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

March 2023

Table of content

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 trades, 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. According to this focus, NRF decided to discontinue and liquidate NRF US Inc.

Result of the company in the period from April 2022 until March 2023 was a net gain of EUR 8.6 million. The Company solvency decreased compared to previous year, but remains solid with 37% (ratio 2021/2022 51%).

Net Turnover

The consolidated net turnover increased considerable to EUR 154.3 million in comparison to prior year (+ 18,8%).

Net result

The Net result percentage decreased from 8,8% in prior year to 5,6% in current year.

Capital Expenditure

During the fiscal year 2022/23 EUR 3.3 million was invested in 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 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 aspects 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 CL1 EN 15085-2 certified company is continuously improving own processes through preforming internal audits, hosting external audits and close cooperation with suppliers.

Human Resources

Total employment within the NRF group grew from 343 FTE at March 31, 2022 to 430 FTE on March 31st, 2023. For 2023/24 the number of employees is also expected to grow. 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. For the post Covid period we have implemented a hybrid working policy where employees have to option to partly work from home. We also encourage people to live a healthy lifestyle, NRF facilitates exercise for its employees.

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 unable 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 presentations, trainings and social media.

NRF's marketing plan is divided into 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 September 2022 we migrated succesfully our existing on-premis server park to 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 impact. In 2022 we opened a new 30.000sqm warehouse in Gdansk (Poland) to facilitate our growth and improve logistics.

Outlook for the Year 2023/24
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 2023/24 is optimistic. The aftermarket is expecting further increase in sales and market share. We are furthermore expanding our product range in both Industrial as well as After Market to further boost sales.

The number of employees is expected to grow.

With respect to tax matters between the German 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 German case, 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 2023/24 will be MEUR 0,75. This is mainly for investments in our factories, additional IT improvements 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) differs 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.

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

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

8

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.

Risk response:
In September 2022 we migrated our servers succesfully to a Private Cloud which also reduced our exposure to hardware failure. 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. In 2021 we have conducted a so called Penetration Test on our network. Following the outcome of this test, we made various improvements following their recommendations. A new Penetration Test will be scheduled in the next months as part of what we call 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 with a company called KnowBe4 for our employees to increase awareness about cyber risk and with that reduce our vulnerability towards external threads.

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.
The issues we were facing in Supply Chain in 2021 and beginning of 2022 have improved in the second half of 2022 and beginning of 2023. 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
Where in 2021 prices and availability of raw materials had been under pressure, the situation stabilized in 2022. 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 with 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 updated 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. We have initiated a so called "End-User Statement" in which clients need to declare they will not re-export or resell our products to countries or clients on the sanction list. A bribery and fraud policy has been implemented in 2023.

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.

<u>Management</u>

In the period of April 2022 - March 2023, 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. Our Management Team consists for 80% male and 20% female members. We also work with an extended management team, consisting of 66.7% male and 33.3% female candidates. For the appoinment of statutory directors and Supervisory Board members, the company is using functional profiles, for which no distinction is made between men and women. Management and Supervisory Board attach to her composition of diversity and complementarity. 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 17th, 2023

F.A.E. Toebes

2 Financial statements

2.1 Consolidated balance sheet as at March 31, 2023
(before appropriation of result)

(Amounts x €1.000)		31.03.2023		31.03.2022	
ASSETS	*Reference*				
FIXED ASSETS					
Intangible fixed assets	*2.5.4*	884		1.172	
Tangible fixed assets	*2.5.5*	7.315		5.753	
Financial fixed assets	*2.5.6*	2.508		2.780	
			10.708		9.705
CURRENT ASSETS					
Inventories	*2.5.7*	80.099		59.432	
Receivables	*2.5.8*	37.492		28.522	
Short term investments	*2.5.9*	0		62	
			117.591		88.016
Total assets			**128.299**		**97.721**
SHAREHOLDER'S EQUITY & LIABILITIES					
GROUP EQUITY	*2.5.10*		47.413		49.793
PROVISIONS	*2.5.11*		433		864
LONG TERM LIABILITIES	*2.5.12*		4.334		695
CURRENT LIABILITIES					
Other current liabilities	*2.5.13*	47.850		44.710	
Cash and Cash equivalents	*2.5.14*	28.269		1.659	
			76.119		46.369
Total liabilities			**128.299**		**97.721**

2.2 Consolidated profit & loss account for the period ended March 31, 2023

(Amounts x €1.000)	Reference	Apr 2022 / Mar 2023 12 months		Apr 2021 / Mar 2022 12 months	
Net turnover	2.5.16		154.274		129.897
Other Income			1.187		197
Sum of operating income			155.461		130.094
Cost of raw materials and auxiliary materials		100.297		83.269	
Costs of work contracted out and other external expenses		820		535	
Salaries & wages	2.5.17	18.015		16.433	
Social security charges and pensions	2.5.17	3.946		3.411	
Depreciation in-/tangible fixed assets		1.224		1.029	
Other operating costs	2.5.18	16.793		9.669	
Sum of expenses			141.095		114.346
Operating result			14.366		15.748
Financial income and expenses	2.5.19	1.969		813	
Interest charges and foreign exchange results			1.969		813
Result from ordinary activities before tax			12.397		14.935
Taxation on result from ordinary activities	2.5.20		-3.711		-3.339
Net result			**8.686**		**11.596**

