

Statsautoriseret revisionsanpartsselskab

**Hartzberg**<sup>+</sup>  
REVISION &  
RÅDGIVNING

## Annual report for 2019

**Rulmeca A/S**  
**Byleddet 7**  
**Roskilde**  
**CVR no. 27 42 99 71**

Adopted at the annual general meeting on 16 May 2020

Carsten Spanggaard  
chairman

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## Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Rulmeca A/S for the financial year 1 January - 31 December 2019.

The annual report is prepared in accordance with the Danish Financial Statements Act.

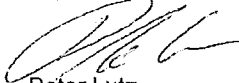
In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

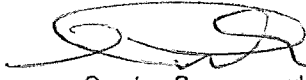
Roskilde, 16 May 2020

### Executive Board



Peter Lutz  
Managing director

### Board of Directors



Carsten Spanggaard  
chairman



Marco Attilio Ghisalberti



Peter Lutz



## Independent auditor's report

*To the shareholder of Rulmeca A/S*

### **Opinion**

We have audited the financial statements of Rulmeca A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

### **Basis for Opinion**

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

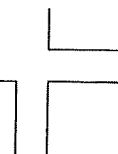
### **Emphasis of matter**

We draw attention to the financial statements Note 1. It is clear from this that the company is affected by the COVID19 virus and the shutdown of Denmark. The outcome of the situation cannot be determined at this time. Our conclusion is not modified regarding this.

### **Management's responsibilities for the financial statements**

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

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



## Independent auditor's report

### Auditor's responsibilities for the audit of the financial statements

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

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

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



## Independent auditor's report

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

### Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

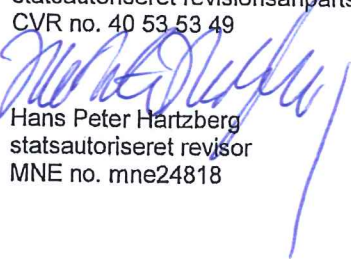
In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

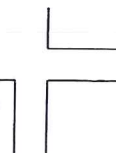
København Ø, 16 May 2020

Hartzberg+  
statsautoriseret revisionsanpartsselskab  
CVR no. 40 53 53 49

  
Hans Peter Hartzberg  
statsautoriseret revisor  
MNE no. mne24818

**Hartzberg+**

Statsautoriseret revisionsanpartsselskab



## Company details

<b>The company</b>	Rulmeca A/S Byleddet 7 Roskilde
	CVR no.: 27 42 99 71
	Reporting period: 1 January - 31 December 2019
	Incorporated: 12. November 2003
	Domicile: Roskilde
<b>Board of Directors</b>	Carsten Spanggaard, chairman Marco Attilio Ghisalberti Peter Lutz
<b>Executive Board</b>	Peter Lutz Managing director
<b>Auditors</b>	Hartzberg+ statsautoriseret revisionsanpartsselskab Øster Allé 56, 1. 2100 København Ø



## Management's review

### Business review

The Company's main activity is to produce engines and drive industrial production and trade in general.

### Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

### Financial review

The company's income statement for the year ended 31 December 2019 shows a profit of EUR 247.042, and the balance sheet at 31 December 2019 shows equity of EUR 860.421.

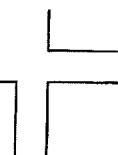
### Significant events occurring after the end of the financial year

In the financial year 2020, as a result of the COVID19 virus, and partially the shutdown of Denmark, the company experienced a decline in revenue.

As a result, the company has initiated an adjustment of its human resources and cost structure. As a consequence of the shutdown of Denmark and to support the business community, the government has launched some relief packages.

The length of the shutdown of the country and the further economic consequences of the shutdown of the country and the government-backed relief packages will have for the company are not known at this time.

The company's management has indicated that the company currently has the necessary liquidity available to run its operations. The parent company of Rulmeca has also indicated that it will support liquidity if necessary. The company's annual report has therefore been presented with continued operations in mind.





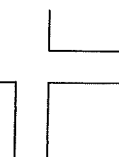
**Income statement**  
**1 January 2019 - 31 December 2019**

	<u>Note</u>	<u>2019</u> EUR	<u>2018</u> EUR
Gross profit		1.352.145	1.319.652
Staff costs	2	<u>-1.011.686</u>	<u>-1.053.782</u>
Profit/loss before amortisation/depreciation and impairment losses		340.459	265.870
Depreciation, amortisation and impairment of fixed assets	3	-10.793	-9.999
Other operating costs		<u>-22.872</u>	<u>-9.866</u>
Profit/loss on ordinary activities before fair value adjustments		306.794	246.005
Profit/loss before net financials		306.794	246.005
Financial income		53.417	10.361
Financial costs		<u>-50.627</u>	<u>-47.242</u>
Profit/loss before tax		309.584	209.124
Tax on profit/loss for the year	4	<u>-62.542</u>	<u>-28.967</u>
Profit/loss for the year		<u><u>247.042</u></u>	<u><u>180.157</u></u>
		<u>2019</u> EUR	<u>2018</u> EUR
Recommended appropriation of profit/loss			
Proposed dividend for the year		100.000	67.000
Retained earnings		<u>147.042</u>	<u>113.157</u>
		<u><u>247.042</u></u>	<u><u>180.157</u></u>



