

Nederlandse Radiatoren Fabriek B.V.
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Financial Statements for the year ending

March 2022



Table of content

1 Director's report

2 Financial Statements

2.1 Consolidated balance sheet as at March 31, 2022

2.2 Consolidated profit & loss account for the period ended March 31, 2022

2.3 Consolidated cash-flow statement for the period ended March 31, 2022

2.4 Notes to the consolidated financial statements for the year ended March 31, 2022

2.5 Company balance sheet as at March 31, 2022

2.6 Company profit and loss account for the year ended March 31, 2022

2.7 Notes to the financial statements for the period ended March 31, 2022

3 Supplementary Information

3.1 Auditors' report



1 Directors report

General

NRF has its registered office in Mill, the Netherlands and is the head of a group of international companies. Details of the group companies in which NRF B.V. holds a controlling interest are disclosed in the consolidation principles of the annual accounts.

NRF designs, manufactures and markets radiators, radiator cores, charge air coolers, oilcoolers, heaters, temperature control parts such as condensers, compressors, sensors and other heat exchange products for the automotive and truck aftermarket. In addition NRF designs, manufactures and distributes marine coolers and heat exchange products for industrial applications.

Main geographical focus for NRF is the European market with offices spread over different parts of Europe.

Result of the company in the period from April 2021 until March 2022 was a net gain of EUR 11.4 million. The Company remains to have a very solid solvency (ratio: 56%).

Net Turnover

The consolidated net turnover increased considerable to € 129,9 million in comparison to prior year (+ 32,5%).

Net result

The Net result percentage increased from 2,3% in prior year to 8,8% in current year.

Capital Expenditure

During the fiscal year 2021/22 € 2,4 million was invested in a new machinery, tooling, IT systems and other fixed assets.

Quality and Environment

In 2004 an agreement for an environmental remediation plan had been reached with provincial authorities and was implemented. As part of the merger in 2005 it was agreed that all remediation cost will be for the account of Modine Manufacturing Company Inc., the former parent company of NRF. Since then and during 2021 the remediation program has been continued. The reimbursement of these costs by Modine are treated as addition in Capital Contribution within Equity

Focus within NRF is on waste reduction, reduce plastic consumption and correct waste flows. When deciding on new offices, warehouse or factory, environmental aspect are taken into consideration.

Within NRF we have continuous controls on (i) product quality by validation and testing, (ii) production control by raw material check, (iii) process checks and (iv) end product testing.

NRF as ISO 9001:2015, ISO 14001:2015 and Level C1 EN 15085-2 certified company continuously improving own processes through performing internal audits, hosting external audits and close cooperation with suppliers.

Human Resources

Total employment within the NRF group grew from 308 FTE at March 31, 2021 to 343 FTE on March 31st, 2022. Main growth is realised in Poland due to growth in production and growth in sales. For 2022/23 the number of employees is expected to grow further. We are recruiting mainly to establish the growth of the company. In our recruitment the focus is on diversity.

During COVID focus was on a healthy workspace. We have encouraged people to work from home where possible. Also for the post Covid period we have implemented a hybrid working policy where employees have to option to partly work from home.

Information, Marketing and Distribution

Within NRF Monthly update meetings through MS Teams are held to all employees. These meetings are recorded for employees that are unavailable to attend. We furthermore send regular updates to all employees through social networks like Yammer. External information is sent through customer service, newsletters, advertising, technical presentation, trainings and social media.

NRF's marketing plan is divided in a global and a local plan. The global plan focusses on brand recognition, brand image, product communication and news updates. The local marketing focus is more directed towards trade marketing, customer promotions and local advertising/communication.

IT is present through our entire organization. We are constantly monitoring our hardware and software requirements to make sure we are up to date with the latest technology. During the last twelve months substantial investments have been done to upgrade our hardware; laptops, routers, switches and network connections. In the summer of 2022 we will migrate our server park to the a private cloud solution. We are implementing Permanent Vulnerability Management which is a continuous process, based on a clear security policy. It is aimed at keeping the network, servers, end-user computing and applications secure from (outside) attacks.

Distribution is a key focus within our organization. We are constantly improving our logistic services to find the right balance between number of transports, availability of our products, turnaround of our warehouses and the environmental

Outlook for the Year 2022/23

Currently the COVID-19 virus restriction have been removed in most of regions that we do trade.

In the event there will be a new outbreak, management will seek to obtain the best possible information to assess these risks and implement appropriate measures to respond.

The war in the Ukraine has a negative impact on the growth of the NRF Group. Because of trading restriction we have temporary stopped any trading to Russia and Belarus. We are furthermore reviewing all sanctions and the impact on our trading to Russia and Belarus, both directly as well as indirectly. For Ukrainian clients, as long as the situation permits, we are continuing business with some additional restrictions to manage our exposure. We have updated our sanction policy to secure NRF is compliant in all areas where we do business.

The outlook for 2022/23 is optimistic. The aftermarket is expecting further increase in sales and market share.

The number of employees is expected to grow.

With respect to tax matters between the Italian tax authorities and the Dutch tax authorities Mutual Agreement Proceedings ("MAP") are pending for the financial years 2014-2017. The consequences are still unclear. In addition to the MAP, there is another discussion related to the years 2014 to the present with the Italian tax authorities that does not fall under the scope of the current MAP. The actual outcome and the response of the Italian and Dutch tax authorities are still unknown.

NRF's capital expenditures for the year 2022/23 will be EUR 5,2m. This is mainly for investments in our new warehouse in Poland, additional IT improvements, upgrade of our offices in various locations like Granada, Mill and Milsbeek and to cater for further expansion of the business.

