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

MENETA HOLDING A/S

STRANDHOLTVEJ 49, STIGE, 5270 ODENSE N

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 23 April 2024

Joseph J Maliekel

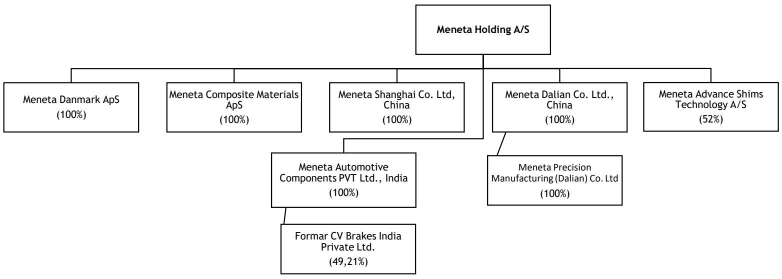
CVR NO. 25 67 39 48

CONTENTS

COMPANY DETAILS

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

GROUP STRUCTURE



MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Meneta Holding A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2023 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

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

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

Odense, 22 April 2024

Executive Board

Kim Walther Østergaard

Board of Directors

Steve Wang Chairman	Joseph J Maliekel	Ole Thanning Roholdt
Jessica Wang Olsson	Kim Walther Østergaard	

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Meneta Holding A/S

Opinion
We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Meneta Holding A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2023 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

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

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

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

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

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

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

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

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

INDEPENDENT AUDITOR'S REPORT

Copenhagen, 22 April 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

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

FINANCIAL HIGHLIGHTS OF THE GROUP

	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000
Income statement					
Net revenue	1,016,866	1,014,967	967,086	689,094	720,638
Gross profit	364,243	316,451	342,919	276,075	263,911
Operating profit of main activities	101,082	56,915	98,572	77,817	65,210
Financial income and expenses, net	-3,630	-11,510	10,713	-3,365	1,229
Profit for the year before tax	99,138	45,405	109,285	74,452	66,439
Profit for the year	78,938	34,520	85,248	57,462	50,691
Balance sheet					
Total assets	1,075,589	1,187,758	988,370	754,405	742,363
Equity	723,394	697,002	606,600	505,503	471,985
Invested capital	635,944	534,351	550,325	470,220	448,327
Cash flows					
Investment in property, plant and equipment	-82,818	-87,512	-99,369	-39,121	-127,178
Average number of full-time employees	**2,008**	**2,157**	**1,916**	**1,603**	**1,563**
Key ratios					
Gross margin	35.8	31.2	35.5	40.1	36.6
Operating margin	9.9	5.6	10.2	11.3	9.0
Return on invested capital	12.9	5.9	15.5	12.2	11.3
Equity ratio	67.3	58.7	61.4	67.0	63.6
Return on equity	11.1	5.3	15.3	11.8	11.3
Index for net revenue	141	141	134	96	100
Net revenue per employee	506	471	505	430	461

FINANCIAL HIGHLIGHTS OF THE GROUP

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

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

MANAGEMENT COMMENTARY

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

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

Besides the principal activities described above, the company generates revenues and profits by carrying out paid noise and vibration tests for a more limited customer base through its branch office, Meneta Holding A/S, situated in Koblenz, Germany.

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

Development in activities and financial and economic position
In 2023, the company posted consolidated revenues of DKK 1,017M, (DKK 1,015M in 2022) with an EBITDA of DKK 147M (DKK 106M in 2022), deriving from the below regional results:

China: total revenues of DKK 166M with an EBITDA of DKK 39M. (DKK 156M and DKK 38M in 2022).
India: total revenues of DKK 446M with an EBITDA of DKK 56M. (DKK 436M and 31M in 2022).
Denmark (incl. branch office in Germany): total revenues of DKK 405M with an EBITDA of DKK 52M. (DKK 423M and 37M in 2022).

Whereas revenues were on the same level in 2023 as in the year before, the company was successful in keeping fixed costs at a stable level. Also, raw material and energy prices were considerably more stable than the year before – both factors impacting profit levels in a positive manner, resulting in a net profit after tax of DKK 79M against DKK 35M the year before.

The net result after tax of DKK 79M is considered satisfactory in view of geopolitical challenges, increasing competition and overall changes in the market, mainly related to the shift to e-mobility.

Throughout the year, the company invested DKK 83M in fixed assets in the various companies within the group to ensure continued scaling and higher profit levels.

