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

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

MENETA HOLDING A/S

STRANDHOLTVEJ 49, STIGE, 5270 ODENSE N

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2021

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 9 May 2022

____
Georg Michael Ruhl

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

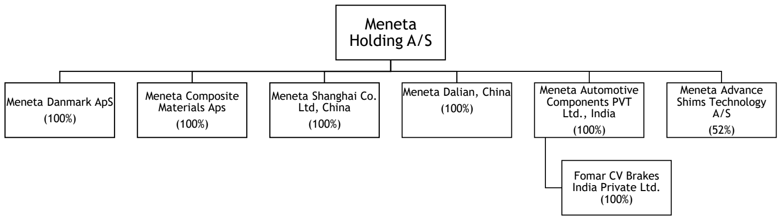
CVR NO. 25 67 39 48

CONTENTS

COMPANY DETAILS

Company	Meneta Holding A/S Strandholtvej 49 Stige 5270 Odense N	
	CVR No.:	25 67 39 48
	Established:	15 October 2000
	Municipality:	Odense
	Financial Year:	1 January - 31 December
Board of Directors	George Michael Ruhl, chairman Christopher Watson Ole Thanning Roholdt Jessica Wang Olsson Kim Walther Østergaard	
Executive Board	Kim Walther Østergaard	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	
Bank	Danske Bank Albani Torv 2-3 5000 Odense C	

GROUP STRUCTURE



MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Meneta Holding A/S for the financial year 1 January - 31 December 2021.

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

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

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

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

Odense, 6 May 2022

Executive Board

Kim Walther Østergaard

Board of Directors

George Michael Ruhl Chairman	Christopher Watson	Ole Thanning Roholdt
Jessica Wang Olsson	Kim Walther Østergaard	

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Meneta Holding A/S

Opinion

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

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

Basis for Opinion

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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, 6 May 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ole C. K. Nielsen	Søren Søndergaard Jensen
State Authorised Public Accountant	State Authorised Public Accountant
MNE no. mne23299	MNE no. mne32069

FINANCIAL HIGHLIGHTS OF THE GROUP

	2021 DKK '000	2020 DKK '000	2019 DKK '000	2018 DKK '000	2017 DKK '000
Income statement					
Net revenue	967,086	689,094	720,638	738,713	679,206
Gross profit/loss	342,919	276,075	263,911	281,946	265,687
Operating profit/loss of main activities	98,572	77,817	65,210	88,810	87,689
Financial income and expenses, net	10,713	-3,365	1,229	-6,414	-1,302
Profit/loss for the year before tax	109,285	74,452	66,439	82,396	86,387
Profit/loss for the year	85,248	57,462	50,691	59,927	63,421
Balance sheet					
Total assets	988,370	754,405	742,363	647,262	611,190
Equity	606,600	505,503	471,985	424,451	378,093
Invested capital	550,325	470,220	448,327	407,395	346,071
Cash flows					
Investment in property, plant and equipment	-99,369	-39,121	-127,178	-48,101	-73,130
Average number of full-time employees	**1,916**	**1,603**	**1,563**	**1,439**	**1,487**
Key ratios					
Gross margin	35.5	40.1	36.6	38.2	39.1
Operating margin	10.2	11.3	9.0	12.0	12.9
Return on invested capital	15.5	12.2	11.3	14.7	18.3
Equity ratio	61.4	67.0	63.9	65.6	62.0
Return on equity	15.3	11.8	11.3	14.9	19.2
Index for net revenue	142	101	106	109	100
Net revenue per employee	505	430	461	513	457

FINANCIAL HIGHLIGHTS OF THE GROUP

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

Invested capital:	Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities
Gross margin:	$\frac{\text{Gross profit x 100}}{\text{Net revenue}}$
Operating margin:	$\frac{\text{Operating profit/loss x 100}}{\text{Net revenue}}$
Return on invested capital:	$\frac{\text{Profit/loss on ordinary activities x 100}}{\text{Average invested capital}}$
Equity ratio:	$\frac{\text{Equity ex. minorities, at year end x 100}}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$
Net revenue per employee DKK ('000)	$\frac{\text{Net revenue DKK('000)}}{\text{Average number of full-time employees}}$

MANAGEMENT COMMENTARY

Principal activities
Meneta Holding A/S (hereinafter referred to as 'the company') is the parent company of Meneta Denmark ApS, Meneta Advanced Shims Technology A/S, and Meneta Composite Materials ApS in Denmark, as well as Meneta Automotive Components Private Limited in India, and Meneta Shanghai Ltd. and Meneta Dalian Ltd., both in China.