Risk Management

The Managing Board is responsible for risk management in the company and has designed and implemented a risk management system and a risk management organization. The aim of the system is to ensure that the extent to which the company's strategic and operational objectives are being achieved is understood, that the company's reporting is reliable and that the company complies with relevant laws and regulations. Risk management is a process that we are committed to continuously improve.

Risk appetite and impact

Our willingness to assume risks and uncertainties (the risk appetite) differ for each risk category. The level of the company's risk appetite gives guidance as to whether NRF would take measures to control such uncertainties. The risk overview table shows the risk appetite and the expected impact on the group's achievement of its strategic, financial and operational objectives if one or more of the main risks and uncertainties were to materialize. The likelihood of the risk taking place is also disclosed. The risks are shown net. This means that the risks are described after taking the risk response into consideration.

Risk overview				
Risk category	Risk	Risk appetite	Impact	Likelihood
Strategic risks	Market competition	Medium	High	Medium
Operational risks	Operational issues in technical infrastructure and IT	Low	High	Medium
	Failure to recover from a disaster	Medium	High	Low
	Disruptions in supply chain	Medium	Medium	High
	Availability of raw materials	Medium	Medium	High
Legal and compliance risks	Non compliance with regulation	Low	Medium	Low
Financial risks	Unfavourable movements in foreign currencies	Medium	Medium	Medium

Below is an overview of the risks that we believe are most relevant to us.

Strategic Risks

Risk: Market competition

We might be unable to pursue new market opportunities and lose market share to our competitors. If we are unsuccessful in maintaining and growing in the After Market business, our financial conditions, results of operations and liquidity may be materially adversely affected.

Risk response:

We believe NRF is well positioned to address the future needs of our customers and to successfully pursue market opportunities. With our technological innovation, effective and efficient purchasing division, and agile organization and processes we believe this will allow us to remain competitive in the market.

Operational risks

Risk: Operational issues in technical infrastructure and IT

Our business depends heavily on our information technology, telecommunications and other infrastructure systems. A significant disruption to the availability of these systems could cause interruptions in our service to customers that may cause reputational damage for NRF. This could have a material adverse effect on our financial condition and results of operations. We are continuously monitoring and updating our IT environment. For 2022 we planned a migration of our server park to the Private Cloud.

Risk response:

For the migration to the private cloud, we have contracted T-Systems a well-known reputable partner with ample experience in migrating companies to the cloud. Our IT Team will work extensively with T-Systems and an external consultant to secure this migration will have a minimum impact on our organization. In 2021 we have conducted a so called Penetration Test on our network. Our team has already made a number of improvements following their recommendations, and are furthermore planning additional steps in the next months. Finally we are implementing Permanent Vulnerability Management. It is a continuous project aimed at keeping the network, servers, end-user computing and applications secure from (outside) attacks. Finally we have started a continuous Cyber Risk Awareness program for our employees to reduce our vulnerability towards external threats.

Risk: Failure to recover from a disaster

Unforeseen business disruptions could affect our sales to customers and cause loss of, or delays in NRF's critical business systems, our research and development work and/or product shipments. Any permanent or temporary loss of these systems would result in reputational damage, loss of revenue and liabilities to our clients. In the case of a catastrophic disaster, our company's success rests on our ability to restore our critical data and rebuild our IT business systems.

Risk response:

We have business continuity and disaster recovery planning in place for business critical systems and various eventualities. However, we are unable to plan for every possible disaster or incident. A major failure of a business critical system from which we are not able to quickly recover, could have a material adverse effect on our financial condition, results of operations and liquidity.

Risk: Disruptions in supply chain.

In 2021 we have seen further increase of transport costs and even temporary blockage of transport mainly between Asia and Europe. Disruption in the supply chain can have an impact on the availability of our products. This could lead to a delay in the supply of products to our clients, and with that to delay or reduction of sales.

Risk response

We are assessing alternative transport options, seeking alternative contract options, and sourcing from other countries or increasing the inventory in our warehouse.

Risk: Availability of raw materials

Throughout 2021 prices and availability of raw materials has been under pressure. This has an impact on our After Market due to price increase at our suppliers, as well as on the Industrial Engineering both for prices as well as on production volume. Non-availability of raw materials leads to a production stop.

Risk response

We are arranging alternative raw material suppliers, increase the volumes at our factories, and are constantly reviewing our prices to our clients.

Legal and compliance risks

Risk: Non compliance with regulation

NRF needs to comply to law and regulations in its operations. Non compliances could have a material adverse effect on our financial condition, results of operations and liquidity. Furthermore, even if we were to prevail, any litigation could be costly and time consuming.

Risk response:

In 2021 we have worked on an update of our Sanction policy. Purpose is to increase awareness for different sanctions that we might be exposed to. We are training our employees in a pro-active approach towards compliance, and have internal controls to mitigate the risk for exposure. Since the start of the military conflict in Ukraine, we are closely monitoring the sanctions towards Russia and Belarus.

Financial risks

Risk: Unfavourable movements in foreign currencies

The group operates internationally and conducts business in multiple currencies. Revenues are earned in euro, pound sterling, the US dollar and do not necessarily match cost of sales and other costs which are largely in euro and the US dollar. Unfavourable foreign currency movements will have a negative impact on our profitability.

Risk response:

NRF tries wherever possible to match cost and revenue currencies. We do not have options and forward contracts to cover forecasted net exposures. We try to temper any negative foreign currency effect by conscious and calculated pricing of NRF products to reduce the negative impact of the exchange rate movement.

