-4.121	-3.209	-1.369	-4.689
<b>Key ratios</b>					
Gross margin.....	10,6	10,8	12,2	12,6	14,5
Operating margin.....	3,5	2,9	3,1	3,0	4,9
Return on invested capital.....	10,5	8,0	8,2	8,3	14,5
Equity ratio.....	69,5	63,5	58,9	58,1	62,6
Return on equity.....	7,9	6,5	6,1	6,0	10,8

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 22,9 million DKK (Roulunds Braking Denmark 22,0 million DKK, Fomar Poland 0,4 million DKK, Roulunds Braking France 0,5 million DKK).

2022 sales were 708,1 million DKK.

In 2022 the group has invested 4.1 million DKK in tangible fixed assets.

Roulunds Braking Denmark inventory has decreased by 6,8 million DKK. Total Group inventory 2022 was 120,4 million DKK.

### Major events in the year

The Ukraine war was the major event of 2022. A gradual improvement in the logistics challenges and raw material shortages that had persisted during the covid crisis was seen towards the end of 2021. However this was accompanied by a significant increase in inflation which was exacerbated by the Ukraine war due to renewed raw material and energy shortages. Therefore margin retention was the 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

2022 was a record sales year for RBDK. Despite of increasing transport cost the full year profit was better than budget in terms of both absolute value and margin percentage. The main reason for this development is due to Private label customers demand for passenger car pads.

For 2023, sales are expected to continue at the same volume level as in 2022, but there may be some erosion of top line sales as prices are expected to decline in line with reduced raw material and logistics costs.

The group expects an increase in revenue of a range DKK 625M - DKK 650M and a profit before tax of DKK 20M - DKK 24M for 2023.

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

There have been no significant effects after the end of the financial year.

### Financial risk

A reduction in raw material and logistics costs is expected which will result in a reduction in pricing in line with agreed indexes. In addition inflationary pressures are likely to negatively impact demand. In combination these two factors will result in significant pricing pressure.

## MANAGEMENT COMMENTARY

### Research and development activities

There was an underspend in R&D in 2022 due to the continued reduction in travel following the covid crisis.

Revamping of the North America passenger car product offering in advance of the copper free product legislation was the major focus in 2022. Commercial vehicle development was primarily in support of MAT Dalian where localization of existing materials and development of China specific products is ongoing.

The Euro 7 vehicle brake dust emission legislation has been finalized. Although currently focused on new vehicle applications it is expected that this legislation will eventually be expanded to the aftermarket.

### Future expectations

Assuming no significant change to the situation in Ukraine then a continued reduction in costs is expected. This will lead to pricing pressure, especially in the second half of the year.

### 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 2023 carbon dioxide emissions and to define goals for a reduction in the carbon footprint in the period 2023 - 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 reducing number of containers, one way Roulunds Braking have done it is when possible to use full loaded 40 feet containers instead of 20 feet and 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 2022 1 work-related accidents, the total for the last 5 year is 0,60 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.

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

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 2022.