Profit/loss for the year compared to the expected development
For 2024, we do – despite the fact that the company faces the same challenges as described above - expect an increase in revenues and profit levels compared to 2023. We expect that supply chain disruptions will likely continue to occur resulting from civil unrest and war-like situations.

Events after the end of the financial year
To the best of our knowledge, no events have occurred after the end of the financial year of material importance for the financial position of the company in 2023.

Financial risk
A considerable part of the company's raw materials depend on commodities such as steel and oil, prices of which can vary over the year and have been somewhat volatile in recent years, but more stable in 2023 compared to 2022.

Timely access to raw materials at correct pricing does pose challenges to the company's global supply chain and logistics and the company expects this to continue throughout 2024. We are continuously monitoring the situation with regards to contingency planning to ensure that we mitigate and/or avoid supply-chain disruptions, which will inevitably occur from time to time.

MANAGEMENT COMMENTARY

Financial risk (continued)
Raw materials, sales prices, and assets and liabilities depend on the development in a line of currencies. The currency exposure is continuously evaluated, and risk hedging takes place according to internal practices, whenever possible, in order to protect revenues and profit margins.

Business model
The company holds shares in a number of subsidiary companies that manufacture a variety of products and offer a select range of services.

The company offers technical and managerial services to its subsidiaries and takes the lead in defining the future of the said subsidiaries.

Since 2019 the company encourages all subsidiaries to focus its new product development efforts on sustainable solutions and sustainable production and production methods.

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

The company and its subsidiaries brought a number of new products to the market during 2023 and was successful in also developing a CO2 friendly software, which was made available to car manufacturers and brake system manufacturers.

The 'Meneta virtual dyno' software as it is called, is designed in such a fashion that it can predict noise-test results and essentially identify the most efficient material combination through simulation as opposed to conventional and very energy consuming mechanical brake testing.

For 2024 and years to come, we expect a continued reduction in the environmental impact of the company's product portfolio. The overall product development remains focused on reducing the environmental impact of all products within the company's scope of products, including the elimination of heavy metals.

Future expectations
For the year 2024, we expect the company's (group) consolidated revenues to grow by 11.9% to reach DKK 1.138M with a net profit before tax in the region of DKK 105-110M equal to a growth between 6 and 11%, depending on currency fluctuation and a variety of other factors that may impact profit levels.

Corporate social responsibility (CSR) report and human rights
The company continues to follow its overarching CSR initiatives, including but not limited to its Code of Conduct scheme (https://meneta.dk/wp-content/uploads/CoC-signed.pdf) outlining, e.g., ethical business standards for its employees .

As a company, we remain dedicated to initiatives in our local markets that primarily work to help orphaned or under-privileged children. As a long-standing member of the so-called 'Mangfoldighedscharter' (Diversity Charter) in Denmark, we also support initiatives that help integration, diversification, and respect for human rights. All Meneta sites and operations are encouraged to co-sponsor charitable events as part of their local involvement.

As for our Indian operation (Meneta Automotive Components Pvt Ltd. – MACL), where the headcount exceeds 1,500 people across three manufacturing plants, the company is involved in numerous charity programs in collaboration with MAT Holdings Inc, including but not limited to supporting orphanages and elementary schools.

In fact, since 2016, MACL manufacturing plants have been committed to reinvesting into the communities in which they operate.

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report and human rights (continued)

MACL's corporate social responsibility philosophy is focused on infrastructure investment in education and health care which is accomplished in two primary ways – (1) direct funding of Aarambh, an after-school tutoring program for underserved youth; (2) contribution into MAT India CSR Association (MICA), an affiliate nonprofit entity which executes the CSR philosophy through direct investments.

Aarambh was created by local university students with a shared vision for improving academic outcomes of students attending nearby government schools, many of whom are children of migrant workers in the industrial community. Aarambh conducts its tutoring program at the nearby campus of the National Institute of Food Technology Entrepreneurship and Management (NIFTEM) where it continues its mission to supplement and support the studies of its disadvantaged students through the instruction and mentorship of NIFTEM university volunteers. The impact of Aarambh's efforts is reflected in the higher average class scores, relative to their peers who do not participate in the tutoring program in addition to the intangible benefits of improved self-esteem and confidence of students.

Observing the invaluable work being done by the volunteer tutors, MACL has supplied requested resources including water purifiers, furniture, stationery, textbooks, healthy snacks, technology, and cold weather clothing in addition to sponsoring special events to boost overall educational development and morale. As a sign of MACL's ongoing commitment to Aarambh, MACL leadership participates in an annual awards ceremony to acknowledge and recognize student achievement as well as volunteer tutors.