Management

In the period of April 2021 - March 2022, there was no change in the Supervisory Board.
Mr. F.A.E. Toebes is the sole director.

We have taken note of the law proportional representation. The Management Board and Supervisory Board consist of 100% men. For the appointment of statutory directors and Supervisory Board members, the company In a future replacement in management or Supervisory Board, both men and women are invited to apply. At the final selection, the quality of any candidate are paramount.

Mill,

May 19th, 2022

F.A.E. Toebes



2 Financial statements

A handwritten signature in blue ink, consisting of a stylized, cursive letter 'J' or 'G' with a loop at the end.

2.1 Consolidated balance sheet as at March 31, 2022
(after appropriation of result)

(Amounts x €1.000)

		31.03.2022	31.03.2021
ASSETS	<i>Reference</i>		
FIXED ASSETS			
Intangible fixed assets	2.4.4	1.172	1.435
Tangible fixed assets	2.4.5	5.753	4.253
Financial fixed assets	2.4.6	<u>2.780</u>	<u>2.556</u>
		9.705	8.244
CURRENT ASSETS			
Inventories	2.4.7	59.432	44.214
Receivables	2.4.8	28.522	19.959
Short term investments	2.4.9	<u>62</u>	<u>95</u>
		88.016	64.268
Total assets		<u>97.721</u>	<u>72.512</u>
SHAREHOLDER'S EQUITY & LIABILITIES			
SHAREHOLDER'S EQUITY	2.4.10	49.793	40.547
PROVISIONS	2.4.11	864	1.004
LONG TERM LIABILITIES	2.4.12	695	755
CURRENT LIABILITIES			
Other current liabilities	2.4.13	44.710	30.158
Cash and bank balances	2.4.14	<u>1.659</u>	<u>48</u>
		46.369	30.206
Total liabilities		<u>97.721</u>	<u>72.512</u>

2.2 Consolidated profit & loss account for the period ended March 31, 2022

(Amounts x €1.000)		Apr 2021 / Mar 2022	Apr 2020 / Mar 2021
		12 months	12 months
	Reference		
Net turnover	2.4.16	129.897	98.050
Cost of raw materials and auxiliary materials		83.269	62.752
Costs of work contracted out and other external expenses		535	640
Salaries & wages	2.4.17	16.433	16.967
Social security charges and pensions		3.411	3.614
Depreciation in-/tangible fixed assets		1.029	1.186
Other operating costs	2.4.18	10.384	8.999
Operating costs		115.061	94.158
Operating result		14.836	3.892
Interest expense	2.4.19	98	203
Net financial income/(expense)		98	203
Result from ordinary activities before tax		14.738	3.689
Taxation on result from ordinary activities	2.4.20	-3.339	-1.402
Net result		11.399	2.287
Total result:			
Net result		11.399	2.287
Other Income		197	152
		11.596	2.439

2.3 Consolidated cash-flow statement

(Amounts x €1.000)	Apr 2021 / Mar 2022	Apr 2020 / Mar 2021
<u>Cash-flow from operating activities</u>		
Operating result	14.836	3.892
Adjustments for :		
Depreciation	1.029	1.186
Change in working capital :		
Increase/Decrease receivables	-8.563	2.177
Increase/Decrease inventories	-15.218	-1.957
Increase/Decrease current liabilities	13.957	6.693
Increase/Decrease long term liabilities	-60	-58
Increase/Decrease provisions	-140	-69
	<u>-10.024</u>	<u>6.786</u>
	5.841	11.864
Interest expense	-175	-203
Income tax expense	<u>-2.667</u>	<u>-1.183</u>
	-2.842	-1.386
Cash-flow from operating activities	2.999	10.478
<u>Cash-flow from investment activities</u>		
Investment in tangible & intangible fixed assets	-2.426	-1.324
Disposals tangible & intangible fixed assets	163	226
Other long term receivables/investments	-191	-913
Exch. rate diff. in investments (tangible)	<u>-3</u>	<u>4</u>
Cash-flow from investment activities	-2.457	-2.007
<u>Cash-flow from financial activities</u>		
Dividend paid	-2.285	0
Premium reserve	197	152
Adj. for movement translation	<u>-65</u>	<u>-210</u>
Cash-flow from financial activities	-2.153	-58
Increase/(Decrease) cash and banks	-1.611	8.413
<u>Movement in cash and cash equivalents</u>		
Opening balance of cash and cash equivalents	-48	-8.461
Increase /(decrease) cash and banks	<u>-1.611</u>	<u>8.413</u>
Closing balance of cash and cash equivalents	-1.659	-48

2.4 Notes to the consolidated financial statements for the year ended March 31, 2022

2.4.1 General

Reporting entity

Reporting entity Nederlandse Radiateurs Fabrik B.V. (the 'Company') is a company domiciled in the Netherlands. The address of the Company's registered office is Langenboomseweg 64, 5451 JM Mill. The consolidated financial statements of the Company as at and for the year ended March 31, 2022 comprise the Company and its subsidiaries (together referred to as 'NRF' and individually as 'NRF' entities). The Company is registered in the Trade Register of Eindhoven No. 16020946.

Group structure

On February 23rd, 2010 Banco Products (India) Ltd., domiciled at Vadodara in India, purchased 100% of the Nederlandse Radiateurs Fabrik B.V. shares.

Activities

The principal activities of the company are the production and sale of radiator cores and complete radiators as well as heatexchange devices for shipbuilding and industry.