2.3 Consolidated cash-flow statement

(Amounts x €1.000)		Apr 2022 / Mar 2023			Apr 2021 / Mar 2022	
Cash-flow from operating activities						
Operating result		14.366			14.836	
Adjustments for :						
Depreciation		1.377			1.029	
Change in working capital :						
Increase/Decrease receivables	-8.971			-8.563		
Increase/Decrease inventories	-20.667			-15.218		
Increase/Decrease current liabilities	29.737			13.957		
Increase/Decrease provisions	-431			-140		
		-332			-9.964	
		15.411			5.901	
Interest expense	-694			-175		
Foreign exchange result	397			0		
Income tax expense	-3.711			-2.667		
		-4.008			-2.842	
Cash-flow from operating activities			11.403			3.059
Cash-flow from investment activities						
Investment in tangible & intangible fixed assets		-3.280			-2.426	
Disposals tangible & intangible fixed assets		624			163	
Other long term receivables/investments		334			-191	
Exch. rate diff. in investments (tangible)		5			-3	
Cash-flow from investment activities			-2.317			-2.457
Cash-flow from financial activities						
Dividend paid		-11.000			-2.285	
Premium reserve		0			197	
Increase/Decrease long term liabilities		3.639			-60	
Adj. for movement translation		-66			-65	
Cash-flow from financial activities			-7.427			-2.213
Increase/(Decrease) cash and banks			1.659			-1.611
Movement in cash and cash equivalents						
Opening balance of cash and cash equivalents			-1.659			-48
Increase /(decrease) cash and banks			1.659			-1.611
Closing balance of cash and cash equivalents			**-0**			**-1.659**

2.4 Statement of the result of the group ended March 31, 2023

(Amounts x €1.000)	Apr 2022 / Mar 2023	Apr 2021 / Mar 2022
Share result after taxation	8.686	11.596
Currency translations equity	66	65
Total result	8.752	11.661

2.5 Notes to the consolidated financial statements for the year ended March 31, 2023

2.5.1 General

Reporting entity
Reporting entity Nederlandse Radiateuren Fabriek 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, 2023 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.

Reporting period
The reporting period starts April 1, 2022 and ends March 31, 2023

Assumption of continuity
The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the company.

Group structure
On February 23rd, 2010 Banco Products (India) Ltd., domiciled at Vadodara in India, purchased 100% of the Nederlandse Radiateuren Fabriek 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.

Estimates
The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question the respective section of the annual accounts.

2.5.2 Principles of consolidation

The consolidated financial statements include the financial figures of Nederlandse Radiateuren Fabriek 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 Radiateuren Fabriek B.V. and its subsidiary companies.
A Company is considered a group company if that belongs to the economic unit of Nederlandse Radiateuren Fabriek B.V. and in which Nederlandse Radiateuren Fabriek 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 Radiateuren Fabriek B.V. and the following group companies:

Name	Statutory seat	Percentage of shareholding
NRF Thermal Engineering BV	Mill	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 Thermal Engineering Poland sp.z.o.o.	Pruszcz Gdanks (Poland)	100 %

Application of condensed corporate profit and loss account

In respect of the profit and loss account of Nederlandse Radiateuren Fabriek 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.

Related parties
The related parties of Nederlandse Radiateuren Fabriek B.V. are considered the Group companies and Banco Products (India) Ltd.

2.5.3 Accounting principles

Comparison with previous year

The basic accounting principles remained unchanged compared to the previous year. Certain prior year amounts have been reclassified for consistency with the current 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 applies the regime for large companies, as reffered to article 2:396 of the Dutch Civil Code.

Operational leasing
The company may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the profit and loss account for the duration of the contract.

Foreign currency
Transactions denominated in foreign currencies conducted in the reporting period are recognised in the financial statements at the rates of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates on the balance sheet date. Any resulting exchange differences are taken to the profit and loss account. Income and expense are translated at the average monthly rates of exchange during the year.

Accounting pinciples applied to the valuation of assets and liabilities

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.

Newly acquired participations are initially recognised on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis. Positive goodwill resulting from acquisitions and calculated in accordance with previous explanation is capitalised and amortised on a straight-line basis over the estimated economic life. Negative goodwill is released in the profit and loss account to the extent that charges and losses occur, if it is taken into account in the allocation of the acquisition and these charges and losses can be measured reliably. If expected charges and losses have not been taken into account, the negative goodwill is released based on the weighted average of the remaining life of the acquired amortisable assets. Insofar as the negative goodwill exceeds the fair value of the non-monetary assets identified, the surplus is recognised directly in the profit and loss account.

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.
Costs for periodic major maintenance are capitalized and subsequently amortized.
Depreciation starts as soon as the assit is available for its intended use.
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 %

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. Also
These deferred tax assets are valued at nominal value and have a predominantly long-term character.

Impairment of non current assets
On the balance sheet date, the group estimates whether there are any indications of an asset which could be subject to impairment. It 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
Trade receivables are recognized initially at fair value and subsequently measured at amortised cost.
If payment on the receivable is postponed under an extend payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognized using the effective interest rate method. When a trade receivable is uncollectible, it is written off against the allowance for trade receivables,

Short term investments
Short term investments are valued according to the trade receivables

Cash and cash equivalents
Cash and cash equivalents 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
A provision is recognized if the following applies:
- the company has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Long term liabilities
Long-term liabilities are valued at cost, being the amount received taking into account premium or discount, and less transaction costs. The difference between the book value determined and the ultimate redemption value, including the interest payable are determined by recognising the effective interest in the profit and loss account during the term of the liabilities.

Current liabilities
At initial recognition, current liabilities and other financial obligations are recognized at fair value.
After initial recognition, the liabilities are measured at amortised cost using the effective interest method, being the amount received, taking into account premiums or discounts, less transaction costs.
In the event of no premium of discount or transaction cost, the amortised cost is equal to the nominal value of debt.

Pension liabilities
The company has a pension plan in place that qualifies as a defined contribution plan. The companies sole obligation is payment of the annual contribution to the insurance company of the branch pension fund. The coverage ratio end of March 2023 amounts 112,6%.The pension fund offers a lifelong retirement pension and a temporary surviving dependant's pension. The retirement age is dependant on the AOW age applicable in The Netherlands. 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 fair value, based on the prevailing national tax rates.