The activities of the company range from production and sales of a broad portfolio of automotive components to multi-layer sealing materials for both automotive and other applications.

The company also generates revenues and profits from paid testing from a branch office in Koblenz, Germany.

Aside from the management, the company employs staff within the areas of new technology, engineering, marketing and communications, finance and IT as well as highly specialized employees to support the various subsidiaries on a global basis within business development, marketing, production and R&D/product design.

Development in activities and financial and economic position
The company posted consolidated revenues of DKK 967M with an EBITDA of DKK 140M, equal to increases of 40% and 20% respectively compared to the year before, deriving from the below regional results:

China: total revenues of DKK 137M with an EBITDA of DKK 28M
India: total revenues of DKK 444M with an EBITDA of DKK 55M
Denmark (incl. branch office in Germany): total revenues of DKK 386M with an EBITDA of DKK 57M

The company recorded a net result after tax of DKK 85M (DKK 109.3M before tax) against DKK 57M (DKK 74.5M before tax) the year before. As both revenue and earnings budgets were exceeded, the results were considered more than satisfactory.

Throughout the year, the company invested DKK 99M in fixed assets in the various group companies to ensure continued scaling and higher profit levels.
Profit/loss for the year compared to the expected development
For 2022, we expect an increase in revenues and improved profit levels compared to 2021 and in particular to 2020, which was affected by the global outbreak of the corona virus pandemic.

Events after the end of the financial year
To the best of our knowledge, no events have occurred after the end of the financial year of material importance for the financial position of the company in 2021.

The global corona virus pandemic only had a marginal effect on day-to-day business and operations. We are continuously monitoring the situation and global infection rates as we do not think that the world has seen the last of the virus.

MANAGEMENT COMMENTARY

Financial risk
A considerable part of the group's raw materials depends on commodities such as steel and oil, prices of which may vary. We do expect increases in global steel prices to continue, rubber and adhesives along with other necessary materials, such as packing, etc..

Raw materials, sales prices, and assets and liabilities depend on the development in a line of currencies. The currency exposure is continuously evaluated, and risk hedging takes place according to determined policies and rules.

As mentioned above, we do not think that the world has seen the last of the corona virus. As a result, new restrictions and lockdowns – perhaps at a smaller scale, though - in the global car production resulting from virus continues to be a risk factor in 2022. Potential lockdowns would likely impact revenue and profit levels.

Environmental situation
The company is aware of the potential impact of its products and production processes on the environment. It is an ongoing process, and work is continuously done to reduce it.

The theme for 2021 has been to focus on sustainable energy sources. Consequently, we are proud to announce that all Danish manufacturing sites are operating 100% on renewable energy, supplied by local wind turbines. Following a location-based carbon accounting method, this allows a net zero emission calculation for all electricity consumption from January 1, 2022 and onwards.

Within the subject of energy, it was further decided to convert entire company car fleet of the company along with its Danish subsidiaries towards pure electric (EVs) or plug-in hybrid electric vehicles (PHEVs) between 2022 and 2023.

Further, to promote the usage of EVs and PHEVs, in general, we have established 16 charging stations for our staff members and guests and are planning to install another 14 charging stations during the 4th quarter of 2022 - along with the first 2 mini-charging stations for electric bicycles.

In 2021, the company concluded its first ever official of carbon accounting report (for the year 2020), which formed the baseline for future CO2-reduction initiatives and goals, which have now been defined as part of our overall group strategy.

In 2022, the company concluded its second year of carbon accounting (for the year 2021) – this time around in report form, however as a credibility certificate from a Danish state authorized accounting firm validating that all CO2 emission data was correctly reported.

The company now focuses on obtaining more in-bedded data validation processes with the goal to automata data collection within the daily operations of the organizations, with increased credibility from scope 1 to 3 emission-variables.

The company uses risk assessment as a guiding principle for obtaining sustainability. This allows us to target our efforts to ensure they will have the most significant impact.

The company will work structurally and pro-actively to reduce the total CO2 emissions from our products, to achieve the goal of zero emissions by 2039. By supporting the technology and charging infrastructure, we hope to accelerate the transition towards a sustainable automotive industry.