2.4.2 Principles of consolidation

The consolidated financial statements include the financial figures of Nederlandse Radiateurs Fabrik B.V. and its subsidiary group companies. The consolidation takes place according to the full consolidation method on the basis of uniform accounting principles.

Companies included in consolidation

The group comprises Nederlandse Radiateurs Fabrik B.V. and its subsidiary companies. A Company is considered a group company if that belongs to the economic unit of Nederlandse Radiateurs Fabrik B.V. and in which Nederlandse Radiateurs Fabrik B.V. exercises decisive control of the business and financial policies.

Intercompany transactions, profits and balances among group companies and other consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on Intercompany transactions are also eliminated, unless such a loss qualifies as an impairment.

Consequently, the consolidated financial statements include the financial figures of Nederlandse Radiateurs Fabrik B.V. and the following group companies:

Name	Statutory seat	Percentage of shareholding
NRF Thermal Engineering BV	Uden	100 %
NRF France SARL	Valenciennes (France)	100 %
NRF Deutschland GmbH	Emmerich (Germany)	100 %
NRF España S.A.	Granada (Spain)	100 %
NRF Poland sp.z.o.o.	Gdansk (Poland)	100 %
NRF Italia S.r.l.	Prato (Italy)	100 %
NRF Switzerland AG	Urdorf (Switzerland)	100 %
NRF US Inc.	Pennsylvania (USA)	100 %
NRF Thermal Engineering Poland sp.z.o.o.	Pruszcz Gdansk (Poland)	100 %

Application of condensed corporate profit and loss account

In respect of the profit and loss account of Nederlandse Radiatoren Fabrik B.V., use is made of article 402 Book 2 Title 9 Dutch Civil Code. Therefore, this profit and loss account is presented in condensed format.

Cash flow statement

The cash flow statement has been prepared applying the indirect method. The cash and cash equivalents in the cash flow statement comprise the balance sheet item cash at banks and in hand and the bank overdraft forming part of the current liabilities. Cash flows in foreign currencies have been translated at closing rate method. Income and expenses in respect of interest, dividends received and taxation on profits are included in the cash flow from operating activities.



2.4.3 Accounting principles

Comparison with previous year

The basic accounting principles remained unchanged compared to the previous year.

Principles of valuation

General

The financial statements are drawn up in accordance with the provision of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ("Raad voor de Jaarverslaggeving"). The annual accounts are prepared in Euro. Assets and liabilities are basically valued at amortized cost price, which mostly concerns the nominal value.

The entity shall apply the regime for large companies, as referred to article 2:396 of the Dutch Civil Code.

Financial fixed assets

Deferred tax assets are stated under the financial fixed assets if, and to the extent it is probable, that the tax claim can be realised in due course. These deferred tax assets are valued at nominal value and have a predominantly long-term character.

The other receivables are valued at face value after deduction of any provisions.

Intangible fixed assets

Intangible fixed assets are related to expenditure for Software (ERP System) and research activities.

This expenditure is recognized as an expense in the period in which it is incurred. Dutch Gaap requires capitalization of development expenditures provided if, and only if, certain criteria can be demonstrated.

An internally-generated intangible fixed asset arising from the Company's development is recognized only if the Company can demonstrate all of the following conditions:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the probability that the asset created will generate future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

The Internally-generated intangible fixed assets are amortized on a straight-line basis over their estimated useful lives years. The estimated useful lives and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis. The amortization is based on the duration of 5-10 years.

Tangible fixed assets

Tangible fixed assets are valued at cost or, in case of own work capitalised, at manufacturing expenses, less accumulated depreciation. Impairment of assets as at the balance sheet date is taken into account. Depreciation is provided by the straight-line method over the estimated economic useful life.

The annual depreciation rates are as follows :

Buildings	2.5 %
Plant and machinery	10 - 20 %
Other operating fixed assets	20 - 33 1/3 %

Impairment of fixed assets

On the balance sheet date, the group estimates whether there are any indications of an asset which could be subject to impairment. If there are such indications, the recoverable amount of the asset concerned is estimated. If this is not possible, the recoverable amount of the cash generating unit to which the asset belongs, is identified. An asset is subject to impairment if its book value is higher than its recoverable value; the recoverable value is the higher of the realisable value and the value to the business.

Inventories

Inventories are valued at weighted average price, whereby the cost for raw material and auxiliary materials are based on the first in first out principle. Cost consists of all costs of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition. Indirect cost components are included in the cost. Provisions are set up for slow moving and obsolete inventories.

Receivables

Receivables are stated at nominal value, less allowance for doubtful accounts where deemed necessary.

Short term investments

Short term investments are valued at nominal value.

Cash at banks and in hand

Cash at banks and in hand includes deposits with a maturity of less than twelve months. Current account liabilities at banks, if any, are recognised bank overdrafts forming part of current liabilities

Provisions

Provisions are set up in respect of actual or specific risks and commitments existing at balance sheet date, of which the size is uncertain but can be estimated using a reliable method. The provisions are in principle valued at the present value. Given the current interest rate, this approximates the nominal value.

Current liabilities

Current liabilities are valued at nominal value.

Pension liabilities

The company has a pension plan in place that qualifies as a defined contribution plan. The company's sole obligation is payment of the annual contribution to the insurance company of branch pension fund. The coverage ratio end of March 2022 amounts 110,8%. The company does not form a provision for any future increases in the contributions.

Deferred tax liabilities

The provision for deferred tax liabilities, relating to future taxation resulting from differences in valuation of assets and liabilities for financial statement purposes and for tax purposes, is stated at nominal value, based on the prevailing national tax rates.

