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MENETA HOLDING A/S
STRANDHOLTVEJ 49, STIGE, 5270 ODENSE N
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 11 May 2023**

Georg Michael Ruhl

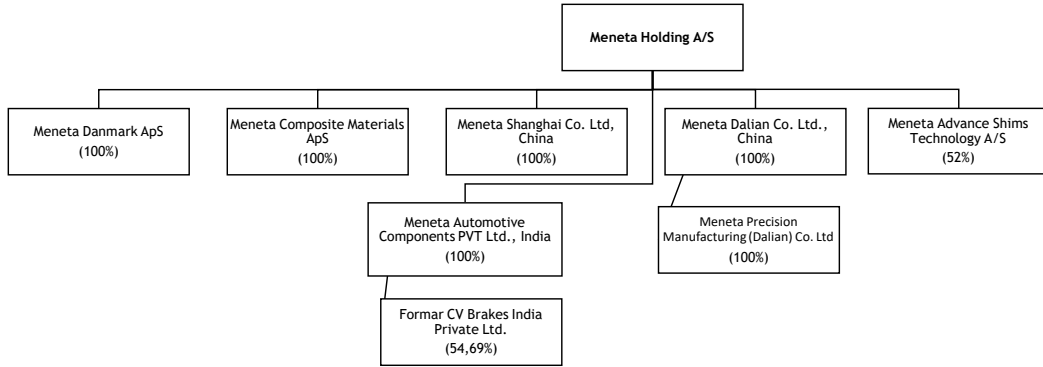
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COMPANY DETAILS

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

GROUP STRUCTURE



MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Meneta Holding A/S for the financial year 1 January - 31 December 2022.

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 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

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, 25 April 2023

Executive Board

Kim Walther Østergaard

Board of Directors

George Michael Ruhl
Chairman

Christopher Watson

Ole Thanning Roholdt

Jessica Wang Olsson

Kim Walther Østergaard

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Meneta Holding A/S

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Meneta Holding A/S for the financial year 1 January - 31 December 2022, 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 2022 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 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

Statement on Management Commentary

Management is responsible for Management Commentary.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

Copenhagen, 25 April 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ole C. K. Nielsen
State Authorised Public Accountant
MNE no. mne23299

Søren Søndergaard Jensen
State Authorised Public Accountant
MNE no. mne32069

FINANCIAL HIGHLIGHTS OF THE GROUP

	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000	2018 DKK '000
Income statement					
Net revenue.....	1.014.967	967.086	689.094	720.638	738.713
Gross profit.....	316.451	342.919	276.075	263.911	281.946
Operating profit of main activities.....	56.915	98.572	77.817	65.210	88.810
Financial income and expenses, net.....	-11.510	10.713	-3.365	1.229	-6.414
Profit for the year before tax.....	45.405	109.285	74.452	66.439	82.396
Profit for the year.....	34.520	85.248	57.462	50.691	59.927
Balance sheet					
Total assets.....	1.187.758	988.370	754.405	742.363	647.262
Equity.....	697.002	606.600	505.503	471.985	424.451
Invested capital.....	534.351	550.325	470.220	448.327	407.395
Cash flows					
Investment in property, plant and equipment.....	-87.512	-99.369	-39.121	-127.178	-48.101
Average number of full-time employees.....					
	2.157	1.916	1.603	1.563	1.439
Key ratios					
Gross margin.....	31.2	35.5	40.1	36.6	38.2
Operating margin.....	5.6	10.2	11.0	9.0	12.0
Return on invested capital.....	5.0	14.0	12.0	11.0	14.0
Equity ratio.....	48.4	55.0	67.0	63.0	65.0
Return on equity.....	5.3	15.3	11.8	11.3	14.9
Index for net revenue.....	137	131	93	98	100
Net revenue per employee.....	471	505	430	461	513

FINANCIAL HIGHLIGHTS OF THE GROUP

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

Invested capital:	$\frac{\text{Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities}}{\text{Net revenue}}$
Gross margin:	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
Operating margin:	$\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$
Return on invested capital:	$\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$
Equity ratio:	$\frac{\text{Equity ex. minorities, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$
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 activities of the company range from production and sales of a broad portfolio of automotive components to multi-layer sealing materials for both automotive and other applications.