We continue to be a dedicated partner of the United Nations Global Compact programme and earlier this year published our latest COP (Communication on Progress) Report to that end, mentioning goals and current status of such.

Labour
The company adheres to the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. In 2021, we introduced an official Supplier Quality Agreement that commits our partners to uphold the same high ethical standards as us. This work will continue until all partners have the same ethical standard.

Labour (continued)

The company promotes all employees' rights. These include the rights to uphold the freedom of association, collective bargaining, and other basic rights. We consider forced labor, child labor, and discrimination unacceptable practices within the Group and its suppliers.

Two of our Danish sites have been awarded "green smileys" by the Danish Work Environment Authority. Smileys are awarded when an audit has been concluded and it is confirmed that the company adheres to governmental regulation standards regarding physical and psychological working conditions.

We believe that a safe workday is a fundamental human right and encourage all our employees to report accidents and "near misses". The reports are then being documented and risk evaluated. To improve the work environment, mitigation actions are taken to reduce the potential residual risk to an acceptable level. In 2021, the Danish companies acted on a total of 98 incidents. This reduced the inherent risks at the workplace significantly.

COVID-19 has resulted in various challenges. However, in Denmark we have gone beyond the government's official restrictions to ensure a safe workplace. This approach has kept infections low and enabled us to keep having interns and students collaborating with the Danish companies, despite the pandemic. We believe this is a basic responsibility and a practice that creates value for both parties. We will therefore continue to support student and employment activities in 2022.

At the Danish sites, we have an extensive training program tailored to suit individual groups of employees and their activities. Much of this has been paused the past years during COVID-19, but we will continue to deploy resources for further internal and external education of our employees.

We have successfully implemented a system for our blue-collar employees in which they have a complete overview of their acquired competences and future training sessions. At the company's headquarters, white-collar employees will be included in the training program in 2022.

Further, we are continuously educating toolmakers as it has not been possible to hire educated toolmakers. We currently have three active students, and we expect the number of students to continue.

Development activities
The group's utilized means on development activities have been taken to the profit and loss account.

Expected development
For 2021, we expect a continued reduction in the environmental impact of our products, including the elimination of heavy metals.

It is expected that the global corona virus pandemic will continue to have an impact on the company's revenue and profit levels.

Anti-Corruption
The company ensures that anti-corruption practices are established and maintained by the company's ethical policy. All employees acknowledge their commitment to the principles and values in our 'Code of Conduct and Staff Handbook' and must acknowledge their commitment by signature.

The updated whistleblower scheme - adopted in 2021 - is still operational. It has been digitalized and open for all our stakeholders to use through our website. Any incidents reported will be automatically directed to a third party lawyer firm, ensuring full discretion to reportees.

The scheme is also available internally through our quality management system.

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report
Product development is focused on reducing the environmental impact of our products, including the elimination of heavy metals.

The company continues to follow its overarching CSR policy, including but not limited to its ***Code of Conduct*** scheme outlining, e.g. ethical business standards for its employees.

The Indian subsidiary company, Meneta Automotive Components Ltd., continues to collaborate with the NGO ***Manavta Drishti*** to offer educational support for underprivileged children.

Generally, the group endeavours to show corporate social responsibility for local communities through charity work, minor sponsorships and temps hired for a seasonal job from local high schools and sports clubs.

The company continues to collaborate with clusters that help impaired people obtain work temporarily. All companies within the group are encouraged to take in students from local schools and universities to collaborate on specific projects, offer internships or help them complete their bachelor's or master's thesis.

The company continues to be devoted to reducing its CO2 emission levels and footprint.

Moreover, the company successfully defined and rolled out a strategy and roadmap towards a higher degree of sustainability that encompasses not only own production sites but also its suppliers – to that end, a new goal of CO2 neutrality by year 2039 as mentioned above.

Target figures and policy for the underrepresented gender
The company continues to meet its target that at least 20% of the board members elected at the Annual General Meeting of shareholders in the company should be female.

Dataethics
Meneta adheres to current GDPR regulations. In 2020, we decided to place our server for data and mail at our facilities in Denmark, allowing us to oversee all transactions, data saving and securing, ourselves.