Warranty liabilities

The provision for guarantee liabilities, relating to expected claims of customers, is stated at nominal value.

Principles of determination of result

General

The result represents the difference between the realisable value of the goods delivered and services rendered and the costs and other charges for the year.

The results on transactions are recognised in the year in which they are realised; losses are taken as soon as they are foreseeable.

Revenue recognition

Income from the supply of goods is recognised as soon as all significant risks and rewards relating to the title of the goods are transferred to the customer.

Net turnover

Net turnover represents the amounts charged to third parties for goods delivered and services rendered in the financial year less discounts and exclusive of VAT.

Costs

Costs are recognised at the historical cost convention and are allocated to the reporting year to which they relate.

Depreciation

Depreciation on buildings and other intangible and tangible assets is based on the purchase price or production cost. Land is not depreciated. Depreciation is provided by the straight-line method over the estimated useful economic life.

Taxation

Taxation on result is computed by applying the current rate to the result of the financial year, taking into account permanent differences between profit calculations for financial purposes and those for tax purposes. These differences are incorporated in taxation on the result from ordinary activities.

Principles of conversion of foreign currencies

The company's primary activities are denominated in euros. Accordingly the company uses the euro as its functional currency. Transactions in foreign currencies are recorded in euros using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in currencies other than the euro are translated using the rate of exchange prevailing at the balance sheet date. Relating translation results are included in the income statement.

For consolidation purposes, the company classifies its subsidiaries as foreign entities. Assets and liabilities are translated at the closing exchange rates, whereas the income statement information is translated at the annual average exchange rate. Translation differences arising thereon are taken to shareholders equity.

Valuation Financial Instruments

The first valuation of a financial instrument shall be at fair value. After that, the valuation depends on the instrument present and valuation takes place at cost price, amortised cost or fair value.

2.4.4 Intangible fixed assets

(Amounts x €1.000)	Software	R&D costs	Total
Balance as at March 31, 2021	1.403	32	1.435
Additions	176	0	176
Depreciation	-433	-6	-439
Balance as at March 31, 2022	1.146	26	1.172

The intangible fixed assets are related to expenditure for Software (ERP System) and research and development. The research and development cost are related to developing new products, new markets or to improving current products.
For the total amount of capitalized R&D expenses, the company has created a legal reserve within equity.

2.4.5 Tangible fixed assets

(Amounts x €1.000)	Land and buildings	Plant and machinery	Other operating fixed assets	fixed assets under construction	Total
Cost :					
Balance as at March 31, 2021	10.273	23.543	3.906	119	37.841
Additions	25	816	374	1.035	2.250
Put into operation/Transfers	0	93	26	-119	0
Disposals	0	-11.111	-15	0	-11.126
Exchange differences	3	0	0	0	3
Balance as at March 31, 2022	10.301	13.341	4.291	1.035	28.968
Depreciation :					
Balance as at March 31, 2021	7.886	22.284	3.418	0	33.588
Charge for the year	146	272	172	0	590
Disposals	0	-10.948	-15	0	-10.963
Exchange differences	0	0	0	0	0
Balance as at March 31, 2022	8.032	11.608	3.575	0	23.215
Book value :					
Balance as at March 31, 2022	2.269	1.733	716	1.035	5.753
Balance as at March 31, 2021	2.387	1.259	489	119	4.253

2.4.6 Financial fixed assets

(Amounts x €1.000)	Deferred Tax Receivables
Balance as at March 31, 2021	2.556
Additions	224
Utilisations	0
Balance as at March 31, 2022	2.780

The above tax receivable represents a long term fiscal valuation difference per March 31, 2022.

2.4.7 Inventories

Inventories can be broken down as follows:

(Amounts x €1.000)	31.03.22	31.03.21
Raw materials and auxiliary materials	3.669	3.445
Finished goods	55.763	40.769
	59.432	44.214

The total amount of Inventories includes a provision for slow moving and obsolete inventories of 1.559 k€ (31 march 2021, 1.683 k€).

2.4.8 Receivables

Receivables can be broken down as follows:

(Amounts x €1.000)	31.03.22	31.03.21
Trade accounts receivable	25.804	18.272
Prepayments and accrued income	2.510	1.506
Other receivables	208	181
	28.522	19.959

Note: Receivables in total can be considered as short-term.

The total amount of Trade accounts receivable includes a provision for doubtful accounts of 1.101 k€ (31 march 2021, 905 k€).

2.4.9 Short term investments

(Amounts x €1.000)	31.03.22	31.03.21
Short term investments	62	95



2.4.10 Shareholder's equity

For a specification of the components and the movements of those components, reference is made to the corporate financial statements.

2.4.11 Provisions

Movements in provisions are specified as follows:

(Amounts x €1.000)	Deferred tax liabilities	Warranty provision	Total
Balance as at March 31, 2021	923	81	1.004
Additions	0	0	0
Utilisations	-59	-81	-140
Balance as at March 31, 2022	864	0	864

2.4.12 Long Term liabilities

(Amounts x €1.000)	Loan
Balance as at March 31, 2021	755
Additions	0
Utilisations	-60
Balance as at March 31, 2022	695

NRF has taken a financial loan for an amount of 900k€ (FY 2017-18), for the construction of a warehouse in France. The loan is interest bearing (1,75%) and will be repaid within 15 years. As security a bankmortgage amounting to € 1,0 million has been established on the company building.