Through MACL's financial partnership with MICA, its mission of bolstering access to quality education and health care infrastructure continues to have a ripple effect throughout its neighboring villages.

Since 2018, MICA has invested over INR 200M to support its infrastructure improvement initiatives, which have benefited students and patients across 20 schools, 2 primary health centers, 1 orphanage and 1 civil hospital.

The educational infrastructure investments include new filtered water equipment, toilets, classrooms, laboratories, boundary walls and kitchens. Consequently, both student and staff morale has improved which is reflected in a 25% overall increase in school enrollment including a migration of private school students into government schools.

MICA also partnered with the local civil hospital in Sonipat by sponsoring a new Immunology, specifically for the storage, distribution, and training of vaccinations. This hospital serves a community of 1.65M residents including 349 local villages. Since the infrastructure investment, there has been an increase in infant vaccination to 96% which reflects year over year improvement and exceeds the vaccination average benchmark of 91%. Some examples of common infant vaccinations provided include Hepatitis B, BCG (vaccine for Tuberculosis), and OPV (oral polio vaccine). Moreover, as a result of MICA's intervention, there has been an improvement in the overall maintenance and adherence of cold chain vaccine storage to the recommended temperatures to maximize efficacy and shelf life.

Environment

As a company, we continue to remain steadfast in our commitment to corporate social responsibility by investing in education and health infrastructure of our largest employee concentration.

Specifically around the environment, the company is aware of the potential impact of its products and production processes. The company regards limiting its environmental impact as an ongoing process, and work is continuously done to reduce the impact.

The company does not have a separate environment policy as such, but adheres strictly to all relevant legislation, rules, and regulations en vigeur in the countries where the company has activities. Also, the company is in the process of obtaining the environmental certification ISO9001 in its Danish production sites during 2024 and 2025.

Corporate social responsibility (CSR) report and human rights (continued)

Meneta Automotive Components Private Limited in India is already ISO9001 certified, and the company expects its other sites in China to follow suit in 2025 and 2026.
Sustainability continued to be the theme for 2023 and all Danish manufacturing sites continue to be operated by 100% renewable energy, supplied by local wind turbines, thus rendering the Danish sites with net zero emission calculation for all electricity consumption.

Throughout 2023 the company continued to focus on raw materials and in particular on steel, which remains to be the main raw material component for the production of brake components within the company's product portfolio.

During the first quarter of 2023, the company could announce that an agreement designed to drastically reduce future CO2e on steel used in the company's manufacturing process had been signed with its primary steel supplier with participation of a number of prominent and world-leading car manufacturers, as well.

From 2024, the company is able to offer its customers steel with a 70% reduction in CO2e and the next step will be in 2026, where the company will be able to bring components to its markets manufactured with the use of 100% CO2e free steel.

In 2021, the company concluded its first ever official carbon accounting report (for the year 2020), which formed the baseline for future CO2-reduction initiatives and goals. The company has since then been able to measure, collect and validate all relevant data necessary to produce a correct carbon accounting report.

The company continues to use risk assessment as a guiding principle for obtaining sustainability. This allows us to target our efforts to ensure they will have the most significant impact. The process of working structurally and pro-actively to reduce the total CO2e from our products is ongoing and not limited to steel, only.

We have pledged to achieve the goal of 70% CO2e reductions by 2030 and to becoming an overall 'net zero' company by 2039. As a company, we do accept our responsibility to play an active part in supporting and helping accelerate the transition towards a sustainable automotive industry.

As in previous years, we continue to be a dedicated partner of the United Nations Global Compact.

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

The theme for 2023 continued to be sustainability and all Danish manufacturing sites continue to be operated by 100% renewable energy, supplied by local wind turbines, rendering the Danish sites with net zero emission calculation for all electricity consumption.

Our focus throughout 2023 continued to look at raw materials and in particular steel, which remains the main raw material component for the production of brake components in raw material our porte-folio.

During the first quarter of 2023, the company could announce that an agreement designed to drastically reduce future CO2e on steel used in the company's manufacturing process had been signed with its primary steel supplier with participation of a number of prominent and world-leading car manufacturers, as well.

From 2024, the company is able to offer its customers steel with a 70% reduction in CO2e and the next step will be in 2026, where the company will be able to bring components to its markets manufactured with the use of 100% CO2e free steel.

In 2021, the company concluded its first ever official carbon accounting report (for the year 2020), which formed the baseline for future CO2-reduction initiatives and goals, which have now been

Corporate social responsibility (CSR) report and human rights (continued)
defined as part of our overall company strategy.