### **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	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
<b>NET REVENUE</b> .....	1	<b>708.144</b>	<b>628.755</b>	<b>708.144</b>	<b>628.755</b>
Cost of sales.....		-575.644	-507.192	-597.449	-529.059
Other external expenses.....	2	-57.695	-53.391	-53.848	-48.963
<b>GROSS PROFIT/LOSS</b> .....		<b>74.805</b>	<b>68.172</b>	<b>56.847</b>	<b>50.733</b>
Staff costs.....	3	-45.672	-44.858	-29.047	-28.834
Depreciation, amortisation and impairment.....		-4.253	-5.071	-4.010	-4.817
<b>OPERATING PROFIT</b> .....		<b>24.880</b>	<b>18.243</b>	<b>23.790</b>	<b>17.082</b>
Income from investments in subsidiaries.....		0	0	918	973
Other financial income.....	4	179	12	173	12
Other financial expenses.....		-2.161	-664	-2.161	-651
<b>PROFIT BEFORE TAX</b> .....		<b>22.898</b>	<b>17.591</b>	<b>22.720</b>	<b>17.416</b>
Tax on profit/loss for the year.....	5	-3.930	-2.659	-3.752	-2.484
<b>PROFIT FOR THE YEAR</b> .....	6	<b>18.968</b>	<b>14.932</b>	<b>18.968</b>	<b>14.932</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Development projects completed..		0	0	0	0
Knowhow.....		0	99	0	99
Goodwill.....		0	262	0	262
<b>Intangible assets.....</b>	<b>7</b>	<b>0</b>	<b>361</b>	<b>0</b>	<b>361</b>
Land and buildings.....		35.186	34.984	35.186	34.984
Production plants and machinery...		1.305	1.277	0	0
Other plants, machinery, tools and equipment.....		5.126	4.470	5.126	4.470
Leasehold improvements.....		305	410	305	410
Tangible fixed assets in progress and prepayment.....		1.818	2.164	1.818	2.164
<b>Property, plant and equipment...</b>	<b>8</b>	<b>43.740</b>	<b>43.305</b>	<b>42.435</b>	<b>42.028</b>
Equity investments in group enterprises.....		0	0	4.985	4.541
Rent deposit and other receivables.....		2.718	2.718	2.718	2.718
<b>Financial non-current assets.....</b>	<b>9</b>	<b>2.718</b>	<b>2.718</b>	<b>7.703</b>	<b>7.259</b>
<b>NON-CURRENT ASSETS.....</b>		<b>46.458</b>	<b>46.384</b>	<b>50.138</b>	<b>49.648</b>
Raw materials and consumables....		10.755	20.956	10.755	20.956
Finished goods and goods for resale.....		109.684	106.236	109.684	106.236
<b>Inventories.....</b>		<b>120.439</b>	<b>127.192</b>	<b>120.439</b>	<b>127.192</b>
Trade receivables.....		136.322	148.643	136.307	148.160
Receivables from group enterprises.....		25.534	15.112	24.157	14.965
Deferred tax assets.....	10	207	299	207	299
Other receivables.....		8.420	6.424	8.400	6.372
Receivables corporation tax.....		1.782	934	1.782	934
<b>Receivables.....</b>		<b>172.265</b>	<b>171.412</b>	<b>170.853</b>	<b>170.730</b>
<b>Cash and cash equivalents.....</b>		<b>18.328</b>	<b>16.571</b>	<b>16.767</b>	<b>14.462</b>
<b>CURRENT ASSETS.....</b>		<b>311.032</b>	<b>315.175</b>	<b>308.059</b>	<b>312.384</b>
<b>ASSETS.....</b>		<b>357.490</b>	<b>361.559</b>	<b>358.197</b>	<b>362.032</b>

**BALANCE SHEET AT 31 DECEMBER**

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Share capital.....		2.560	2.560	2.560	2.560
Retained profit.....		245.821	226.912	245.821	226.912
<b>EQUITY.....</b>		<b>248.381</b>	<b>229.472</b>	<b>248.381</b>	<b>229.472</b>
Mortgage debt.....		1.532	1.984	1.532	1.984
Lease liabilities.....		495	0	495	0
<b>Non-current liabilities.....</b>	<b>11</b>	<b>2.027</b>	<b>1.984</b>	<b>2.027</b>	<b>1.984</b>
Mortgage debt.....		502	502	502	502
Trade payables.....		20.722	21.614	19.127	19.917
Payables to group enterprises.....		78.573	100.702	82.831	104.931
Corporation tax joint taxation.....		394	394	394	394
Other liabilities.....		6.891	6.891	4.935	4.832
<b>Current liabilities.....</b>		<b>107.082</b>	<b>130.103</b>	<b>107.789</b>	<b>130.576</b>
<b>LIABILITIES.....</b>		<b>109.109</b>	<b>132.087</b>	<b>109.816</b>	<b>132.560</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>357.490</b>	<b>361.559</b>	<b>358.197</b>	<b>362.032</b>
Contingencies etc.	12				
Charges and securities	13				
Related parties	14				
Fee to statutory auditor	2				



## EQUITY

	<b>Group</b>		
	Share capital	Retained profit	Total
Equity at 1 January 2022.....	2.560	226.912	229.472
Proposed profit allocation, cf. note 6.....		18.968	18.968
<b>Other legal bindings</b>			
Foreign exchange adjustments.....		-59	-59
<b>Equity at 31 December 2022.....</b>	<b>2.560</b>	<b>245.821</b>	<b>248.381</b>