All staff members have received adequate training in GDPR regualations and data handling and are reminded on a regular basis. As Meneta's headcount is growing and HR / IT has limited resources and time, we will be introducing GDRP-specific software during 2023 that will scan and red flag personal data that needs deletion.

Personal computers are set up in such a fashion that no data can be saved to or stored upon external sources, such as USB sticks, without authorization by the IT manager or the CEO. This is to protect IP and data and to ensure that data cannot be copied without the knowledge of management.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

		Group		Parent Company	
	Note	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
NET REVENUE	1	**967,086**	**689,094**	**42,006**	**32,142**
Cost of sales		-521,108	-320,576	-191	-122
Other operating income/cost		1,379	-6,173	12,589	12,574
Other external expenses	2	-104,438	-86,270	-7,236	-5,984
GROSS PROFIT/LOSS		**342,919**	**276,075**	**47,168**	**38,610**
Staff costs	3	-202,846	-159,090	-11,741	-7,905
Depreciation, amortisation and impairment		-41,501	-39,168	-8,908	-8,434
OPERATING PROFIT		**98,572**	**77,817**	**26,519**	**22,271**
Income from investments in subsidiaries		0	0	60,874	35,190
Other financial income	4	13,474	187	77	33
Other financial expenses	5	-2,761	-3,552	-2,021	-1,886
PROFIT BEFORE TAX		**109,285**	**74,452**	**85,449**	**55,608**
Tax on profit/loss for the year	6	-24,037	-16,990	-5,677	-4,645
PROFIT FOR THE YEAR	7	**85,248**	**57,462**	**79,772**	**50,963**

BALANCE SHEET AT 31 DECEMBER

		Group		Parent Company	
ASSETS	**Note**	**2021** DKK '000	**2020** DKK '000	**2021** DKK '000	**2020** DKK '000
Land and buildings		164,298	154,652	107,138	112,857
Production plant and machinery		176,918	96,366	3,591	4,798
Other plant, machinery, tools and equipment		8,800	10,314	370	901
Tangible fixed assets in progress and prepayment		56,482	88,103	6,680	1,960
Property, plant and equipment	8	**406,498**	**349,435**	**117,779**	**120,516**
Participating interests in affiliated undertakings		0	0	510,191	411,843
Rent deposit and other receivables		1,897	483	47	47
Financial non-current assets	9	**1,897**	**483**	**510,238**	**411,890**
NON-CURRENT ASSETS		**408,395**	**349,918**	**628,017**	**532,406**
Raw materials and consumables		93,281	65,896	0	0
Work in progress		28,924	20,282	0	0
Finished goods and goods for resale		106,436	84,016	0	0
Inventories		**228,641**	**170,194**	**0**	**0**
Trade receivables		232,698	162,240	2,902	1,988
Receivables from group enterprises		0	0	15,775	5,640
Other receivables		54,694	16,085	69	61
Receivables corporation tax	11	0	3,158	0	3,040
Prepayments and accrued income		7,667	17,527	114	391
Receivables		**295,059**	**199,010**	**18,860**	**11,120**
Cash and cash equivalents		**56,275**	**35,283**	**428**	**1,340**
CURRENT ASSETS		**579,975**	**404,487**	**19,288**	**12,460**
ASSETS		**988,370**	**754,405**	**647,305**	**544,866**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2021 DKK '000	Group 2020 DKK '000	Parent Company 2021 DKK '000	Parent Company 2020 DKK '000
Share capital	12	40,600	40,600	40,600	40,600
Reserve for net revaluation under the equity method		0	0	331,299	270,425
Retained earnings		484,868	389,248	153,566	118,831
Minority shareholders		81,132	75,655	0	0
EQUITY		**606,600**	**505,503**	**525,465**	**429,856**
Provision for deferred tax	10	2,677	1,909	1,020	1,693
PROVISIONS		**2,677**	**1,909**	**1,020**	**1,693**
Bank Loans		36,639	38,257	36,639	38,257
Lease liabilities		25,105	28,507	0	0
Other liabilities		0	7,137	0	1,340
Non-current liabilities	13	**61,744**	**73,901**	**36,639**	**39,597**
Bank Loans		6,965	11,834	6,965	11,834
Bank debt		132,265	32,739	7,923	4,368
Lease liabilities		4,297	4,443	0	0
Trade payables		124,535	70,253	953	1,299
Payables to group enterprises		0	0	59,009	46,421
Corporation tax		0	0	2,317	0
Other liabilities		49,287	53,823	7,014	9,798
Current liabilities		**317,349**	**173,092**	**84,181**	**73,720**
LIABILITIES		**379,093**	**246,993**	**120,820**	**113,317**
EQUITY AND LIABILITIES		**988,370**	**754,405**	**647,305**	**544,866**