The company continues to use risk assessment as a guiding principle for obtaining sustainability. This allows us to target our efforts to ensure they will have the most significant impact. The process of working structurally and pro-actively to reduce the total CO2e from our products is ongoing and not limited to steel, only.

We have pledged to achieve the goal of 70% CO2e reductions by 2030 and to becoming an overall 'net zero' company by 2039. As a company, we do accept our responsibility to play an active part in supporting and helping accelerate the transition towards a sustainable automotive industry.

As in previous years, we continue to be a dedicated partner of the United Nations Global Compact..

Anti-Corruption
The company does not have a separate anti-corruption policy as such, but adheres strictly to anti-corruption legislation, rules, and regulations en vigeur in the countries where the company has activities. All staff members receive adequate training in such anti-corruption rules, regulations, and data handling.

As part of the company's overall compliance initiatives and practices, the company has established and internal rules for maintaining high ethical standards based on integrity in everything the company and its staff members do – this on all levels and in all departments.

Already in 2021, the company introduced a so-called 'whistleblower scheme', which was fully digitalized the following year. The scheme is open for all the company's stakeholders and is accessible through the company's official website.

All incidents reported will be handled by a 'whistleblower unit', which has been appointed by the company. Should such incidents concern members of the appointed 'whistleblower unit' – or – should such incidents involve a member or members of the company's supreme management body, incidents can be reported directly to a third party lawyer firm, ensuring full discretion to reporters.

No incidents have occurred or were reported in 2023.

The scheme is also available internally through the company's quality management system.

All staff members are made aware of the whistleblower scheme at the time of recruitment. Process is in place to monitor spends, through thorough checks of travel expenses.

Labor

The company does not have a separate labor policy as such, but adheres strictly to the labor laws, legislation, rules, and regulations en vigeur in the countries where the company has activities laid out by regulators in the countries where the company has activities. The company also adheres to the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

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

Report of target figures and policies for the under-represented gender

Gender distribution within Management

	2023
Number of members of the supreme management body..	5
Under-represented gender, share in % of the supreme management body..................	20%

Report of target figures and policies for the under-represented gender (continued)

Number of people at other management levels	9
Under-represented gender, share in % at other management levels	33%

Target figures for the supreme management body

	2023
Target figures in % for the supreme management body	40%
Year, in which the target figures are expected to be met	2026

Status of meeting the target figures set for the supreme management body
Even though the automotive industry is dominated by men and therefore male applicants, whenever there are job openings, the company actively tries to change the gender mix, however, always focusing first and foremost on competencies and skill sets.

Target figures for other management levels

	2023
Target figures in % for the other management levels	40%
Year, in which the target fig-ures are expected to be met	2026

Policy for other management levels
The company does not have a separate gender equality policy as such, but of course follows and adheres to legislation, rules, and regulations en vigeur in the countries where the company has activities. Furthermore, the company has defined a series of initiatives for the promotion of female leaders.

Equally, the company does not have a separate, own policy on equal pay as such, but of course adheres to relevant legislation, rules, and regulations en vigeur within the field. The company does, however, pledge to ensure that equal pay for equal work is part of the company's salary and remuneration schemes.

Data Ethics
The company does not have a separate GDPR policy as such, but adheres to all relevant legislation, rules, and regulations en vigeur in the countries where the company has activities. All relevant staff members receive adequate training in such GDPR regulations - and - GDPR-related data handling, which, however, is limited to primarily person data such as ID-number, personal address and salary information.

The company engages in data ethics at a very high level. Personal computers are set up in such a fashion that no data can be saved to or stored upon external sources, such as USB sticks, without authorization by the IT manager or the CEO.

Equally, the company continues to monitor what could pose future threats to the company's internal data integrity and protection – to that end, the company started in 2023 to monitor and control the use of ChatGPT and other similar services, which can therefore only be used in select and pre-defined situations – and - only if 1. the software adds value and 2. It will not entail IP or sensitive company information.

As an extra safety measure, the use of ChatGPT can only be authorized by the CEO for the time being.

Generally speaking, all measures are taken to protect company and group IP and data including ensuring that data cannot be copied without the knowledge of management.

Data Ethics (continued)

All employees receive a handbook with all relevant IT and data instructions at the time of recruitment as well as news, if and when changes are made to the handbook.

In 2023 the company will be ensuring that relevant companies within the company will start the process of obtaining TISAX certification by latest in 2024 and the process is well underway. TISAX is an abbreviation for 'Trusted Information Security Assessment Exchange', designed by the German Automobile Association, VDA.