2.4.13 Other Current liabilities

Other Current liabilities are stated as follows:

(Amounts x €1.000)	31.03.22	31.03.21
Trade accounts payable	25.518	17.049
Liability to Shareholder	2.523	2.416
Taxes and social security charges	941	1.259
Income tax	1.281	671
Other liabilities and accruals	14.447	8.763
	44.710	30.158

2.4.14 Cash and bank balances

	<u>31.03.22</u>	<u>31.03.21</u>
(Amounts x €1.000)		
Cash and bank balances	1.659	48

Note: All cash is freely available to the company



2.4.15 Contingencies and commitments not included in the balance sheet

Contingencies

The company takes responsibility for liabilities, arising from legal acts of NRF Thermal Engineering B.V. according to article 403 BW 2 Title 9.

Nederlandse Radiateurs Fabriek B.V., NRF Thermal engineering B.V., and 'NRF Poland Sp. Z.o.o. are jointly and severally liable to the credit institution.

Lease commitments

(Amounts x €1.000)	(total)	(<1 year)	(1-5 year)	(>5 year)
Lease commitments including Rent (The term of the lease commitments is 3 to 10 years.)	11.941	2.216	9.725	0
Lease expenses including Rent during fiscal year	1.828			

Credit Agreement

In June 2021 Nederlandse Radiateurs Fabriek BV, entered into two new credit facilities with ING Bank with a commitment period of 3 years. The ABF is a loan on current account.

With ING Netherlands a soft credit limit of EUR 12,5m is agreed on current account. Actual limit depends on Accounts Receivables and Stock Levels

With ING Poland a hard limit of EUR 12,5m is agreed on current account. Actual limit depends on Accounts Receivables levels.

The facility agreement contains a covenant: - Solvency Ratio > 30%

The following collateral was provided for this facility

- Pledge on insurance policy
- Pledge on the trade accounts receivable;
- Pledge on the stock
- Mortgage on property Langenboomseweg 64, Mill, the Netherlands.

2.4.16 Net turnover

(Amounts x €1.000)	Apr 2021/ Mar 2022	Apr 2020/ Mar 2021
The Netherlands	7.737	6.282
Other EU countries	89.474	77.933
Other European countries	13.363	10.999
Other countries	19.323	2.836
Total Net turnover	129.897	98.050

Net turnover per Segment

(Amounts x €1.000)	Apr 2021/ Mar 2022	Apr 2020/ Mar 2021
Automotive	116.542	90.805
Industrial	13.355	7.245
Total Net turnover	129.897	98.050

2.4.17 Salaries, wages and social security charges

(Amounts x €1.000)	Apr 2021/ Mar 2022	Apr 2020/ Mar 2021
Salaries and wages	16.433	16.967
Pension charges	894	1.100
Other social security charges	2.517	2.514
	19.844	20.581

During 2021/22 an average of 325 FTE were employed by the company,
divided by location as follows :

	31.03.22	31.03.21
Nederlandse Radiateurs Fabriek B.V.	108	112
NRF France SARL	15	19
NRF US Inc.	0	0
NRF Deutschland GmbH	7	8
NRF España S.A.	90	81
NRF Poland sp.z.o.o.	77	58
NRF Thermal Engineering Poland sp z.o.o.	35	21
NRF Italia S.r.l.	11	9
	343	308

2.4.18 Other operating costs

These costs refer mainly to selling, general, and administration expenses.

The total costs for research and development, including depreciation intangible fixed assets, amounted to 153 k€ (2020/21: 211 k€).

The total loss related to exchange rate differences amounted to k€ 715 (2020/21: 931 k€).

2.4.19 Interest charges

(Amounts x €1.000)	Apr 2021/ Mar 2022	Apr 2020/ Mar 2021
Interest paid	98	203

2.4.20 Tax on result on ordinary activities

(Amounts x €1.000)	Apr 2021/ Mar 2022	Apr 2020/ Mar 2021
Result before taxation in the consolidated annual accounts	14.738	3.689
Tax charges	3.339	1.402
Effective tax rate	23%	38%

In the European countries where NRF has operations the tax rates vary between 19% and 40%.

Regular transfer pricing audits by the German and Italian tax authorities are in progress

2.4.21 Remuneration for Supervisory Board and Board of Directors

In 2021/22 the total remunerations to the Supervisory Board and Board of Directors of NRF B.V. amounted to € 34.060 (2020-21: 38.000 K€) respectively € 337.852 (2020-21: 643.829).

2.4.22 Related party transactions

NRF B.V. conducts business with other Banco Products (India) Ltd. companies. Transactions have been completed for purchases of goods.
Pricing is established on the basis at arms-length principles,

(Amounts x €1.000)	Apr 2021/ Mar 2022
Banco Products (India) Ltd. group companies goods sales	102
Banco Products (India) Ltd. group companies goods purchases	11.885



2.5 Company balance sheet as at March 31, 2022
(after appropriation of results)

Amounts x €1.000

		31.03.22	31.03.21
ASSETS			
	<i>Reference</i>		
FIXED ASSETS			
Intangible fixed assets	2.7.1	1.247	1.690
Tangible fixed assets	2.7.2	1.927	1.879
Financial fixed assets	2.7.3	<u>20.808</u>	<u>13.874</u>
		23.982	17.443
CURRENT ASSETS			
Inventories	2.7.4	16.931	18.367
Receivables	2.7.5	<u>20.998</u>	<u>21.950</u>
		37.929	40.317
Total assets		<u>61.911</u>	<u>57.760</u>
SHAREHOLDER'S EQUITY & LIABILITIES			
SHAREHOLDER'S EQUITY			
	2.7.6		
Issued capital		114	114
Premium reserve		10.861	10.664
Legal reserve		26	32
Translation adjustment		-663	-598
Retained earnings		<u>39.455</u>	<u>30.335</u>
		49.793	40.547
PROVISIONS	2.7.7	522	719
CURRENT LIABILITIES			
Cash and bank balances	2.7.8	1.476	5.236
Other current liabilities	2.7.9	<u>10.120</u>	<u>11.258</u>
		11.596	16.494
Total liabilities		<u>61.911</u>	<u>57.760</u>