Contingencies, etc.	14
Charges and securities	15
Related parties	16
Fee to statutory auditor	2

EQUITY

	Group				
	Share capital	Reserve for net revaluation according to equity value method	Retained earnings	Minority shareholders	Total
Equity at 1 January 2021	40,600	0	389,247	75,656	505,503
Proposed profit allocation, note 7			79,772	5,476	85,248
Transactions with owners					
Other value adjustments relating equity			-2,622		-2,622
Other legal bindings					
Foreign exchange adjustments			16,958		16,958
Other adjustments to equity value			1,513		1,513
Equity at 31 December 2021	**40,600**	**0**	**484,868**	**81,132**	**606,600**

	Parent Company			
	Share capital	Reserve for net revaluation according to equity value method	Retained earnings	Total
Equity at 1 January 2021	40,600	270,425	118,831	429,856
Proposed profit allocation, jf. note 7		60,874	18,898	79,772
Transactions with owners				
Other value adjustments relating equity			-2,634	-2,634
Other legal bindings				
Foreign exchange adjustments			16,958	16,958
Other adjustments to equity value			1,513	1,513
Equity at 31 December 2021	**40,600**	**331,299**	**153,566**	**525,465**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2021	**2020**
	DKK '000	DKK '000
Profit/loss for the year	85,248	57,462
Depreciation and amortisation, reversed	41,624	39,168
Tax on profit/loss, reversed	24,037	16,986
Other adjustments	15,839	-23,959
Change in inventories	-58,447	-15,388
Change in receivables (ex tax)	-96,049	4,988
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	20,177	-12,949
CASH FLOWS FROM OPERATING ACTIVITY	**32,429**	**66,308**
Purchase of property, plant and equipment	-99,369	-39,121
Sale of property, plant and equipment	682	4,997
Purchase of financial assets	-1,414	4,964
CASH FLOWS FROM INVESTING ACTIVITY	**-100,101**	**-29,160**
Other changes in non-current debt	-10,866	19,171
CASH FLOWS FROM FINANCING ACTIVITY	**-10,866**	**19,171**
CHANGE IN CASH AND CASH EQUIVALENTS	**-78,538**	**56,319**
Cash and cash equivalents at 1. januar	2,547	-53,772
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**-75,991**	**2,547**

NOTES

	Group		Parent Company		Note
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000	
Net revenue					1
Revenue, Denmark	918	703	14,375	10,903	
Revenue, Europe	29,140	23,569	59	239	
Revenue, other countries	937,028	664,822	27,572	21,000	
	967,086	**689,094**	**42,006**	**32,142**	
Segment details (geography)					
Revenue, Denmark	918	703	14,375	10,903	
Revenue, other countries	966,168	688,391	27,631	21,239	
	967,086	**689,094**	**42,006**	**32,142**	
Segment details (activities)					
Production	967,086	689,094	42,006	32,142	
	967,086	**689,094**	**42,006**	**32,142**	
Fee to statutory auditor					2
Total fee:					
BDO	1,046	1,106	274	220	
	1,046	**1,106**	**274**	**220**	
Specification of fee:					
Statutory audit	842	664	125	120	
Other services	204	442	149	159	
	1,046	**1,106**	**274**	**279**	
Staff costs					3
Average number of employees	1,916	1,603	16	13	
Wages and salaries	188,933	140,262	10,400	6,610	
Pensions	10,344	9,741	1,227	1,180	
Social security costs	3,321	9,087	114	115	
Other staff costs	248	0	0	0	
	202,846	**159,090**	**11,741**	**7,905**	

Remuneration of Management is not disclosed according to the exemption provision of section 98 b(3)(2) of the Danish Financial Statements Act.