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

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

Development in activities and financial and economic position

The company posted consolidated revenues of DKK 1.015M, (DKK 967M in 2021) with an EBITDA of DKK 106M (DKK 140M in 2021). Deriving from the below regional results :

China: total revenues of DKK 156M with an EBITDA of DKK 38M. (DKK 137M and DKK 28M in 2021).

India: total revenues of DKK 436M with an EBITDA of DKK31M. (DKK 444M and 55M in 2021).

Denmark (incl. branch office in Germany): total revenues of DKK 423M with an EBITDA of DKK 37M. (DKK 386M and 57M in 2021).

The company recorded a net result after tax of DKK 35M (DKK 45M before tax) against DKK 85M (DKK 109M before tax) the year before. The result is considerably lower than our expectations and reflects very high energy costs, steep increases on raw material prices and forex losses. The result is considered unsatisfactory.

Throughout the year, the company invested DKK 88M in fixed assets in the various group companies to ensure continued scaling and higher profit levels.

Future expectations

For 2023, we expect an increase in revenues and improved profit levels compared to 2022, which was affected by very volatile pricing on select raw materials and energy costs along with problematic currency fluctuations deriving mainly from problems and challenges of a geopolitical nature.

The group expects an increase in revenue of a range DKK 1.050M - DKK 1.150M and a profit before tax of DKK 90M - DKK 95M for 2023.

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 2022.

The Russian invasion of the Ukraine has had an impact on the day-to-day business and operations in most of Meneta Holding’s sites. We are continuously monitoring the situation with regards to contingency planning.

Ownership of company Formar Brakes India has in 2023 changed so Meneta no longer is majority shareholder of this company.

MANAGEMENT COMMENTARY

Special Risks

A considerable part of the company's raw materials depend on commodities such as steel and oil, prices of which vary over the year and have been volatile. This has put strains on our global supply chain and logistics, which we expect to continue in 2023.

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

Environmental situation

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

The theme for 2022 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 in 2022 was to look at steel supplies, which remains the main raw material component for the production of brake components in our porte-folio.

During the first quarter of 2023, Meneta announced, after negotiations with our steel supplier in 2021 and 2022, that an agreement designed to drastically reduce CO2 emissions on steel used in Meneta's production sites, had been signed.

The agreement boasts a two step approach:

From 2024: supply of steel with a 70% reduction in CO2 emission

From 2026: supply of 100% CO2 emission 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 defined as part of our overall company strategy.

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

The company 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 proces of working structurally and pro-actively to reduce the total CO2 emissions from our products is ongoing and not limited to steel, only.

We have pledged to achieve the goal of 70% emission reductions by 2030 and zero emissions by 2039 - 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.

Labour

The company adheres to the International Labor Organization's 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 within the company and its suppliers.

Development Activities

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

MANAGEMENT COMMENTARY

Development Activities (continued)

The company and its subsidiaries brought a number of new products to the market during 2022 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 with an estimated accuracy of 99.5% and therefore helps identify solutions in the form of material combinations much quicker than conventional and very energy consuming mechanical brake testing.

Expected Development

For 2022 and years to come, we expect a continued reduction in the environmental impact of our products.

Anti-Corruption

As part of the company's compliance initiatives and practices, we have established and maintain a policy of high ethical standards based on integrity in everything the company does on all levels and in all departments.

In 2021, the company introduced a so-called 'whistleblower scheme', which was fully digitalized in 2022. The scheme is open for all company stakeholders and 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 the incident concern members of the 'whistleblower unit' the report can be automatically directed to a third party lawyer firm, ensuring full discretion to reportees.

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

Corporate social responsibility (CSR) report

Product development is focused on reducing the environmental impact of our products, including the elimination of heavy metals.

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

As a group, 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 and diversification. All Meneta sites and operations are encouraged to co-sponsor charital events as part of our local involvement.