In 2023, the company enrolled in a new program, which is a business sector requirement – the so-called 'SAQ5', which is basically a process ensuring responsible supply chain management and responsible sourcing of raw materials. SAQ stands for 'Sustainable Assessment Questionnaire', now version 5.0, and is an online assessment program made available to customers.

All work was concluded in the first quarter of 2024 and the company's latest SAQ5.0 report has been uploaded accordingly and thus made available to relevant stakeholders.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group 2023 DKK '000	Group 2022 DKK '000	Parent Company 2023 DKK '000	Parent Company 2022 DKK '000
NET REVENUE	1	**1,016,866**	**1,014,967**	**40,414**	**43,746**
Cost of sales		-552,867	-583,320	-86	-167
Other operating income		3,078	5,665	10,871	11,270
Other external expenses	2	-102,834	-120,861	-8,125	-8,637
GROSS PROFIT/LOSS		**364,243**	**316,451**	**43,074**	**46,212**
Staff costs	3	-217,148	-210,639	-12,047	-10,012
Depreciation, amortisation and impairment		-46,013	-48,879	-9,674	-9,067
Other operating expenses		0	-18	0	0
OPERATING PROFIT		**101,082**	**56,915**	**21,353**	**27,133**
Income from investments in subsidiaries and associates	4	1,686	0	57,584	32,956
Other financial income	5	6,905	6,055	324	605
Other financial expenses	6	-10,535	-17,565	-3,685	-2,171
PROFIT BEFORE TAX		**99,138**	**45,405**	**75,576**	**58,523**
Tax on profit/loss for the year	7	-20,200	-10,885	-4,111	-5,664
PROFIT FOR THE YEAR	8	**78,938**	**34,520**	**71,465**	**52,859**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2023 DKK '000	Group 2022 DKK '000	Parent Company 2023 DKK '000	Parent Company 2022 DKK '000
Land and buildings		178,064	167,896	100,564	105,385
Production plant and machinery		163,444	176,510	3,230	5,120
Other plant, machinery, tools and equipment		6,760	7,838	222	16
Tangible fixed assets in progress and prepayment		75,934	92,599	163	304
Property, plant and equipment	9	**424,202**	**444,843**	**104,179**	**110,825**
Participating interests in affiliated undertakings		0	0	617,418	564,556
Equity investments in associated enterprises		44,143	0	9,860	0
Rent deposit and other receivables		2,139	2,469	47	47
Financial non-current assets	10	**46,282**	**2,469**	**627,325**	**564,603**
NON-CURRENT ASSETS		**470,484**	**447,312**	**731,504**	**675,428**
Raw materials and consumables		124,588	140,063	0	0
Trade receivables		34,457	21,452	0	0
Finished goods and goods for resale		111,280	121,579	0	0
Inventories		**270,325**	**283,094**	**0**	**0**
Trade receivables		198,101	243,474	1,108	2,303
Receivables from group enterprises		0	0	8,428	6,982
Other receivables		47,822	106,188	1,871	3,021
Receivables corporation tax		0	763	492	215
Prepayments and accrued income	11	5,970	3,774	1,088	1,295
Receivables		**251,893**	**354,199**	**12,987**	**13,816**
Cash and cash equivalents		**82,887**	**103,153**	**2,560**	**3,630**
CURRENT ASSETS		**605,105**	**740,446**	**15,547**	**17,446**
ASSETS		**1,075,589**	**1,187,758**	**747,051**	**692,874**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2023 DKK '000	Group 2022 DKK '000	Parent Company 2023 DKK '000	Parent Company 2022 DKK '000
Share Capital	12	40,600	40,600	40,600	40,600
Reserve for net revaluation under the equity method		0	0	400,797	352,961
Retained earnings		589,582	534,113	188,785	181,149
Minority shareholders		93,212	122,289	0	0
EQUITY		**723,394**	**697,002**	**630,182**	**574,710**
Provision for deferred tax	13	844	62	0	0
PROVISIONS		**844**	**62**	**0**	**0**
Bank loan		42,079	57,816	24,645	30,723
Lease liabilities		31,358	37,765	0	0
Non-current liabilities	14	**73,437**	**95,581**	**24,645**	**30,723**
Bank Loans		6,460	6,446	6,460	6,446
Bank debt		112,458	184,278	5,374	7,782
Lease liabilities		6,368	6,232	0	0
Trade payables		103,168	145,130	2,145	1,980
Payables to group enterprises		0	0	71,942	64,499
Corporation tax		560	0	0	2,195
Other liabilities		48,900	53,027	6,303	4,539
Current liabilities		**277,914**	**395,113**	**92,224**	**87,441**
LIABILITIES		**351,351**	**490,694**	**116,869**	**118,164**
EQUITY AND LIABILITIES		**1,075,589**	**1,187,758**	**747,051**	**692,874**