	<b>Parent Company</b>		
	Share capital	Retained profit	Total
Equity at 1 January 2022.....	2.560	226.912	229.472
Proposed profit allocation, cf. note 6.....		18.968	18.968
<b>Other legal bindings</b>			
Foreign exchange adjustments.....		-59	-59
<b>Equity at 31 December 2022.....</b>	<b>2.560</b>	<b>245.821</b>	<b>248.381</b>

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

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

	Group		Parent Company	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Profit/loss for the year.....	18.968	14.932	18.968	14.932
Depreciation and amortisation, reversed....	4.225	5.071	4.009	4.817
Profit/loss from subsidiaries.....	0	0	-918	-973
Tax on profit/loss, reversed.....	3.930	2.659	3.752	2.484
Corporation tax paid.....	-5.621	-2.650	-5.443	-2.650
Change in inventories.....	6.753	-10.574	6.753	-10.574
Change in receivables (ex tax).....	-34	26.482	696	22.062
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)..	-22.208	-14.473	-21.974	-9.603
<b>CASH FLOWS FROM OPERATING ACTIVITY..</b>	<b>6.013</b>	<b>21.447</b>	<b>5.843</b>	<b>20.495</b>
Purchase of property, plant and equipment.	-4.114	-4.121	-3.870	-3.971
Sale of property, plant and equipment.....	301	263	301	263
Other cash flows from investing activities...	0	0	415	506
<b>CASH FLOWS FROM INVESTING ACTIVITY...</b>	<b>-3.813</b>	<b>-3.858</b>	<b>-3.154</b>	<b>-3.202</b>
Repayment on loans.....	-452	-9.056	-452	-9.056
Other changes in non-current debt.....	0	-2.560	0	-2.682
Dividends paid in the financial year.....	0	-12.306	0	-12.306
Other cash flows from financing activities...	0	0	59	122
<b>CASH FLOWS FROM FINANCING ACTIVITY...</b>	<b>-443</b>	<b>-23.922</b>	<b>-384</b>	<b>-23.922</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.</b>	<b>1.757</b>	<b>-6.333</b>	<b>2.305</b>	<b>-6.629</b>
Cash and cash equivalents at 1. januar.....	16.571	22.904	14.462	21.091
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>	<b>18.328</b>	<b>16.571</b>	<b>16.767</b>	<b>14.462</b>
Cash and cash equivalents at 31 December comprise:				
Cash and cash equivalents.....	18.328	16.571	16.767	14.462
<b>CASH AND CASH EQUIVALENTS.....</b>	<b>18.328</b>	<b>16.571</b>	<b>16.767</b>	<b>14.462</b>

## NOTES

Note

	Group		Parent Company		
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
<b>Net revenue</b>					<b>1</b>
Revenue, Denmark.....	6.742	4.058	6.742	4.058	
Revenue, Europe.....	723.921	640.376	723.921	640.376	
Trade discounts granted.....	-23.298	-16.125	-23.298	-16.125	
Freight and carriage, invoiced.....	779	446	779	446	
	<b>708.144</b>	<b>628.755</b>	<b>708.144</b>	<b>628.755</b>	
<b>Segment details (geography)</b>					
Revenue, Denmark.....	6.744	4.058	6.744	4.058	
Revenue, Europe.....	701.400	624.697	701.400	624.697	
	<b>708.144</b>	<b>628.755</b>	<b>708.144</b>	<b>628.755</b>	
<b>Fee to statutory auditor</b>					<b>2</b>
Statutory audit.....	372	372	295	295	
Other services.....	197	195	197	195	
	<b>569</b>	<b>567</b>	<b>492</b>	<b>490</b>	
<b>Staff costs</b>					<b>3</b>
Average number of employees	90	91	50	51	
Wages and salaries.....	39.230	38.673	24.848	24.914	
Pensions.....	3.949	3.945	2.322	2.301	
Social security costs.....	2.493	2.240	1.877	1.619	
	<b>45.672</b>	<b>44.858</b>	<b>29.047</b>	<b>28.834</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.....	179	12	173	12	
	<b>179</b>	<b>12</b>	<b>173</b>	<b>12</b>	