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

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

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; (2) contribution into MAT India CSR Association (MICA), an affiliate nonprofit entity.

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report (continued)

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.

Observing the invaluable work being done by the volunteer tutors, MACL has supplied requested resources including water purifiers, furniture, stationery, textbooks, healthy snacks, and cold weather clothing in addition to sponsoring special events to boost overall educational development and morale.

Since the COVID-19 pandemic, Aarambh transferred its meeting location to 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 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.

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 155M to support its 36 infrastructure improvement initiatives, which have benefited over 12,500 students and 500 medical patients and span across 20 schools, 2 primary health centers, 1 orphanage and 1 civil hospital.

The infrastructure investments include new filtered water equipment, toilets, classrooms, laboratories, boundary wall and kitchens. Consequently, both student and staff morale has improved which is reflected in a 28% overall improvement in school attendance including a migration of private school students into government schools.

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.

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 NPD efforts on sustainable solutions and sustainable production and production methods.

Target figures and policy for the underrepresented gender

The company has adopted a policy for gender equality and the promotion of female leaders. Equally, the company has a clearly defined policy on equal pay. 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 skills.

The company currently has one female top manager (member of the board of directors), equal to 20% - we do intend to change the composition of our board and have defined a target of 40% by 2024.

MANAGEMENT COMMENTARY

Data Ethics

Meneta adheres to current GDPR regulations and as a consequence, all staff members receive adequate training in GDPR regulations and data handling.

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

All employees receive a handbook with all relevant IT and data instructions.

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

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
NET REVENUE	1	1.014.967	967.086	43.746	42.006
Cost of sales.....		-583.320	-521.108	-167	-191
Other operating income/cost.....		5.665	1.379	11.270	12.589
Other external expenses.....	2	-120.861	-104.438	-8.637	-7.236
GROSS PROFIT/LOSS		316.451	342.919	46.212	47.168
Staff costs.....	3	-210.639	-202.846	-10.012	-11.741
Depreciation, amortisation and impairment.....		-48.879	-41.501	-9.067	-8.908
Other operating expenses.....		-18	0	0	0
OPERATING PROFIT		56.915	98.572	27.133	26.519
Income from investments in subsidiaries.....		0	0	32.956	60.874
Other financial income.....	4	6.055	13.474	605	77
Other financial expenses.....	5	-17.565	-2.761	-2.171	-2.021
PROFIT BEFORE TAX		45.405	109.285	58.523	85.449
Tax on profit/loss for the year.....	6	-10.885	-24.037	-5.664	-5.677
PROFIT FOR THE YEAR	7	34.520	85.248	52.859	79.772

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Land and buildings.....		167.896	164.298	105.385	107.138
Production plant and machinery....		176.510	176.918	5.120	3.591
Other plant, machinery, tools and equipment.....		7.838	8.800	16	370
Tangible fixed assets in progress and prepayment.....		92.599	56.482	304	6.680
Property, plant and equipment...	8	444.843	406.498	110.825	117.779
Participating interests in affiliated undertakings.....		0	0	564.556	510.191
Rent deposit and other receivables.....		2.469	1.897	47	47
Financial non-current assets.....	9	2.469	1.897	564.603	510.238
NON-CURRENT ASSETS.....		447.312	408.395	675.428	628.017
Raw materials and consumables....		140.063	93.281	0	0
Work in progress.....		21.452	28.924	0	0
Finished goods and goods for resale.....		121.579	106.436	0	0
Inventories.....		283.094	228.641	0	0
Trade receivables.....		243.474	232.698	2.303	2.902
Receivables from group enterprises.....		0	0	6.982	15.775
Other receivables.....		106.188	54.694	3.021	69
Receivables corporation tax.....		763	0	215	0
Prepayments and accrued income..	10	3.774	7.667	1.295	114
Receivables.....		354.199	295.059	13.816	18.860
Cash and cash equivalents.....		103.153	56.275	3.630	428
CURRENT ASSETS.....		740.446	579.975	17.446	19.288
ASSETS.....		1.187.758	988.370	692.874	647.305