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Charges and securities 16

Related parties 17

EQUITY

	Group			
	Share capital	Retained earnings	Minority shareholders	Total
Equity at 1 January 2023	40,600	534,113	122,289	697,002
Proposed profit allocation, note 8		71,465	7,473	78,938
Transactions with owners				
Other value adjustments		859		859
Other value adjustments relating equity			-36,550	-36,550
Other legal bindings				
Foreign exchange adjustments		-15,693		-15,693
Other adjustments to equity value		-1,162		-1,162
Equity at 31 December 2023	**40,600**	**589,582**	**93,212**	**723,394**

	Parent Company			
	Share capital	Reserve for net revaluation according to equity value method	Retained earnings	Total
Equity at 1 January 2023	40,600	352,961	181,149	574,710
Proposed profit allocation, jf. note 8		47,836	23,629	71,465
Transactions with owners				
Other value adjustments			862	862
Other legal bindings				
Foreign exchange adjustments			-15,693	-15,693
Other adjustments to equity value			-1,162	-1,162
Equity at 31 December 2023	**40,600**	**400,797**	**188,785**	**630,182**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2023 DKK '000	2022 DKK '000
Profit/loss for the year	78,938	34,520
Depreciation and amortisation, reversed	46,013	48,879
Tax on profit/loss, reversed	20,200	10,885
Other adjustments	-15,993	-3,616
Change in inventories	-1,028	-54,453
Change in receivables (ex tax)	20,467	-59,140
Change in current liabilities (ex tax, instalments payable)	7,745	12,254
CASH FLOWS FROM OPERATING ACTIVITY	**156,342**	**-10,671**
Purchase of property, plant and equipment	-82,331	-87,513
Sale of property, plant and equipment	3,556	288
Purchase of financial assets	0	-572
Other adjustments	-1,016	0
Adjustment cash Formar Brakes India at January 1st	-14,656	0
CASH FLOWS FROM INVESTING ACTIVITY	**-94,447**	**-87,797**
Other changes in non-current debt	-10,343	33,837
Capital increase from minorities	0	59,497
CASH FLOWS FROM FINANCING ACTIVITY	**-10,343**	**93,334**
CHANGE IN CASH AND CASH EQUIVALENTS	**51,552**	**-5,134**
Cash and cash equivalents at 1. januar	-81,125	-75,991
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**-29,573**	**-81,125**

NOTES

	Group		Parent Company		Note
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	
Net revenue					1
Revenue, Denmark	1,174	1,116	16,598	16,089	
Revenue, Europe	395,775	393,942	6,979	7,438	
Revenue, other countries	619,917	619,909	16,837	20,219	
	1,016,866	**1,014,967**	**40,414**	**43,746**	
Segment details (geography)					
Revenue, Denmark	1,174	1,116	16,598	16,089	
Revenue, other contries	1,015,692	1,013,851	23,816	27,657	
	1,016,866	**1,014,967**	**40,414**	**43,746**	
Segment details (activities)					
Production	1,016,866	1,014,967	40,414	43,746	
	1,016,866	**1,014,967**	**40,414**	**43,746**	
Fee to statutory auditor					2
Total fee:					
BDO	1,241	1,438	339	300	
Auditors of foreign subsidiaries	27	74	0	0	
	1,268	**1,512**	**339**	**300**	
Specification of fee:					
Statutory audit	657	760	173	130	
Other services	611	752	166	170	
	1,268	**1,512**	**339**	**300**	
Staff costs					3
Average number of full time employees	2,008	2,157	15	16	
Wages and salaries	202,163	196,251	10,268	8,518	
Pensions	11,848	10,517	1,633	1,347	
Social security costs	3,083	3,530	146	147	
Other staff costs	54	341	0	0	
	217,148	**210,639**	**12,047**	**10,012**	