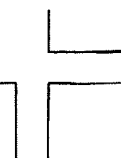
## Balance sheet at 31 December 2019

	Note	2019 EUR	2018 EUR
<b>Assets</b>			
Development projects in progress		27.600	2.000
<b>Intangible assets</b>		<b>27.600</b>	<b>2.000</b>
Land and buildings		161.199	167.331
Other fixtures and fittings, tools and equipment		3.011	27.722
<b>Tangible assets</b>		<b>164.210</b>	<b>195.053</b>
Deposits		16.831	17.929
<b>Fixed asset investments</b>		<b>16.831</b>	<b>17.929</b>
<b>Total non-current assets</b>		<b>208.641</b>	<b>214.982</b>
Raw materials and consumables		213.037	221.730
Work in progress		9.766	9.823
Finished goods and goods for resale		148.739	257.989
<b>Stocks</b>		<b>371.542</b>	<b>489.542</b>
Trade receivables		1.424.601	1.380.345
Receivables from associates		202.949	17.742
Deferred tax asset		32.000	32.000
Corporation tax		0	16.553
Prepayments		3.538	249
<b>Receivables</b>		<b>1.663.088</b>	<b>1.446.889</b>
<b>Cash at bank and in hand</b>		<b>822.993</b>	<b>574.991</b>
<b>Total current assets</b>		<b>2.857.623</b>	<b>2.511.422</b>
<b>Total assets</b>		<b>3.066.264</b>	<b>2.726.404</b>



## Balance sheet at 31 December 2019

	<u>Note</u>	<u>2019</u> EUR	<u>2018</u> EUR
<b>Equity and liabilities</b>			
Share capital		67.190	67.190
Retained earnings		693.231	546.190
Proposed dividend for the year		<u>100.000</u>	<u>67.000</u>
<b>Equity</b>	5	<u><b>860.421</b></u>	<u><b>680.380</b></u>
Mortgage loans		84.372	84.177
Other payables		<u>30.200</u>	<u>0</u>
<b>Total non-current liabilities</b>		<u><b>114.572</b></u>	<u><b>84.177</b></u>
Short-term part of long-term debt		5.394	5.226
Trade payables		33.797	2.987
Payables to associates		1.482.868	1.352.918
Corporation tax		16.829	0
Other payables		<u>552.383</u>	<u>600.716</u>
<b>Total current liabilities</b>		<u><b>2.091.271</b></u>	<u><b>1.961.847</b></u>
<b>Total liabilities</b>		<u><b>2.205.843</b></u>	<u><b>2.046.024</b></u>
<b>Total equity and liabilities</b>		<u><b>3.066.264</b></u>	<u><b>2.726.404</b></u>
Subsequent events	1		
Contingent liabilities	6		



## Notes

### 1 Subsequent events

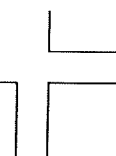
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As a result, the company has initiated an adjustment of its human resources and cost structure. As a consequence of the shutdown of Denmark and to support the business community, the government has launched some relief packages.

The length of the shutdown of the country and the further economic consequences of the shutdown of the country and the government-backed relief packages will have for the company are not known at this time.

The company's management has indicated that the company currently has the necessary liquidity available to run its operations. The parent company of Rulmeca has also indicated that it will support liquidity if necessary. The company's annual report has therefore been presented with continued operations in mind.

	<u>2019</u>	<u>2018</u>
	EUR	EUR
<b>2 Staff costs</b>		
Wages and salaries	823.637	857.053
Pensions	171.128	172.869
Other social security costs	4.836	4.266
Other staff costs	<u>12.085</u>	<u>19.594</u>
	<u><b>1.011.686</b></u>	<u><b>1.053.782</b></u>
Average number of employees	<u>13</u>	<u>13</u>
<b>3 Depreciation, amortisation and impairment of fixed assets</b>		
Depreciation tangible assets	<u>10.793</u>	<u>9.999</u>
	<u><b>10.793</b></u>	<u><b>9.999</b></u>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	62.542	28.989
Deferred tax for the year	0	-32.000
Adjustment of tax concerning previous years	<u>0</u>	<u>31.978</u>
	<u><b>62.542</b></u>	<u><b>28.967</b></u>



## Notes

### 5 Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2019	67.190	546.189	67.000	680.379
Ordinary dividend paid	0	0	-67.000	-67.000
Net profit/loss for the year	0	147.042	100.000	247.042
<b>Equity at 31 December 2019</b>	<b>67.190</b>	<b>693.231</b>	<b>100.000</b>	<b>860.421</b>

The share capital consists of 500 shares of a nominal value of EUR 134. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

### 6 Contingent liabilities

The company is jointly taxed with its danish group entities. The entities are jointly and severally liable for danish income taxes as well as withholding taxes on dividends, interest and royalties payable by the group of jointly taxed entities. Any subsequent corrections of income taxes and withholding taxes may increase the tax payable by the entities. The group as such is not liable to any third parties.

Term to maturity in 6 months with an average payment of EURO 3 thousand, totalling EURO 18 thousand.



## Accounting policies

The annual report of Rulmeca A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in EUR

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### Income statement

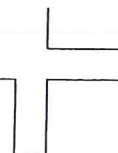
#### Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

#### Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.



## Accounting policies

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

### Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

### Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

### Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.



## Accounting policies

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Assets costing less than EUR 1.850 are expensed in the year of acquisition.

### Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

### Receivables

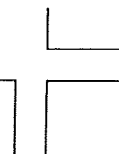
Receivables are measured at amortised cost.

### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.





## Accounting policies

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

### Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