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Share capital.....	11	40.600	40.600	40.600	40.600
Reserve for net revaluation under the equity method.....		0	0	352.961	331.299
Retained earnings.....		534.113	484.868	181.149	153.566
Minority shareholders.....		122.289	81.132	0	0
EQUITY.....		697.002	606.600	574.710	525.465
Provision for deferred tax.....	12	62	2.677	0	1.020
PROVISIONS.....		62	2.677	0	1.020
Bank loan.....		57.816	36.639	30.723	36.639
Lease liabilities.....		37.765	25.105	0	0
Non-current liabilities.....	13	95.581	61.744	30.723	36.639
Bank Loans.....		6.446	6.965	6.446	6.965
Bank debt.....		184.278	132.265	7.782	7.923
Lease liabilities.....		6.232	4.297	0	0
Trade payables.....		145.130	124.535	1.980	953
Payables to group enterprises.....		0	0	64.499	59.009
Corporation tax.....		0	0	2.195	2.317
Other liabilities.....		53.027	49.287	4.539	7.014
Current liabilities.....		395.113	317.349	87.441	84.181
LIABILITIES.....		490.694	379.093	118.164	120.820
EQUITY AND LIABILITIES.....		1.187.758	988.370	692.874	647.305
Contingencies, etc.	14				
Charges and securities	15				
Related parties	16				
Fee to statutory auditor	2				

EQUITY

	Group			
	Share capital	Retained earnings	Minority shareholders	Total
Equity at 1 January 2022.....	40.600	484.868	81.132	606.600
Proposed profit allocation, note 7.....		29.746	4.774	34.520
Transactions with owners				
Adjustment capital increase from minorities.....		23.114	36.383	59.497
Other value adjustments relating equity.....		293		293
Other legal bindings				
Foreign exchange adjustments.....		-8.899		-8.899
Other adjustments to equity value.....		4.991		4.991
Equity at 31 December 2022.....	40.600	534.113	122.289	697.002
	Parent Company			
	Share capital	Reserve for net revaluation according to equity value method	Retained earnings	Total
Equity at 1 January 2022.....	40.600	331.299	153.566	525.465
Proposed profit allocation, jf. note 7.....		21.662	31.197	52.859
Transactions with owners				
Other value adjustments relating equity.....			294	294
Other legal bindings				
Foreign exchange adjustments.....			-8.899	-8.899
Other adjustments to equity value.....			4.991	4.991
Equity at 31 December 2022.....	40.600	352.961	181.149	574.710

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2022 DKK '000	2021 DKK '000
Profit/loss for the year.....	34.520	85.248
Depreciation and amortisation, reversed.....	48.879	41.624
Tax on profit/loss, reversed.....	10.885	24.037
Other adjustments.....	-3.616	15.839
Change in inventories.....	-54.453	-58.447
Change in receivables (ex tax).....	-59.140	-96.049
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	12.254	20.177
CASH FLOWS FROM OPERATING ACTIVITY.....	-10.671	32.429
Purchase of property, plant and equipment.....	-87.513	-99.369
Sale of property, plant and equipment.....	288	682
Purchase of financial assets.....	-572	-1.414
CASH FLOWS FROM INVESTING ACTIVITY.....	-87.797	-100.101
Other changes in non-current debt.....	33.837	-10.866
Capital increase from minorities.....	59.497	0
CASH FLOWS FROM FINANCING ACTIVITY.....	93.334	-10.866
CHANGE IN CASH AND CASH EQUIVALENTS.....	-5.134	-78.538
Cash and cash equivalents at 1. januar.....	-75.991	2.547
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	-81.125	-75.991