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

NOTES

	Group		Parent Company		
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	Note
Income from investments in subsidiaries and associates					**4**
Income from investments in subsidiaries	0	0	55,898	32,956	
Income from investments in associates	1,686	0	1,686	0	
	1,686	**0**	**57,584**	**32,956**	
Other financial income					**5**
Group enterprises	0	0	237	496	
Other interest income	6,905	6,055	87	109	
	6,905	**6,055**	**324**	**605**	
Other financial expenses					**6**
Group enterprises	0	0	2,397	816	
Other interest expenses	10,535	17,565	1,288	1,355	
	10,535	**17,565**	**3,685**	**2,171**	
Tax on profit/loss for the year					**7**
Calculated tax on taxable income of the year	19,100	13,638	4,173	6,990	
Adjustment of tax for previous years	0	-91	0	-91	
Adjustment of deferred tax	1,100	-2,662	-62	-1,235	
	20,200	**10,885**	**4,111**	**5,664**	
Proposed distribution of profit					**8**
Allocation to reserve for net revaluation according to equity value method	0	0	47,836	21,662	
Retained earnings	71,465	29,746	23,629	31,197	
Minority interest	7,473	4,774	0	0	
	78,938	**34,520**	**71,465**	**52,859**	

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Property, plant and equipment 9

	Group	
	Land and buildings	Production plants and machinery
Cost at 1 January 2023	241,782	505,070
Exchange adjustment at closing rate	-3,179	-2,793
Additions	23,785	28,193
Disposals	-1,207	-17,006
Cost at 31 December 2023	**261,181**	**513,464**
Depreciation and impairment losses at 1 January 2023	73,886	328,560
Exchange adjustment	-835	-6,663
Reversal of depreciation of assets disposed of	-89	-4,498
Depreciation for the year	10,155	32,621
Depreciation and impairment losses at 31 December 2023	**83,117**	**350,020**
Carrying amount at 31 December 2023	**178,064**	**163,444**
Finance lease assets		47,293

	Group	
	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2023	36,734	92,599
Exchange adjustment at closing rate	-829	-2,831
Additions	2,548	28,292
Disposals	-1,169	-42,126
Cost at 31 December 2023	**37,284**	**75,934**
Depreciation and impairment losses at 1 January 2023	28,896	
Exchange adjustment	-668	
Reversal of depreciation of assets disposed of	-547	
Depreciation for the year	2,843	
Depreciation and impairment losses at 31 December 2023	**30,524**	
Carrying amount at 31 December 2023	**6,760**	**75,934**

	Parent Company	
	Land and buildings	Production plants and machinery
Cost at 1 January 2023	154,382	19,213
Exchange adjustment at closing rate	0	47
Additions	2,801	71
Cost at 31 December 2023	**157,183**	**19,331**
Depreciation and impairment losses at 1 January 2023	48,996	14,092
Exchange adjustment	0	36
Depreciation for the year	7,623	1,973
Depreciation and impairment losses at 31 December 2023	**56,619**	**16,101**
Carrying amount at 31 December 2023	**100,564**	**3,230**

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Note

Tangible fixed assets (continued) 9

	Parent Company	
	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2023	3,003	304
Additions	275	101
Disposals	-206	-242
Cost at 31 December 2023	**3,072**	**163**
Depreciation and impairment losses at 1 January 2023	2,987	
Reversal of depreciation of assets disposed of	-206	
Depreciation for the year	69	
Depreciation and impairment losses at 31 December 2023	**2,850**	
Carrying amount at 31 December 2023	**222**	**163**

NOTES

	Note
Financial non-current assets	**10**

	Group	
	Equity investments in associated enterprises	Rent deposit and other receivables
Cost at 1 January 2023	0	2,469
Exchange adjustment at closing rate	0	-79
Additions	34,283	22
Disposals	0	-273
Cost at 31 December 2023	**34,283**	**2,139**
Exchange adjustment	-350	0
Transferred	8,524	0
Dividend	-1,059	0
Other adjustments	2,745	0
Revaluation at 31 December 2023	**9,860**	**0**
Carrying amount at 31 December 2023	**44,143**	**2,139**

	Parent Company		
	Equity investments in group enterprises	Equity investments in associated enterprises	Rent deposit and other receivables
Cost at 1 January 2023	211,595	0	47
Adjustment openening year	-11,123	0	0
Exchange adjustment at closing rate	-3,851	0	0
Additions	20,000	0	0
Cost at 31 December 2023	**216,621**	**0**	**47**
Revaluation at 1 January 2023	352,961	0	0
Adjustment openening year	11,123	0	0
Exchange adjustment	-11,865	-350	0
Transferred	-8,524	8,524	0
Dividend	0	-1,059	0
Profit/loss for the year	55,898	0	0
Other adjustments	1,204	2,745	0
Revaluation at 31 December 2023	**400,797**	**9,860**	**0**
Carrying amount at 31 December 2023	**617,418**	**9,860**	**47**