2.6 Company Profit and loss account for the year ended March 31, 2022

Amounts x €1.000	<u>31.03.22</u>	<u>31.03.21</u>
Income from investments in group companies after taxation	9.371	4.229
Other income and expense after tax	2.028	-1.942
Result after taxation	<u>11.399</u>	<u>2.287</u>



2.7 Notes to the financial statements for the year ended March 31, 2022

The accounting principles for the corporate financial statements are in line with those applied for the consolidated financial statements.

Financial fixed assets are valued at their net asset value as NRF B.V. holds 100% participations only. In case were the participation's net asset value is negative it is valued at nil. If the company is wholly or partially liable for the debts of such participations or it has the firm intention to enable the participation to settle its debts, a provision is formed.

2.7.1 Intangible fixed assets

(Amounts x €1.000)	Software	Goodwill	R&D Costs	Total
Balance as at March 31, 2021	1.403	255	32	1.690
Additions	173	0	0	173
Amortization	-430	-180	-6	-616
Balance as at March 31, 2022	1.146	75	26	1.247

The Software relates to the expenditure for ERP System. The Software is amortized on a straight-line basis over an estimated useful economic life of 5 years.

The Goodwill relates to the acquisition of the Customer file of NRF Deutschland GmbH (not a part of the fiscal unity) in 2017 and NRF United Kingdom Ltd in 2018. The Goodwill is amortized on a straight-line basis over an estimated useful economic life of 5 years.

The R&D costs are related to expenditure for research and development, with the goal to develop new products or to improve current products.

2.7.2 Tangible fixed assets

The movement in tangible fixed assets is as follows:

(Amounts x €1.000)	Land and buildings	Plant and machinery	Other fixed assets	Fixed assets under construction	Total
Cost :					
Balance as at March 31, 2021	8.207	18.694	3.057	40	29.998
Additions	4	9	30	428	471
Put into operation	0	14	26	-40	0
Disposals	0	-11.107	0	0	-11.107
Balance as at March 31, 2022	8.211	7.610	3.113	428	19.362
Depreciation :					
Balance as at March 31, 2021	6.994	18.246	2.879	0	28.119
Charge for the year	79	118	63	0	260
Disposals	0	-10.944	0	0	-10.944
Balance as at March 31, 2022	7.073	7.420	2.942	0	17.435
Book value :					
Balance as at March 31, 2022	1.138	190	171	428	1.927
Balance as at March 31, 2021	1.213	448	178	40	1.879

2.7.3 Financial fixed assets

Financial fixed assets relate to the following:

(Amounts x €1.000)	Loan NRF Thermal Eng. Poland	Investments in group Companies	Deferred Tax	Total
Book value as of March 31, 2021	1.238	11.955	681	13.874
Additions	713	0	64	777
Result of group companies	0	9.372	0	9.372
Dividend received from group companies	0	-5.692	0	-5.692
Exchange rate differences	32	-66	0	-34
Utilisation	-251	0	0	-251
Other	0	2.762	0	2.762
Book value as of March 31, 2022	1.732	18.331	745	20.808

Loan NRF Thermal Engineering Poland Sp. Z.o.o.

In December 2020 NRF BV has provided a financial loan for an amount of 1.300 k€.

In August and September 2021 NRF BV has provided a financial loan of total 550 k\$

In November 2021 NRF BV has provided a financial loan of 250 k€

The annuity loans are interest bearing and will be repaid within 5 years.

Deferred Tax

The above tax receivable represents a long term fiscal valuation difference per March 31, 2022.

2.7.4 Inventories

Inventories are stated as follows:

(Amounts x €1000)	31.03.22	31.03.21
Raw materials and auxiliary materials	2.195	2.543
Finished goods	14.736	15.824
	<u>16.931</u>	<u>18.367</u>

The total amount of Inventories includes a provision for slow moving and obsolete inventories of 927 k€ (31 march 2021, 1.316 k€).

2.7.5 Receivables

Receivables are stated as follows:

(Amounts x €1000)	31.03.22	31.03.21
Trade accounts receivable	4.421	3.813
Amounts due from group companies	14.460	16.114
Taxes and social security	704	1.120
Prepayments and accrued income	1.413	903
	<u>20.998</u>	<u>21.950</u>

Receivables in total can be considered as short-term.

The total amount of Trade accounts receivable includes a provision for doubtful accounts of 415 k€ (31 march 2021, 431 k€).

The amounts due from group companies includes a payable related to Banco Products (India) Ltd. for an amount of 684 k€ (31 march 2021, 633 k€).

2.7.6 Shareholder's equity

Share Capital

The authorised share capital of the company as at March 31, 2022 amounts to EUR 567.225 and consists of 125.000 ordinary shares of EUR 4,54 each. Issued share capital amounts to EUR 113.500 and consists of 25.000 ordinary shares with a nominal value of EUR 4,54 each. The issued capital is fully paid-in.

