

Rulmeca A/S

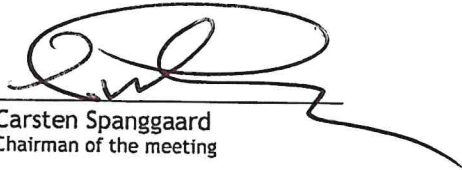
Havnevej 3, 1., 4000 Roskilde

Annual report

2022

Company reg. no. 27 42 99 71

The annual report was submitted and approved by the general meeting on the 28 April 2023.



Carsten Spanggaard
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146,940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

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Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Rulmeca A/S for the financial year 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Roskilde, 28 April 2023

Managing Director

Peter Lutz

Board of directors



Carsten Spanggaard



Marco Attilio Ghisalberti



Peter Lutz

Independent auditor's report

To the Shareholders of Rulmeca A/S

Opinion

We have audited the financial statements of Rulmeca A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. 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 financial position of the Company at 31 December 2022, and of the results of the Company's operations 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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the 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.

Independent auditor's report

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.

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.

Independent auditor's report

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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 28 April 2023

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Hans Peter Hartzberg
State Authorised Public Accountant
mne24818

Company information

The company	Rulmeca A/S Havnevej 3, 1. 4000 Roskilde
	Company reg. no. 27 42 99 71 Established: 12 November 2003 Domicile: Roskilde Financial year: 1 January - 31 December
Board of directors	Carsten Spanggaard Marco Attilio Ghisalberti Peter Lutz
Managing Director	Peter Lutz
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø

Management´s review

The principal activities of the company

Like previous years, the Company's main activity is to produce engines and drive industrial production and trade in general.

Uncertainties about recognition or measurement

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

Development in activities and financial matters

The gross profit for the year totals EUR 1.601.706 against EUR 1.857.283 last year. Income or loss from ordinary activities after tax totals EUR 290.057 against EUR 642.826 last year. Management considers the net profit or loss for the year satisfactory.

In 2022, the company's cash and cash equivalents increased by EUR 435.187, i.e. from EUR 1.068.804 to EUR 1.503.991.

Events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report for Rulmeca A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from the previous year, and the annual report is presented in euro (EUR).

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Accounting policies

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Accounting policies

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Property is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	30 years	20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Accounting policies

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Prepayments

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in EUR.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	1.601.706	1.857.283
1 Staff costs	-1.140.853	-1.147.222
2 Depreciation, amortisation, and impairment	-30.260	-27.543
Operating profit	430.593	682.518
Other financial income	7.272	3.613
3 Other financial expenses	-50.951	-29.625
Pre-tax net profit or loss	386.914	656.506
4 Tax on net profit or loss for the year	-96.857	-13.680
Net profit or loss for the year	290.057	642.826
Proposed distribution of net profit:		
Dividend for the financial year	300.000	400.000
Transferred to retained earnings	0	242.826
Allocated from retained earnings	-9.943	0
Total allocations and transfers	290.057	642.826

Balance sheet at 31 December

All amounts in EUR.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets		
Non-current assets		
5 Software under development	400	800
6 Development projects in progress and prepayments for intangible assets	94.500	64.500
Total intangible assets	<u>94.900</u>	<u>65.300</u>
7 Property	141.633	148.935
8 Other fixtures and fittings, tools and equipment	78.254	30.022
Total property, plant, and equipment	<u>219.887</u>	<u>178.957</u>
9 Deposits	13.559	13.559
Total investments	<u>13.559</u>	<u>13.559</u>
Total non-current assets	<u>328.346</u>	<u>257.816</u>
Current assets		
Raw materials and consumables	265.035	318.467
Work in progress	27.480	38.847
Manufactured goods and goods for resale	43.226	69.609
Total inventories	<u>335.741</u>	<u>426.923</u>
Trade receivables	1.640.188	1.507.503
Receivables from group enterprises	78.720	48.750
Receivables from associates	172.294	229.588
10 Deferred tax assets	19.809	70.410
Prepayments	0	633
Total receivables	<u>1.911.011</u>	<u>1.856.884</u>
Cash and cash equivalents	<u>1.503.991</u>	<u>1.068.804</u>
Total current assets	<u>3.750.743</u>	<u>3.352.611</u>
Total assets	<u>4.079.089</u>	<u>3.610.427</u>