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Fixed asset investments (continued) 10
Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
Meneta Danmark ApS, Denmark	113,818	7,069	100 %
Meneta Advance Shims Technology A/S, Denmark	194,192	14,594	52 %
Meneta Automative Components Pvt. Ltd., India	207,985	28,994	100 %
Meneta Shanghai Co. Ltd, China	95,237	14,574	100 %
Meneta Dalian Co. Ltd., China	66,154	16,827	100 %
Meneta Composite Materials ApS, Denmark	33,245	-18,689	100 %

Investments in associates (DKK '000)

Name and domicil	Equity	Profit for the year	Ownership
Fomar Brakes india, India	89,703	3,426	49,21 %

Prepayments and accrued income 11
Prepayments comprise prepaid expenses, primarily insurances and membership fees, relating to the next financial year.

	2023 DKK '000	2022 DKK '000	Note
Share Capital			12
Allocation of share capital:			
Shares, 1,000 units in the denomination of 40,600 DKK	40,600	40,600	
	40,600	**40,600**	

Provision for deferred tax 13
The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

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Note

	Group		Parent Company	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Deferred tax, beginning of year	62	2,677	-215	1,020
Deferred tax of the year, income statement	1,100	-2,662	-63	-1,235
Correction tax ealier year	-490	0	0	0
Currency adjustment begining year	176	47	0	0
Provision of deferred tax at December 31 2023	**848**	**62**	**-278**	**-215**

Long-term liabilities 14

	Group			
	31/12 2023 total liabilities	**Repayment next year**	**Debt outstanding after 5 years**	**31/12 2022 total liabilities**
Bank loan	48,539	6,460	16,239	64,262
Lease liabilities	37,726	6,368	6,368	43,997
	86,265	**12,828**	**22,607**	**108,259**

	Parent Company			
	31/12 2023 total liabilities	**Repayment next year**	**Debt outstanding after 5 years**	**31/12 2022 total liabilities**
Bank loan	31,105	6,460	0	37,169
	31,105	**6,460**	**0**	**37,169**

Contingencies, etc. 15

Contingent liabilities

	Group		Parent Company	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Guarantee for subsidiaries	163,824	101,143	163,824	101,143

Joint liabilities

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

Tax receivable on the Group's joint taxable income amounts to DKK ('000) 492 at the balance sheet date.

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Charges and securities 16

	Group		Parent Company	
	Carrying amount of assets	Nominal value of mortgage or outstanding debt	Carrying amount of assets	Nominal value of mortgage or outstanding debt
	DKK '000	DKK '000	DKK '000	DKK '000
Property, plant and machinery, estimated value	176,899	48,539	100,564	19,000
Chattel mortage on inventory and receivables	201,907	40,000	0	0

Related parties 17

Meneta Holding A/S' related parties include:

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

Controlling interest
Steve Wang, USA

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

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

ACCOUNTING POLICIES

The Annual Report of Meneta Holding A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C.

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

Consolidated Financial Statements
The Consolidated Financial Statements include the Parent Company Meneta Holding A/S and its subsidiaries in which Meneta Holding A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' market value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the balance sheet at the proportional share of the value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the income statement after elimination of the proportional share of internal gains and losses.

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

INCOME STATEMENT

Net revenue
Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

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

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

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

ACCOUNTING POLICIES

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

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

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

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

Income from investments in subsidiaries and associates
The income statement of the Parent Company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Tangible fixed assets
Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Buildings	5-30 years	0 %
Production plant and machinery	4-10 years	0 %
Other plant, fixtures and equipment	3-10 years	0 %

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

Lease contracts
Lease contracts relating to tangible fixed assets
for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

Financial non-current assets
Investments in are measured in the Company's balance sheet under the equity method.

Investments in are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill.

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

The difference between the acquisition cost and carrying amounts is recognised directly in equity.

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

Profit and loss at disposal of investments in subsidiaries and associates are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

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

ACCOUNTING POLICIES

Impairment of fixed assets
The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, is assessed on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories
Inventories are measured at cost based on weighted average prices. If the net realisable value is lower than cost, the inventories are written down to the lower value.

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

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

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

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

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

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

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

ACCOUNTING POLICIES

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

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

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

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

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

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

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

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

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

ACCOUNTING POLICIES

CASH FLOW STATEMENT

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

The cash flow statement shows the Group's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include bank overdraft and cash in hand.

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