## NOTES

	Group		Parent Company		Note
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
<b>Tax on profit for the year</b>					<b>5</b>
Calculated tax on taxable income of the year.....	3.839	3.285	3.661	3.110	
Adjustment of deferred tax.....	91	-626	91	-626	
	<b>3.930</b>	<b>2.659</b>	<b>3.752</b>	<b>2.484</b>	
<b>Proposed distribution of profit</b>					<b>6</b>
Retained earnings.....	18.968	14.932	18.968	14.932	
	<b>18.968</b>	<b>14.932</b>	<b>18.968</b>	<b>14.932</b>	
<b>Intangible assets</b>					<b>7</b>
	Group				
	Development projects completed	Knowhow	Goodwill		
Cost at 1 January 2022.....	11.715	1.786	6.572		
<b>Cost at 31 December 2022.....</b>	<b>11.715</b>	<b>1.786</b>	<b>6.572</b>		
Amortisation at 1 January 2022.....	11.715	1.687	6.310		
Amortisation for the year.....	0	99	262		
<b>Amortisation at 31 December 2022.....</b>	<b>11.715</b>	<b>1.786</b>	<b>6.572</b>		
Carrying amount at 31 December 2022.....	0	0	0		
	Parent Company				
	Development projects completed	Knowhow	Goodwill		
Cost at 1 January 2022.....	11.715	1.786	6.572		
<b>Cost at 31 December 2022.....</b>	<b>11.715</b>	<b>1.786</b>	<b>6.572</b>		
Amortisation at 1 January 2022.....	11.715	1.687	6.310		
Amortisation for the year.....	0	99	262		
<b>Amortisation at 31 December 2022.....</b>	<b>11.715</b>	<b>1.786</b>	<b>6.572</b>		
Carrying amount at 31 December 2022.....	0	0	0		

## 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 2022.....	41.584	3.557	50.053
Change of policy.....	0	0	487
Transferred.....	1.755	0	2.355
Additions.....	0	244	0
Disposals.....	0	0	-773
<b>Cost at 31 December 2022.....</b>	<b>43.339</b>	<b>3.801</b>	<b>52.122</b>
Depreciation and impairment losses at 1 January 2022.....	6.601	2.280	45.583
Reversal of depreciation of assets disposed of..	0	0	-406
Depreciation for the year.....	1.552	216	1.819
<b>Depreciation and impairment losses at 31 December 2022.....</b>	<b>8.153</b>	<b>2.496</b>	<b>46.996</b>
<b>Carrying amount at 31 December 2022.....</b>	<b>35.186</b>	<b>1.305</b>	<b>5.126</b>
Finance lease assets.....			487

	<b>Group</b>	
	Leasehold improvements	Tangible fixed assets in progress and prepayment
Cost at 1 January 2022.....	3.103	2.164
Transferred.....	106	-4.216
Additions.....	0	3.870
<b>Cost at 31 December 2022.....</b>	<b>3.209</b>	<b>1.818</b>
Depreciation and impairment losses at 1 January 2022.....	2.693	
Depreciation for the year.....	211	
<b>Depreciation and impairment losses at 31 December 2022...</b>	<b>2.904</b>	
<b>Carrying amount at 31 December 2022.....</b>	<b>305</b>	<b>1.818</b>

## NOTES

Note

## Tangible fixed assets (continued)

8

	Parent Company		
	Land and buildings	Production plants and machinery	Other plants, machinery, tools and equipment
Cost at 1 January 2022.....	41.584	0	50.053
Change of policy.....	0	0	487
Transferred.....	1.755	0	2.355
Disposals.....	0	0	-773
<b>Cost at 31 December 2022.....</b>	<b>43.339</b>	<b>0</b>	<b>52.122</b>
Depreciation and impairment losses at 1 January 2022.....	6.601	0	45.583
Reversal of depreciation of assets disposed of..	0	0	-406
Depreciation for the year.....	1.552	0	1.819
<b>Depreciation and impairment losses at 31 December 2022.....</b>	<b>8.153</b>	<b>0</b>	<b>46.996</b>
<b>Carrying amount at 31 December 2022.....</b>	<b>35.186</b>	<b>0</b>	<b>5.126</b>