Principles of determination of result

General
The result represents the difference between the realisable value of the goods delivered and services
The results on transactions are recognised in the year in which they are realised on the balance sheet date. Losses originated before the end of the financial year are taken into account if they have become known before preparation of the financial statements.rendered and the costs and other charges for the year.

Effective January 1, 2022, the amended provisions of Chapter 270, with respect to revenue recognition will be applied. In accordance with the transitional provisions, use has been made of the option to apply the amendments, with the exception of those relating to presentation and disclosure, only to agreements entered into or amended on or after January 1, 2022. Therefore, the aforementioned change in accounting policy has no impact on equity or profit after tax of previous year.

Revenue recognition
The Company usually recognizes revenue at the level of separate contracts. If it is necessary to reflect economic reality, revenue is recognized at the level of a group of contracts, for example where the Company has entered into several separate contracts, which have been negotiated as a total, separating the individual contracts in terms of pricing and profit margin that are closely related and are performed simultaneously or immediately after each other.
Amounts that the Company receives for its own account (as principal) are recognized as revenue. Amounts that the Company receives for third parties (as an agent) are not recognized as revenue. Revenues only include the gross increases in economic potential that the Company has received or has receivable for its own account.
The Company recognizes revenue for the amount to which the Company expects to be entitled in exchange for transferring promised goods or services, which is the transaction price. This amount excludes amounts received on behalf of third parties. The transaction price may consist of a fixed fee, a variable fee or a combination thereof. When determining the transaction price, the Company does not take credit risk into account. Any write-downs as a result of the credit risk are charged to the profit and loss account. In determining the transaction price, the Company assumes that the goods or services will be provided in accordance with the relevant agreement and that this agreement will not be cancelled, extended or otherwise modified. The Company measures a non-monetary consideration at fair value. When determining the transaction price, the Company takes into account, among other things, the effects of:
1. Variable fees, due to discounts, returns, refunds, price concessions, performance bonuses, penalties or other similar elements that may vary in size. The Company estimates the amount of variable compensation as part of the total compensation and applies the prudence principle in doing so;
2. Major financing components, where the Company adjusts the transaction price for the effects of the time value of money. In doing so, the Company applies an interest rate that is determined at the generally applicable interest rate for a comparable financing instrument of an issuer with a comparable credit rating or an interest rate that, when discounting the transaction price, results in the current spot selling price of the goods and services; and
3. Payments to buyers of goods and services, which are accounted for as a reduction in the transaction price

price and therefore as a reduction in revenue, unless the payment to the buyer is made in exchange for a distinct good or service. No revenue is recognized for all amounts received – or receivable – to which the Company does not expect to be entitled. The Company treats these received – or receivable – amounts in these cases as a repayment obligation. For the goods that are expected to be returned, the Company recognises a return asset, which is presented as an accrual.
The Company recognizes revenue per separate performance obligation. A performance obligation is a commitment in a contract to supply:
- a distinct good or service or a combination of goods or services which are collectively distinguishable from other commitments in the contract; or
- a range of distinct services that are largely the same.
A promised good or promised service can be distinguished if the following criteria are met:
- the buyer can use the benefits of the goods or services independently, whether or not jointly with resources that the buyer has or can obtain; and
- the commitment to provide the goods or services is distinct from the other commitments contained in the contract.

If two or more commitments in a contract by the Company to provide goods or services are indistinguishable separately, the commitments are combined into a combination of goods or services that are collectively distinct from other commitments in the agreement. In the event of multiple performance obligations in a contract, the total transaction price is allocated to the performance obligations in proportion to the value of the performance obligations. The Company bases this value on the stand-alone selling price per performance obligation. If the standalone sales price is not known, the Company uses estimates.

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.

Cost of raw materials
Cost of raw materials and auxiliary materials includes the cost of goods sold and delivered. The cost price consists of the purchase price and any additional costs.

Cost of subcontracted work
The cost of subcontracted work and other external charges include the costs charged by third parties in connection with the outsourcing or support of the work. These costs consist of the purchase price and any additional costs.

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

Employee expenses
The benefits payable to personnel are recorded in the profit and loss account on the basis of the employment conditions. Grants are recognized as income in the profit and lost, or when subsidized operating deficit occurred. Income is recognized when it is probable that it will be received.

Amortisation and depreciation
Intangible assets, including goodwill, are amortised and tangible fixed assets are depreciated over their estimated useful lives as from the moment they are ready for use. Land, tangible fixed assets under construction and prepayments on tangible fixed assets are not depreciated. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment. If there is a change in the estimate of the future useful life, the future depreciations will be adjusted. Book profits and losses from the incidental sale of tangible fixed assets are included in the depreciations.

Financial income and expenses
Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

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 taxsation 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.

Principles of cashflow 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 items cash at banks and in hand.

Cash flows in foreign currencies have been translated at average exchange rates.
Exchange differences affecting cash items are shown separately in the cash flow statement. Receipts and payments of interest and corporate income tax are included in the cash flow from operating activities.

Investments in group companies are recognised at acquisition cost less cash and cash equivalents available in the company acquired at the time of acquisition.

Assets
Fixed assets

2.5.4 Intangible fixed assets

(Amounts x €1.000)	Software	R&D costs	Total
Cost :			
Balance as at March 31, 2022	3.024	493	3.517
Additions	284	0	284
Disposals	-109	0	-109
Exchange differences	0	0	0
Balance as at March 31, 2023	3.199	493	3.692
Depreciation :			
Balance as at March 31, 2022	1.878	467	2.345
Charge for the year	458	5	463
Disposals	0	0	0
Exchange differences	0	0	0
Balance as at March 31, 2022	2.336	472	2.808
Book value :			
Balance as at March 31, 2023	863	21	884
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 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.