Balance sheet at 31 December

All amounts in EUR.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Contributed capital	67.190	67.190
Retained earnings	1.005.439	1.015.381
Proposed dividend for the financial year	300.000	400.000
Total equity	<u>1.372.629</u>	<u>1.482.571</u>
Long term liabilities other than provisions		
Trade creditors	18.204	14.793
Payables to associates	1.946.745	1.493.812
Corporate tax	137.370	65.101
Other payables	604.141	554.150
Total short term liabilities other than provisions	<u>2.706.460</u>	<u>2.127.856</u>
Total liabilities other than provisions	<u>2.706.460</u>	<u>2.127.856</u>
Total equity and liabilities	<u>4.079.089</u>	<u>3.610.427</u>

11 Contingencies

Statement of changes in equity

All amounts in EUR.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2022	67.190	1.015.382	0	1.082.572
Profit or loss for the year brought forward	0	-9.943	300.000	290.057
	<u>67.190</u>	<u>1.005.439</u>	<u>300.000</u>	<u>1.372.629</u>

Notes

All amounts in EUR.

	<u>2022</u>	<u>2021</u>
1. Staff costs		
Salaries and wages	929.805	933.788
Pension costs	202.977	205.404
Other costs for social security	1.379	1.371
Other staff costs	6.692	6.659
	<u>1.140.853</u>	<u>1.147.222</u>
Average number of employees	<u>12</u>	<u>11</u>
2. Depreciation, amortisation, and impairment		
Depreciation on buildings	6.132	6.132
Depreciation on plants, operating assets, fixtures and furniture	24.128	12.419
Profit/loss on sale of tangible assets	0	8.992
	<u>30.260</u>	<u>27.543</u>

Notes

All amounts in EUR.

	<u>2022</u>	<u>2021</u>
3. Other financial expenses		
Other financial costs	50.951	29.625
	<u>50.951</u>	<u>29.625</u>
4. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	147.458	55.381
Adjustment for the year of deferred tax	-50.601	-38.410
Adjustment of tax for previous years	0	-3.291
	<u>96.857</u>	<u>13.680</u>
5. Software under development		
Cost 1 January 2022	2.000	2.000
Cost 31 December 2022	<u>2.000</u>	<u>2.000</u>
Amortisation and writedown 1 January 2022	-1.200	-800
Amortisation for the year	-400	-400
Amortisation and writedown 31 December 2022	<u>-1.600</u>	<u>-1.200</u>
Carrying amount, 31 December 2022	<u>400</u>	<u>800</u>
6. Development projects in progress and prepayments for intangible assets		
Cost 1 January 2022	64.500	39.000
Additions during the year	30.000	25.500
Cost 31 December 2022	<u>94.500</u>	<u>64.500</u>
Carrying amount, 31 December 2022	<u>94.500</u>	<u>64.500</u>

Notes

All amounts in EUR.

	<u>31/12 2022</u>	<u>31/12 2021</u>
7. Property		
Cost 1 January 2022	201.059	201.059
Cost 31 December 2022	201.059	201.059
Depreciation and writedown 1 January 2022	-52.124	-45.992
Depreciation for the year	-6.132	-6.132
Transfers	-1.170	0
Depreciation and writedown 31 December 2022	-59.426	-52.124
Carrying amount, 31 December 2022	141.633	148.935
8. Other fixtures and fittings, tools and equipment		
Cost 1 January 2022	39.143	45.595
Additions during the year	70.789	33.987
Disposals during the year	0	-40.439
Cost 31 December 2022	109.932	39.143
Depreciation and writedown 1 January 2022	-9.121	-5.363
Depreciation for the year	-22.557	-12.019
Reversal of depreciation, amortisation and writedown, assets disposed of	0	8.261
Depreciation and writedown 31 December 2022	-31.678	-9.121
Carrying amount, 31 December 2022	78.254	30.022
9. Deposits		
Cost 1 January 2022	13.559	13.559
Cost 31 December 2022	13.559	13.559
Carrying amount, 31 December 2022	13.559	13.559

Notes

All amounts in EUR.

	<u>31/12 2022</u>	<u>31/12 2021</u>
10. Deferred tax assets		
Deferred tax assets 1 January 2022	70.410	70.410
Deferred tax of the results for the year	<u>-50.601</u>	<u>0</u>
	<u>19.809</u>	<u>70.410</u>
 The following items are subject to deferred tax:		
Losses carried forward from previous years	<u>19.809</u>	<u>70.410</u>
	<u>19.809</u>	<u>70.410</u>

11. Contingencies

Contingent liabilities

Lease liabilities

In addition to leases, the company has entered an agreement with an average monthly lease payment of EUR 2.350. The leases have 40 months to maturity and some rental discounts over the years, the total outstanding lease payments total EUR 88.000.