NOTES

	Group 2021 DKK '000	Group 2020 DKK '000	Parent Company 2021 DKK '000	Parent Company 2020 DKK '000	Note
Other financial income					4
Affiliated undertakings	0	0	74	28	
Other interest income	13,474	187	3	5	
	13,474	**187**	**77**	**33**	
Other financial expenses					5
Group enterprises	0	0	1,056	623	
Other interest expenses	2,761	3,552	965	1,263	
	2,761	**3,552**	**2,021**	**1,886**	
Tax on profit/loss for the year					6
Calculated tax on taxable income of the year	23,241	16,171	6,360	4,331	
Adjustment of tax for previous years	28	-21	-10	-21	
Adjustment of deferred tax	768	840	-673	335	
	24,037	**16,990**	**5,677**	**4,645**	
Proposed distribution of profit					7
Allocation to reserve for net revaluation according to equity value method	0	0	60,874	35,191	
Retained earnings	85,248	57,462	18,898	15,772	
	85,248	**57,462**	**79,772**	**50,963**	

Property, plant and equipment 8

	Group: Land and buildings	Group: Production plants and machinery
Cost at 1 January 2021	208,485	366,817
Exchange adjustment	2,588	10,751
Additions	17,878	105,963
Disposals	0	-7,709
Cost at 31 December 2021	**228,951**	**475,822**
Depreciation and impairment losses at 1 January 2021	53,833	270,451
Exchange adjustment	782	7,891
Adjustment at beginning of the year	0	-171
Reversal of depreciation of assets disposed of	0	-6,786
Depreciation for the year	10,038	27,519
Depreciation and impairment losses at 31 December 2021	**64,653**	**298,904**
Carrying amount at 31 December 2021	**164,298**	**176,918**
Finance lease assets		6,822

NOTES

Note

Tangible fixed assets (continued) 8

	Group	
	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2021	36,551	88,103
Exchange adjustment	780	682
Additions	2,678	30,951
Disposals	-3,783	-63,254
Cost at 31 December 2021	**36,226**	**56,482**
Depreciation and impairment losses at 1 January 2021	26,237	
Exchange adjustment	620	
Reversal of depreciation of assets disposed of	-3,579	
Depreciation for the year	4,148	
Depreciation and impairment losses at 31 December 2021	**27,426**	
Carrying amount at 31 December 2021	**8,800**	**56,482**

	Parent Company	
	Land and buildings	Production plants and machinery
Cost at 1 January 2021	147,646	16,194
Exchange adjustment	0	-28
Additions	1,291	0
Cost at 31 December 2021	**148,937**	**16,166**
Depreciation and impairment losses at 1 January 2021	34,789	11,396
Exchange adjustment	0	-188
Depreciation for the year	7,010	1,367
Depreciation and impairment losses at 31 December 2021	**41,799**	**12,575**
Carrying amount at 31 December 2021	**107,138**	**3,591**

	Parent Company	
	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2021	3,004	1,960
Exchange adjustment	0	-3
Additions	0	4,723
Disposals	0	0
Cost at 31 December 2021	**3,004**	**6,680**
Depreciation and impairment losses at 1 January 2021	2,103	
Depreciation for the year	531	
Depreciation and impairment losses at 31 December 2021	**2,634**	
Carrying amount at 31 December 2021	**370**	**6,680**

NOTES

Note

Financial non-current assets 9

	Group
	Rent deposit and other receivables
Cost at 1 January 2021	483
Exchange adjustment	0
Additions	1,414
Disposals	0
Cost at 31 December 2021	**1,897**
Carrying amount at 31 December 2021	**1,897**

	Parent Company	
	Equity investments in group enterprises	Rent deposit and other receivables
Cost at 1 January 2021	155,077	47
Exchange adjustment	5,623	0
Additions	23,000	0
Cost at 31 December 2021	**183,700**	**47**
Revaluation at 1 January 2021	256,764	0
Exchange adjustment	11,237	0
Profit/loss for the year	61,124	0
Other adjustments	-2,634	0
Revaluation at 31 December 2021	**326,491**	**0**
Carrying amount at 31 December 2021	**510,191**	**47**

Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
Meneta Danmark ApS, Odense	110,986	9,427	100 %
Meneta Advance Shims Technology A/S, Odense	169,024	11,408	52 %
Meneta Automative Components Pvt. Ltd., India	177,736	38,547	100 %
Meneta Shanghai Co. Ltd, China	69,341	12,934	100 %
Meneta Dalian Co. Ltd., China	43,172	5,618	100 %
Meneta Composite Materials ApS, Odense	21,064	-11,584	100 %