2.5.5 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, 2022	10.301	13.341	4.291	1.035	28.968
Additions	848	1.599	246	303	2.996
Put into operation/Transfers	0	661	374	-1.035	0
Disposals	-969	-381	-112	0	-1.462
Exchange differences	0	-6	-2	0	-8
Balance as at March 31, 2023	10.180	15.214	4.797	303	30.494
Depreciation :					
Balance as at March 31, 2022	8.032	11.608	3.575	0	23.215
Charge for the year	141	513	260	0	914
Disposals	-491	-356	-100	0	-947
Exchange differences	0	-2	-1	0	-3
Balance as at March 31, 2022	7.682	11.763	3.734	0	23.179
Book value :					
Balance as at March 31, 2023	2.498	3.451	1.063	303	7.315
Balance as at March 31, 2022	2.269	1.733	716	1.035	5.753

2.5.6 Financial fixed assets

Deferred Tax receivables

(Amounts x €1.000)	31.03.23	31.03.22
Opening Balance	2.780	2.556
Additions	0	224
Utilisations	-272	0
Closing balance	2.508	2.780

The above tax receivable represents a long term fiscal valuation difference per March 31, 2023.

Current Assets

2.5.7 Inventories

Inventories can be broken down as follows:

(Amounts x €1.000)	31.03.23	31.03.22
Raw materials and auxiliary materials	4.970	3.669
Finished goods	75.129	55.763
	80.099	59.432

The total amount of Inventories includes a provision for slow moving and obsolete inventories of 2.227 k€ (31 March 2022, 1.559 k€).

2.5.8 Receivables

Receivables can be broken down as follows:

(Amounts x €1.000)	31.03.23	31.03.22
Trade accounts receivable	35.701	25.804
Prepayments and accrued income	1.735	2.510
Other receivables	56	208
	37.492	28.522

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

The total amount of Trade accounts receivable includes a provision for doubtful accounts of 321 k€ (31 March 2022, 1.101 k€).

2.5.9 Short term investments

(Amounts x €1.000)	31.03.23	31.03.22
Short term investments	0	62

Liabilities

2.5.10 Group equity

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

2.5.11 Provisions

Movements in provisions are specified as follows:

Deferred tax liabilities

(Amounts x €1.000)	31.03.23	31.03.22
Opening Balance	864	923
Additions	0	0
Utilisations	-431	-59
Closing Balance	433	864

Provisions do have long-term character

2.5.12 Long Term liabilities

(Amounts x €1.000)	31.03.23	31.03.22
Opening Balance	695	755
Additions	4.150	0
Repayment	-175	-60
	4.670	695
Short-term repayment obligation	-336	0
Closing Balance	4.334	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 m€ has been established on the company building.

NRF has taken a financial loan for an amount of 2.9m€ (FY 2022-23). The loan is interest bearing (Euribor + 1,70%) and will be repaid within 10 years with a final payment of 980k€ on October 1, 2032. The remaining loan amount with a maturity time exceeding five years is 1.844k€.

NRF has taken a financial loan for an amount of 1.25m€ (FY 2022-23). The loan is interest bearing (Euribor + 1,90%) and will be repaid within 3 years with a final payment of 998k€ on October 1, 2025. As security for the loans taken in FY 2022-23 a bankmortgage amounting to 5,97m€ has been established on the company buildings at the Lijsterweg 56 in Mill and Langenboomseweg 64 in Mill.

2.5.13 Other Current liabilities

Other Current liabilities are stated as follows:

(Amounts x €1.000)	31.03.23	31.03.22
Trade accounts payable	24.054	25.518
Amounts due to shareholder	4.380	2.523
Taxes and social security charges	612	941
Penion expenses	264	0
Income tax	700	1.281
Loan repayment obligation	336	0
Other liabilities and accruals	17.504	14.447
	47.850	44.710

Note: Other current liabilities in total can be considered as short-term.

2.5.14 Cash and Cash equivalents

(Amounts x €1.000)	31.03.23	31.03.22
Debt to credit institutions	28.269	1.659

2.5.15 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 Radiateuren 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.)	15.893	2.380	13.513	0
Lease expenses including Rent during fiscal year	2.545			

Credit Agreement

In June 2021 Nederlandse Radiateuren 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 12,5m€ is agreed on current account. Actual limit depends on Accounts Receivables and Stock Levels

With ING Poland a hard limit of 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.

2.5.16 Net turnover

(Amounts x €1.000)	Apr 2022/ Mar 2023	Apr 2021/ Mar 2022
The Netherlands	9.386	7.737
Other EU countries	108.421	89.474
Other European countries	9.563	13.363
Other countries	26.904	19.323
Total Net turnover	154.274	129.897

Net turnover per Segment

(Amounts x €1.000)	Apr 2022/ Mar 2023	Apr 2021/ Mar 2022
Automotive	137.887	116.542
Industrial	16.387	13.355
Total Net turnover	154.274	129.897

2.5.17 Salaries, wages and social security charges

(Amounts x €1.000)	Apr 2022/ Mar 2023	Apr 2021/ Mar 2022
Salaries and wages	18.015	16.433
Pension charges	937	894
Other social security charges	3.009	2.517
	21.961	19.844

During 2022/23 an average of 430 FTE were employed by the company (2021/2022: 325), divided by location as follows :

	31.03.23	31.03.22
Nederlandse Radiateuren Fabriek B.V.	105	108
NRF France SARL	20	15
NRF Deutschland GmbH	7	7
NRF España S.A.	108	90
NRF Poland sp.z.o.o.	128	77
NRF Thermal Engineering Poland sp z.o.o.	36	35
NRF Italia S.r.l.	26	11
	430	343

Employees working outside the Netherlands are employed by the entities other than Nederlandse Radiateuren Fabriek B.V.