Legal reserves, statutory reserves and other reserves

(Amounts x €1.000)	Issued capital	Premium reserve	Legal reserve	Cumulative translation adjust.	Retained earnings
Balance as at March 31, 2020	114	10.512	119	-1.120	28.693
Additions		152			0
Utilisations			-87		87
Movement translation adjustment				522	-732
Distribution of dividend					0
Result for financial year					2.287
Balance as at March 31, 2021	114	10.664	32	-598	30.335
Additions		197			0
Utilisations			-6		6
Movement translation adjustment				-65	0
Distribution of dividend					-2.285
Result for financial year					11.399
Balance as at March 31, 2022	114	10.861	26	-663	39.455

2.7.7 Provisions

Movements in provisions are specified as follows:

(Amounts x €1.000)	Deferred tax liabilities	Warranty liabilities	Total
Balance as at March 31, 2021	638	81	719
Additions		-81	-81
Utilisations	-116		-116
Balance as at March 31, 2022	522	0	522

The provisions have mainly a long term character.



2.7.8 Cash and bank balances

The item cash and cash equivalent in the cash flow statement comprise the following :

(Amounts x €1000)	31.03.22	31.03.21
Cash and bank balances	1.476	5.236

2.7.9 Other current liabilities

Other current liabilities are stated as follows:

(Amounts x €1.000)	31.03.22	31.03.21
Trade accounts payables	8.021	7.375
Taxes and social security charges	507	615
Other liabilities and accruals	1.592	3.268
	10.120	11.258

2.7.10 Audit Cost

Per November 1st, 2015 the financial statements are audited by VWG Audit & Assurance.
The total costs incurred against the income for 2021/22 are € 81.476 of which € 39.000 audit costs,
€ 6.453 other assurance and € 36.023 other.

2.7.11 Contingencies and commitments not included in the balance sheet

Contingencies

The company takes responsibility for liabilities, arising from legal acts of NRF Thermal Engineering B.V. according to article 403 BW 2 Title 9.

Nederlandse Radiateurs Fabriek B.V., NRF Thermal engineering B.V., and 'NRF Poland Sp. Z.o.o. are jointly and severally liable to the credit institution.

Commitments

(Amounts x €1.000)

	(total)	(<1 year)	(1-5 year)
Lease commitments: (The term of the lease commitments is 3 to 5 years.)	475	307	168
Lease expenses during fiscal year	391		

Credit Agreement

See 2.4.15

Fiscal unit

Nederlandse Radiateurs Fabriek B.V. and NRF Thermal Engineering B.V. are a fiscal unit under Dutch tax law.

Therefore every individual entity is liable for the total fiscal debt regarding this fiscal unit.

2.7.12 Proposed treatment of the net result

It is proposed to pay out 440,0 Euro dividend per issued share, amounting up to 11.000.000 Euro.
The remaining net profit will be added to the retained earnings.
The result appropriation has not been included in the financial statements.

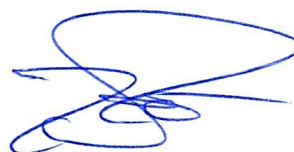
2.7.13 Post balance sheet event

Mill,


May 19th, 2022

Board of Directors:


F.A.E. Toebe



Supervisory Board:


M. Patel


R.P. van der Wal

R.H. van het Kaar

U. Patel


S. Thakker



3 Supplementary information

3.1 Auditors' report

A handwritten signature in blue ink, consisting of a stylized, cursive 'J' or 'I' followed by a loop.

INDEPENDENT AUDITOR'S REPORT

To: The shareholders and supervisory board of Nederlandse Radiateuren Fabriek B.V., Mill

A. Report on the audit of Financial Statements for the year ending March 2022

Our opinion

We have audited the Financial Statements 2021/2022 of Nederlandse Radiateuren Fabriek B.V. based in Mill.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Nederlandse Radiateuren Fabriek B.V., as at 31 March 2022) and of its result for 2021/2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 March 2022;
2. the consolidated and company profit and loss account for 2021/2022, and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Nederlandse Radiateuren Fabriek B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Scope of the group audit

Nederlandse Radiateuren Fabriek B.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of:

NRF Thermal Engineering B.V. Uden (Netherlands);
NRF France SARL Valenciennes (France);
NRF Deutschland GmbH Emmerich (Germany);
NRF España S.A. Granada (Spain);
NRF Poland sp.z.o.o. Gdansk (Poland);
NRF Italia S.r.l. Prato (Italy);
NRF Switzerland AG Urdorf (Switzerland);

Our general terms and conditions apply to all our services, which can be obtained via www.vwg.nl under info.
VWG audit & assurance is the trade name of VWG registeraccountants B.V.

Via SRA International member of  (international network of accountants and auditors).



NRF US Inc. Pennsylvania (USA), and
NRF Thermal Engineering Poland sp.z.o.o.

Our group audit mainly focused on significant group entities with a significant part in the consolidated net turnover. We have:

- used the work of other auditors when auditing entities in France, Spain, Italy and Poland;
- performed review procedures, if necessary, or specific audit procedures at other group entities. By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

B. Report on the other information included in the Financial Statements

The Financial Statements contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible 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.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

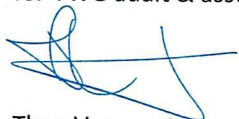
We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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 entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, 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 a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Nijmegen, May 20, 2022
for VWG audit & assurance

A handwritten signature in blue ink, consisting of a stylized 'T' and 'V' followed by a horizontal line.

Theo Verwoert
certified public accountant/external auditor