NOTES

Note

Provision for deferred tax 10

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

	Group		Parent Company	
	2021 DKK '000	**2020** DKK '000	**2021** DKK '000	**2020** DKK '000
Deferred tax assets, 1 January 2021	-1,909	-1,069	-1,693	-1,358
Added in the year 2021	-768	-840	673	-335
Provision for deferred tax at 31 December 2021	**-2,677**	**-1,909**	**-1,020**	**-1,693**

Receivables corporation tax 11

	2021 DKK '000	**2020** DKK '000
Share capital		
Allocation of share capital:		
Shares, 1,000 units in the denomination of 40,600 DKK	40,600	40,600
	40,600	**40,600**

12

Long-term liabilities 13

	Group			
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Bank loan	43,604	6,965	18,537	50,091
Lease liabilities	29,402	4,297	0	32,950
Other liabilities	0	0	0	7,137
	73,006	**11,262**	**18,537**	**90,178**

	Parent Company			
	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Bank Loan	43,604	6,965	18,537	50,091
Other liabilities	0	0	0	1,340
	43,604	**6,965**	**18,537**	**51,431**

NOTES

Note

Contingencies, etc. 14

Contingent liabilities

	Group		Parent Company	
	2021 DKK '000	**2020** DKK '000	**2021** DKK '000	**2020** DKK '000
Guarantee for subsidiaries............	73,567	3,534	73,567	3,534

Joint liabilities
The Danish companies of the Group are jointly and severally liable for tax on the Group's joint taxable income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable on the Group's joint taxable income amounts to DKK ('000) 2,317 at the balance sheet date.

Charges and securities 15

	Group		Parent Company	
	Carrying amount of assets DKK '000	Nominal value of mortgage or outstanding debt DKK '000	Carrying amount of assets DKK '000	Nominal value of mortgage or outstanding debt DKK '000
Property, plant and machinery, estimated value.........................	88,000	88,000	70,000	70,000
Chattel mortgage on inventory and receivables..............................	187,282	158,654	0	0

NOTES

Note

Related parties 16

Meneta Holding A/S' related parties include:

Meneta Danmark ApS
Meneta Advanced Shims Technology A/S
Meneta Composite Materials ApS
Meneta Automotive Component Pvt. Ltd., India
Formar CV Brakes India Private Ltd.
Meneta (Shanghai) Co. Ltd., China
Meneta Dalian Co. Ltd., China

Controlling interest
Steve Wang, USA

Other related parties having performed transactions with the Company
The Company's related parties with significant influcence comprise subsidiaries and associates, the Board of Directors, Executive Board and leading employees of such companies as well as closely related family members of these. Related parties also comprise companies in which members of the above group hold significant interest.

Transactions with related parties
The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

ACCOUNTING POLICIES

The Annual Report of Meneta Holding A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large-size enterprises.

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

Consolidated Financial Statements
The Consolidated Financial Statements include the Parent Company Meneta Holding A/S and its subsidiaries in which Meneta Holding A/S 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, intercompany balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

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.

Minority interests
The accounting items of the subsidiaries are recognised in full in the Consolidated Financial Statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and in individual main items under equity.

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. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

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

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

ACCOUNTING POLICIES

Other external expenses
Other external expenses include cost of sales, advertising, administration, premises, bad debts, operating lease expenses, etc.

Payments related to operating lease expenses and other lease agreements are recognised in the income statement during the continuance of the contract. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security, etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

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.

BALANCE SHEET

Tangible fixed assets
Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. 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	5-30 years	0 %
Production plant and machinery	4-10 years	0 %
Other plant, fixtures and equipment	3-10 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments
Investments in 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.

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed from the earliest financial period included in the Financial Statements, and by using the carrying amounts of the assets and liabilities acquired.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the Company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiaries deficit.

Impairment of fixed assets
The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, is assessed 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 recoverable amount is lower than the carrying amount, the assets are written down 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 using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes 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.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

ACCOUNTING POLICIES

Receivables
Receivables are measured at amortised cost, which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

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

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 tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
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.

Amortised cost of current liabilities usually corresponds to nominal value.

The capitalised residual lease liability on finance lease contracts is also recognised as financial liabilities.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

ACCOUNTING POLICIES

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Group'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.