2.5.18 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 236 k€ (2021/22: 153 k€).
The total loss related to exchange rate differences amounted to k€ 1.275 (2021/22: 715 k€).

2.5.19 Interest charges and foreign exchange results

(Amounts x €1.000)	Apr 2022/ Mar 2023	Apr 2021/ Mar 2022
Foreign exchange results	1.275	715
Interest paid	694	98
	1.969	813

2.5.20 Tax on result on ordinary activities

(Amounts x €1.000)	Apr 2022/ Mar 2023	Apr 2021/ Mar 2022
Result before taxes	12.397	14.935
Deferred income tax	-159	-283
Income tax current year	3.578	3.622
Income tax previous years	292	0
Income tax	3.711	3.339
Effective tax rate	29,9%	22,4%
Applicable tax rate	18,8%	25%-25,8%

In the European countries were NRF has operations the tax rates vary between 19% and 40% and is therefore consistent with the effective tax rate.

The applicable tax rate is determined based on the weighted average of the contribution of the group companies to the result and the applicable income tax tariff of these countries.

The effective income tax rate defers from the applicable tax rate due to a loss and loss compensation in The Netherlands, income tax payments from previous years in Italy and Germany and differences in valuation on fixed assets.

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

2.5.21 Remuneration for Supervisory Board and Board of Directors

In 2022/23 the total remunerations to the Supervisory Board and Board of Directors of NRF B.V. amounted to € 51.213 (2021-22: 34.060 K€) respectively € 302.828 (2021-22: 337.852).

2.5.22 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 2022/ Mar 2023	Apr 2021/ Mar 2022
Banco Products (India) Ltd. group companies goods sales	1	102
Banco Products (India) Ltd. group companies goods purchases	16.079	11.885

2.6 Company balance sheet as at March 31, 2023

(before appropriation of results)

Amounts x €1.000		31.03.23		31.03.22	
ASSETS	*Reference*				
FIXED ASSETS					
Intangible fixed assets	*2.9.1*	834		1.247	
Tangible fixed assets	*2.9.2*	1.970		1.927	
Financial fixed assets	*2.9.3*	26.248		20.808	
			29.052		23.982
CURRENT ASSETS					
Inventories	*2.9.4*	17.527		16.931	
Receivables	*2.9.5*	31.590		20.998	
			49.117		37.929
Total assets			**78.169**		**61.911**
SHAREHOLDER'S EQUITY & LIABILITIES					
SHAREHOLDER'S EQUITY	*2.9.6*				
Issued capital		114		114	
Premium reserve		10.861		10.861	
Legal reserve		19		26	
Translation adjustment		-729		-663	
Retained earnings		37.147		39.455	
			47.413		49.793
PROVISIONS	*2.9.7*		4		522
LONG TERM LIABILITIES	*2.9.8*		3.759		0
CURRENT LIABILITIES					
Cash and bank balances	*2.9.9*	10.748		1.476	
Other current liabilities	*2.9.10*	16.245		10.120	
			26.993		11.596
Total liabilities			**78.169**		**61.911**

2.7 Company Profit and loss account for the year ended March 31, 2023

Amounts x €1.000	31.03.23	31.03.22
Income from investments in group companies after taxation	11.785	9.371
Other income and expense after tax	-3.099	2.028
Result after taxation	8.686	11.399

2.8 General accounting principles for the preparation of the financial statements

2.8.1 General

Reporting entity
Reporting entity Nederlandse Radiateuren Fabriek 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, 2023 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.

Reporting period
The reporting period starts April 1, 2022 and ends March 31, 2023

Assumption of continuity
The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the company.

Group structure
On February 23rd, 2010 Banco Products (India) Ltd., domiciled at Vadodara in India, purchased 100% of the Nederlandse Radiateuren Fabriek 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.

Estimates
The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question the respective section of the annual accounts.

2.8.2 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 applies the regime for large companies, as reffered to article 2:396 of the Dutch Civil Code.

Operational leasing
The company may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the profit and loss account for the duration of the contract.

Foreign currency
Transactions denominated in foreign currencies conducted in the reporting period are recognised in the financial statements at the rates of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates on the balance sheet date. Any resulting exchange differences are taken to the profit and loss account. Income and expense are translated at the average monthly rates of exchange during the year.

Accounting pinciples applied to the valuation of assets and liabilities

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.

Newly acquired participations are initially recognised on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis. Positive goodwill resulting from acquisitions and calculated in accordance with previous explanation is capitalised and amortised on a straight-line basis over the estimated economic life. Negative goodwill is released in the profit and loss account to the extent that charges and losses occur, if it is taken into account in the allocation of the acquisition and these charges and losses can be measured reliably. If expected charges and losses have not been taken into account, the negative goodwill is released based on the weighted average of the remaining life of the acquired amortisable assets. Insofar as the negative goodwill exceeds the fair value of the non-monetary assets identified, the surplus is recognised directly in the profit and loss account.

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 starts as soon as the assit is available for its intended use.
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 %

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. Also
These deferred tax assets are valued at nominal value and have a predominantly long-term character.

Impairment of non current assets
On the balance sheet date, the group estimates whether there are any indications of an asset which could be subject to impairment. It 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
Trade receivables are recognized initially at fair value and subsequently measured at amortised cost.
If payment on the receivable is postponed under an extend payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognized using the effective interest rate method. When a trade receivable is uncollectible, it is written off against the allowance for trade receivables,

Short term investments
Short term investments are valued according to the trade receivables

Cash and cash equivalents
Cash and cash equivalents 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
A provision is recognized if the following applies:
- the company has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Long term liabilities
Long-term liabilities are valued at cost, being the amount received taking into account premium or discount, and less transaction costs. The difference between the book value determined and the ultimate redemption value, including the interest payable are determined by recognising the effective interest in the profit and loss account during the term of the liabilities.