	Parent Company	
	Leasehold improvements	Tangible fixed assets in progress and prepayment
Cost at 1 January 2022.....	2.969	2.164
Transferred.....	106	-4.216
Additions.....	0	3.870
<b>Cost at 31 December 2022.....</b>	<b>3.075</b>	<b>1.818</b>
Depreciation and impairment losses at 1 January 2022.....	2.559	
Depreciation for the year.....	211	
<b>Depreciation and impairment losses at 31 December 2022...</b>	<b>2.770</b>	
<b>Carrying amount at 31 December 2022.....</b>	<b>305</b>	<b>1.818</b>

NOTES

Note

Financial non-current assets

9

	<u>Group</u>
	Rent deposit and other receivables
Cost at 1 January 2022.....	2.718
Cost at 31 December 2022.....	2.718
Carrying amount at 31 December 2022.....	2.718

	<u>Parent Company</u>	
	Equity investments in group enterprises	Rent deposit and other receivables
Cost at 1 January 2022.....	13.702	2.718
Additions.....	0	0
Disposals.....	0	0
Cost at 31 December 2022.....	13.702	2.718
Revaluation at 1 January 2022.....	-9.161	0
Dividend.....	-415	0
Profit/loss for the year.....	918	0
Other adjustments.....	-59	0
Revaluation at 31 December 2022.....	-8.717	0
Carrying amount at 31 December 2022.....	4.985	2.718

Investments in subsidiaries (DKK '000)

Company	Equity	Profit/loss for the year	Ownership %
Fomar Polen Sp. Z o.o., .....	2.533	399	100 %
Roulunds Braking France SAS, .....	2.452	519	100 %

Information about name and registered office in capital shares has been omitted in accordance with the exception provision in section 97 a, subsection of the Financial Statements Act. 4.

Deferred tax assets

10

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

## NOTES

Note

	<u>Group</u>		<u>Parent Company</u>	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Knowhow.....	0	22	0	22
Goodwill.....	0	58	0	58
Land and buildings.....	319	313	319	313
Other plants, machinery, tools and equipment.....	-671	-820	-671	-820
Leasehold improvements.....	36	47	36	47
Other receivables.....	109	81	109	81
	<b>-207</b>	<b>-299</b>	<b>-207</b>	<b>-299</b>

	<u>Group</u>		<u>Parent Company</u>	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Deferred tax, beginning of year.....	-299	327	-299	327
Adjustment for the year.....	92	-626	92	-626
<b>Provision for deferred tax 31 December 2022.....</b>	<b>-207</b>	<b>-299</b>	<b>-207</b>	<b>-299</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

	<u>Group</u>			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Mortgage debt.....	2.034	502	0	2.486
Lease liabilities.....	495	0	0	0
	<b>2.529</b>	<b>502</b>	<b>0</b>	<b>2.486</b>

	<u>Parent Company</u>			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Mortgage debt.....	2.034	502	0	2.486
Lease liabilities.....	495	0	0	0
	<b>2.529</b>	<b>502</b>	<b>0</b>	<b>2.486</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) 5,488 up to 2 1/2 years.

**Contingent liabilities**

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) 5,488 up to 2 1/2 years.

**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) 0 at the balance sheet date.

**Charges and securities**

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Land and buildings with a carrying amount of DKK('000) 35,186 have been provided as security for mortgage debt off DKK('000) 2,034.

**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 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large-size enterprises.

### **Change in accounting policies and classification**

The accounting policies have been changed in the following areas:

Management has chosen to use the rules in accordance with IFRS 16 in connection with the accounting treatment of leasing contracts preparation of the financial statements for 2022.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases together with options to exclude a lease where the lease term is 12 months or less, or where the underlying lease is of low value.

#### *Transition method and practical expedients utilised*

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Danish GAAP.

#### *Accounting policy applicable for prior years*

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for all of its leases, with the exception of leases of low value or for leases with a lease term of 12 months or less.

### **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.

## ACCOUNTING POLICIES

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.

#### 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 investments in subsidiaries

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

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.

**Lease contracts**

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

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

**Financial non-current assets**

## ACCOUNTING POLICIES

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

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

### **Impairment of fixed assets**

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

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

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

### **Inventories**

Inventories are measured at cost 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.