Current liabilities
At initial recognition, current liabilities and other financial obligations are recognized at fair value.
After initial recognition, the liabilities are measured at amortised cost using the effective interest method, being the amount received, taking into account premiums or discounts, less transaction costs.
In the event of no premium of discount or transaction cost, the amortised cost is equal to the nominal value of debt.

Pension liabilities
The company has a pension plan in place that qualifies as a defined contribution plan. The companies sole obligation is payment of the annual contribution to the insurance company of the branch pension fund. The coverage ratio end of March 2023 amounts 112,6%.The pension fund offers a lifelong retirement pension and a temporary surviving dependant's pension. The retirement age is dependant on the AOW age applicable in The Netherlands. 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 fair value, based on the prevailing national tax rates.

Principles of determination of result

General

The result represents the difference between the realisable value of the goods delivered and services The results on transactions are recognised in the year in which they are realised on the balance sheet date. Losses originated before the end of the financial year are taken into account if they have become known before preparation of the financial statements.rendered and the costs and other charges for the year.

Effective January 1, 2022, the amended provisions of Chapter 270, with respect to revenue recognition will be applied. In accordance with the transitional provisions, use has been made of the option to apply the amendments, with the exception of those relating to presentation and disclosure, only to agreements entered into or amended on or after January 1, 2022. Therefore, the aforementioned change in accounting policy has no impact on equity or profit after tax of previous year.

Revenue recognition

The Company usually recognizes revenue at the level of separate contracts. If it is necessary to reflect economic reality, revenue is recognized at the level of a group of contracts, for example where the Company has entered into several separate contracts, which have been negotiated as a total, separating the individual contracts in terms of pricing and profit margin that are closely related and are performed simultaneously or immediately after each other.

Amounts that the Company receives for its own account (as principal) are recognized as revenue. Amounts that the Company receives for third parties (as an agent) are not recognized as revenue. Revenues only include the gross increases in economic potential that the Company has received or has receivable for its own account.

The Company recognizes revenue for the amount to which the Company expects to be entitled in exchange for transferring promised goods or services, which is the transaction price. This amount excludes amounts received on behalf of third parties. The transaction price may consist of a fixed fee, a variable fee or a combination thereof. When determining the transaction price, the Company does not take credit risk into account. Any write-downs as a result of the credit risk are charged to the profit and loss account. In determining the transaction price, the Company assumes that the goods or services will be provided in accordance with the relevant agreement and that this agreement will not be cancelled, extended or otherwise modified. The Company measures a non-monetary consideration at fair value. When determining the transaction price, the Company takes into account, among other things, the effects of:

1. Variable fees, due to discounts, returns, refunds, price concessions, performance bonuses, penalties or other similar elements that may vary in size. The Company estimates the amount of variable compensation as part of the total compensation and applies the prudence principle in doing so;
2. Major financing components, where the Company adjusts the transaction price for the effects of the time value of money. In doing so, the Company applies an interest rate that is determined at the generally applicable interest rate for a comparable financing instrument of an issuer with a comparable credit rating or an interest rate that, when discounting the transaction price, results in the current spot selling price of the goods and services; and
3. Payments to buyers of goods and services, which are accounted for as a reduction in the transaction price

price and therefore as a reduction in revenue, unless the payment to the buyer is made in exchange for a distinct good or service. No revenue is recognized for all amounts received – or receivable – to which the Company does not expect to be entitled. The Company treats these received – or receivable – amounts in these cases as a repayment obligation. For the goods that are expected to be returned, the Company recognises a return asset, which is presented as an accrual.

The Company recognizes revenue per separate performance obligation. A performance obligation is a commitment in a contract to supply:

- a distinct good or service or a combination of goods or services which are collectively distinguishable from other commitments in the contract; or

- a range of distinct services that are largely the same.
A promised good or promised service can be distinguished if the following criteria are met:
- the buyer can use the benefits of the goods or services independently, whether or not jointly with resources that the buyer has or can obtain; and
- the commitment to provide the goods or services is distinct from the other commitments contained in the contract.
If two or more commitments in a contract by the Company to provide goods or services are indistinguishable separately, the commitments are combined into a combination of goods or services that are collectively distinct from other commitments in the agreement. In the event of multiple performance obligations in a contract, the total transaction price is allocated to the performance obligations in proportion to the value of the performance obligations. The Company bases this value on the stand-alone selling price per performance obligation. If the standalone sales price is not known, the Company uses estimates.

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.

Employee expenses
The benefits payable to personnel are recorded in the profit and loss account on the basis of the employment conditions. Grants are recognized as income in the profit and lost, or when subsidized operating deficit occurred. Income is recognized when it is probable that it will be received.

Amortisation and depreciation
Intangible assets, including goodwill, are amortised and tangible fixed assets are depreciated over their estimated useful lives as from the moment they are ready for use. Land, tangible fixed assets under construction and prepayments on tangible fixed assets are not depreciated. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment. If there is a change in the estimate of the future useful life, the future depreciations will be adjusted. Book profits and losses from the incidental sale of tangible fixed assets are included in the depreciations.

Financial income and expenses
Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

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 taxsation 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.

Principles of cashflow 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 items 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 average exchange rates.
Exchange differences affecting cash items are shown separately in the cash flow statement. Receipts and payments of interest and corporate income tax are included in the cash flow from operating activities.

Investments in group companies are recognised at acquisition cost less cash and cash equivalents available in the company acquired at the time of acquisition.

2.9 Notes to the company financial statements for the year ended March 31, 2023

The accounting principles for the corporate financial statements are consistent with those applied for the consolidated financial statements. Presented at chapter 2.4 .

Financial fixed assets are valued at their net asset value as NRF B.V. holds 100% participations only. In case where 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.

Fixed assets

2.9.1 Intangible fixed assets

(Amounts x €1.000)	Software	Goodwill	R&D Costs	Total
Cost :				
Balance as at March 31, 2022	2.894	1.100	440	4.434
Additions	92	0	0	92
Disposals	0	0	0	0
Balance as at March 31, 2023	2.986	1.100	440	4.526
Depreciation :				
Balance as at March 31, 2022	1.748	1.025	414	3.187
Charge for the year	439	60	6	505
Disposals	0	0	0	0
Balance as at March 31, 2023	2.187	1.085	420	3.692
Book value :				
Balance as at March 31, 2023	799	15	20	834
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.

2.9.2 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, 2022	8.211	7.611	3113	428	19.362
Additions	400	58	121	192	771
Put into operation	315	55	58	-428	0
Disposals	-970	-49	-11	0	-1.030
Balance as at March 31, 2023	7.956	7.675	3.281	192	19.103
Depreciation :					
Balance as at March 31, 2022	7.073	7.420	2.942	0	17.435
Charge for the year	71	93	76	0	240
Disposals	-491	-42	-9	0	-542
Balance as at March 31, 2023	6.653	7.471	3.009	0	17.133
Book value :					
Balance as at March 31, 2023	1.303	204	272	192	1.970
Balance as at March 31, 2022	1.138	191	171	428	1.927

2.9.3 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 groupcompanies	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
Additions	250	0	0	250
Result of groupcompanies	0	11.785	0	11.785
Dividend received from group companies	0	-5.900	0	-5.900
Exchange rate differences	-10	-66	0	-76
Utilisation	-235	0	-346	-581
Short term repayment obligation	-276	0	0	-276
Other	0	239	0	239
Book value as of March 31, 2023	1.461	24.389	399	26.248

8

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€.
In August 2022 NRF BV has provided a financial loan of 250 k€ .
The annuity loans are interest bearing and will be repaid within 5 years. Interest on the loans is 2% per year.

Deferred Tax
The above tax receivable represents a long term fiscal valuation difference per March 31, 2023.

Current Assets

2.9.4 Inventories

Inventories are stated as follows:

(Amounts x €1000)	31.03.23	31.03.22
Raw materials and auxiliary materials	3.249	2.195
Finished goods	14.278	14.736
	17.527	16.931

The total amount of Inventories includes a provision for slow moving and obsolete inventories of 1.235 k€ (31 march 2022, 927 k€).

2.9.5 Receivables

Receivables are stated as follows:

(Amounts x €1000)	31.03.23	31.03.22
Trade accounts receivable	8.160	4.421
Amounts due from group companies	21.692	14.460
Taxes and social security	853	704
Short term loan repayment	276	0
Prepayments and accrued income	609	1.413
	31.590	20.998

Receivables in total can be considered as short-term.

The total amount of Trade accounts receivable includes a provision for doubtful accounts of 42 k€ (31 march 2022, 415 k€).

LIABILITIES

2.9.6 Shareholder's equity

Share Capital

The authorised share capital of the company as at March 31, 2023 125.000 shares*€ 4,54 = € 567.500
Issued share capital of 25.000 shares * € 4,54 = €113.500
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, 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
Additions		0			0
Utilisations			-6		6
Movement translation adjustment				-66	0
Distribution of dividend					-11.000
Result for financial year					8.686
Balance as at March 31, 2023	114	10.861	19	-729	37.147

The legal reserve relates to R&D expenses which are reported on the balance sheet as intangible fixed assets.The legal reserve is not distributable.

2.9.7 Provisions

Movements in provisions are specified as follows:

Deferred tax liabilities

(Amounts x €1.000)	2023	2022
Opening Balance	522	638
Additions		
Utilisations	-518	-116
Closing Balance	4	522

The provisions have mainly a long term term character.

2.9.8 Long Term liabilities

(Amounts x €1.000)	31.03.23	31.03.22
Opening Balance	0	0
Additions	4.150	0
Repayment	-115	0
	4.035	0
Short-term repayment obligation	-276	
Closing Balance	3.759	0

NRF has taken a financial loan for an amount of 2.9m€ (FY 2022-23). The loan is interest bearing (Euribor + 1,70%) and will be repaid within 10 years with a final payment of 980k€ on October 1, 2032. The remaining loan amount with a maturity time exceeding five years is 1.844k€.

NRF has taken a financial loan for an amount of 1.25m€ (FY 2022-23). The loan is interest bearing (Euribor + 1,90%) and will be repaid within 3 years with a final payment of 998k€ on October 1, 2025. As security for the loans taken in FY 2022-23 a bankmortgage amounting to 5,97m€ has been established on the company buildings at the Lijsterweg 56 in Mill and Langenboomseweg 64 in Mill.

Nederlandse Radiateuren Fabriek B.V. and NRF Thermal Engineering B.V. have a Compte joint and co-liability agreement with ING Bank N.V. Both parties are mutual responsible for not fulfilling the conditions of the creditfacility held at ING Bank N.V.

2.9.9 Cash and Cash equivalents

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

(Amounts x €1000)	31.03.23	31.03.22
Debt to credit institutions	10.748	1.476

2.9.10 Other current liabilities

Other current liabilities are stated as follows:

(Amounts x €1.000)	31.03.23	31.03.22
Trade accounts payables	8.504	8.021
Amounts due to shareholder	1.195	0
Taxes and social security charges	176	507
Pension expenses	160	0
Loan repayment obligation	276	0
Other liabilities and accruals	5.934	1.592
	16.245	10.120

Note: Other current liabilities in total can be considered as short-term.

On a consolidated level the intercompany accounts payables are eliminated

3 Other disclosures

3.1.1 Audit Cost

Per April 1st, 2022 the financial statements are audited by HLB-Witlox van den Boomen.
The total costs incurred against the income for 2022/23 are € 105.400 of which € 83.700 audit costs, and € 1.684 other cost.

3.1.2 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 Radiateuren 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.)	1.370	351	1.019
Lease expenses during fiscal year	351		

Credit Agreement
See 2.4.15

Fiscal unit
Nederlandse Radiateuren 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.

3.1.3 Proposed treatment of the net result

It is proposed to pay out 320,0 Euro dividend per issued share, amounting up to 8.000.000 Euro.
The remaining net profit will be added to the retained earnings.
The result appropriation has not been included in the financial statements.

3.1.4 Post balance sheet event

There are no post balance sheet events that influence the view given by the annual accounts.

3.1.5 Signing of the financial statements

Mill,

May 17th, 2023

Board of Directors:

F.A.E. Toebes

Supervisory Board:

M. Patel

R.P. van der Wal

R.H. van het Kaar

U. Patel

S. Thakker

4 Other information

4.1 Auditors' report

INDEPENDENT AUDITOR'S REPORT

To: The shareholder and supervisory board of Nederlandse Radiateuren Fabriek B.V.

A. *Report on the audit of the financial statements for the year ended 31 March 2023 included in the annual report*

Our opinion
We have audited the financial statements for the year ended 31 March 2023 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 2023 and of its result for the year then ended 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 2023;
2. the consolidated and company profit and loss account for the year then ended;
3. the consolidated cash flow statement for the year then ended;
4. the statement of the total result for the year then ended and
5. 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.

Information in support of our opinion
We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

8

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. (Netherlands);
- NRF France SARL (France);
- NRF Thermal Engineering Poland sp.z.o.o. (Poland);
- NRF Deutschland GmbH (Germany);
- NRF España S.A. (Spain);
- NRF Poland sp.z.o.o. (Poland);
- NRF Italia S.r.l. (Italy);
- NRF Switzerland AG (Switzerland);

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

- performed audit procedures ourselves at group entities Nederlandse Radiateuren Fabriek B.V. and NRF Thermal Engineering B.V. (Netherlands);
- used the work of other auditors when auditing entity NRF France SARL (France), NRF España S.A. (Spain) and NRF Poland sp.z.o.o. (Poland);
- performed review procedures 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.

Audit approach fraud risks
We have identified and assessed the risks of material misstatements in the financial statements due to fraud. During our audit, we obtained an understanding of the entity and its environment, the components of the internal control system, including the risk assessment process, the way in which management responds to fraud risks and monitors the internal control system, and the way in which oversight is exercised by those charged with governance, as well as the outcomes of this oversight.

We evaluated the design and relevant aspects of the internal control system, including the code of conduct, the whistleblower scheme and the register of compliance notifications. We evaluated the design and existence, and as far as we deemed necessary, tested the operating effectiveness of internal control measures aimed at mitigating fraud risks.

As part of our process for identifying risks of material misstatement in the financial statements due to fraud, we considered fraud risk factors relating to fraudulent financial reporting, improper appropriation of assets and bribery and corruption. We evaluated whether these factors were indicative of the presence of any risk of material misstatement due to fraud.

The fraud risks we identified and specific procedures carried out focus on the risk of management override of controls and the fraud risk associated with the occurrence of revenue recognition. These risks are not so pervasive that we have paid significant attention to them, given the limited judgment and estimation uncertainty and the absence of significant events and/or transactions occurring during the reporting period.

We addressed the risk of management override of controls by selecting journal entries based on risk criteria and other journal entries that were made during the preparation of the financial statements, performing audit procedures on management estimates and performing audit procedures on related party transactions.

Our procedures did not reveal any specific indications for fraud or suspected fraud with a potential material impact in respect to management override of controls.

The fraud risk associated with revenue recognition was addressed by auditing the movements of goods including cash collection, performing substantive audit procedures on credit notes after the end of the financial year and performing a cut-off procedures.

Our procedures did not result in any specific indications for fraud or suspected fraud with a potential material impact in respect to accuracy of revenue recognition.

Furthermore, we include an element of unpredictability in our audit. We also assessed the outcome of other audit procedures and considered whether there were any findings that were indicative of fraud or non-compliance with legislation and regulation.

We inspected the available information and requested information from members of the management board and the supervisory board. This did not lead to any signals of fraud that could lead to a material misstatement.

We also inspected, where relevant, of any lawyers' letters and remained alert to indications of signals of fraud during the audit and evaluated the outcome of other audit procedures and considered whether there were any findings indicative of fraud. If this was the case, we reassessed our evaluation of the risk of fraud and its impact on our audit procedures.

Audit approach going concern
Management has performed its going concern assessment for the period of at least 12 months from the date of preparation of the financial statements and has not identified any events or circumstances that could cast reasonable doubt on the entity's ability to continue as a going concern. Our procedures to evaluate management's going concern assessment include:

- considering whether management's going concern assessment contains all relevant information known to us as a result of our audit and questioning management on key estimates and assumptions.
- evaluating the budgeted and expected operating results and related cash flows for the period of at least 12 months from the date of preparation of the financial statements taking into account industry developments and our knowledge obtained during the audit;
- analysing for the period of at least 12 months from the date of preparation of the financial statements whether the current funding for the entire business operation to be able to continue as a going concern is assured, including compliance with relevant covenants;
- obtaining information from management on its knowledge of any going concern risks beyond the period of the going concern assessment made by management.

Our audit procedures did not reveal any information that conflicts with management's estimates and assumptions on the going concern assumption made.

B. Report on the other information included in the financial statements

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The directors' report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 the 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.

HLB WITLOX VAN DEN BOOMEN

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 company'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 supervisory board 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.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Schijndel, May 17, 2023

HLB Witlox Van den Boomen Audit N.V.

Francisco Arnoldus Quodrigis Lamers

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