NOTES

Note

	Group		Parent Company		
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
Net revenue					1
Revenue, Denmark.....	1.116	918	16.089	14.375	
Revenue, Europe.....	393.942	354.162	7.438	59	
Revenue, other countries.....	619.909	612.006	20.219	27.572	
	1.014.967	967.086	43.746	42.006	
Segment details (geography)					
Revenue, Denmark.....	1.116	918	16.089	14.375	
Revenue, other countries.....	1.013.851	966.168	27.657	27.631	
	1.014.967	967.086	43.746	42.006	
Segment details (activities)					
Production.....	1.014.967	967.086	43.746	42.006	
	1.014.967	967.086	43.746	42.006	
Fee to statutory auditor					2
Total fee:					
BDO.....	1.525	1.046	300	274	
	1.525	1.046	300	274	
Specification of fee:					
Statutory audit.....	1.030	842	130	125	
Other services.....	495	204	170	149	
	1.525	1.046	300	274	
Staff costs					3
Average number of employees	2.157	1.916	16	16	
Wages and salaries.....	196.251	188.933	8.518	10.400	
Pensions.....	10.517	10.344	1.347	1.227	
Social security costs.....	3.530	3.321	147	114	
Other staff costs.....	341	248	0	0	
	210.639	202.846	10.012	11.741	

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		Note
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
Other financial income					4
Group enterprises.....	0	0	496	74	
Other interest income.....	6.055	13.474	109	3	
	6.055	13.474	605	77	
Other financial expenses					5
Group enterprises.....	0	0	816	1.056	
Other interest expenses.....	17.565	2.761	1.355	965	
	17.565	2.761	2.171	2.021	
Tax on profit/loss for the year					6
Calculated tax on taxable income of the year.....	13.638	23.241	6.990	6.360	
Adjustment of tax for previous years.....	-91	28	-91	-10	
Adjustment of deferred tax.....	-2.662	768	-1.235	-673	
	10.885	24.037	5.664	5.677	
Proposed distribution of profit					7
Allocation to reserve for net revaluation according to equity value method.....	0	0	21.662	60.874	
Retained earnings.....	29.746	79.772	31.197	18.898	
Minority interest.....	4.774	5.476	0	0	
	34.520	85.248	52.859	79.772	
Property, plant and equipment					8
			Group		
			Land and buildings	Production plants and machinery	
Cost at 1 January 2022.....			228.951	475.822	
Exchange adjustment at closing rate.....			-2.017	-4.676	
Additions.....			14.848	36.140	
Disposals.....			0	-2.216	
Cost at 31 December 2022.....			241.782	505.070	
Depreciation and impairment losses at 1 January 2022.....			64.653	298.904	
Exchange adjustment.....			-546	-2.923	
Reversal of depreciation of assets disposed of.....			0	-1.630	
Depreciation for the year.....			9.779	34.209	
Depreciation and impairment losses at 31 December 2022...			73.886	328.560	
Carrying amount at 31 December 2022.....			167.896	176.510	
Finance lease assets.....				51.021	

NOTES

Note

Tangible fixed assets (continued)

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	Group	
	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2022.....	36.226	56.482
Exchange adjustment at closing rate.....	-2.477	-815
Additions.....	3.577	50.559
Disposals.....	-592	-13.627
Cost at 31 December 2022.....	36.734	92.599
Depreciation and impairment losses at 1 January 2022.....	27.426	
Exchange adjustment.....	-2.367	
Reversal of depreciation of assets disposed of.....	-257	
Depreciation for the year.....	4.094	
Depreciation and impairment losses at 31 December 2022...	28.896	
Carrying amount at 31 December 2022.....	7.838	92.599
	Parent Company	
	Land and buildings	Production plants and machinery
Cost at 1 January 2022.....	148.936	16.166
Exchange adjustment at closing rate.....	0	1
Transferred.....	0	3.046
Additions.....	5.446	0
Cost at 31 December 2022.....	154.382	19.213
Depreciation and impairment losses at 1 January 2022.....	41.799	12.575
Exchange adjustment.....	-3	0
Depreciation for the year.....	7.200	1.517
Depreciation and impairment losses at 31 December 2022...	48.996	14.092
Carrying amount at 31 December 2022.....	105.386	5.121
	Parent Company	
	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 January 2022.....	3.004	6.680
Exchange adjustment at closing rate.....	-1	-3
Additions.....	0	661
Disposals.....	0	-7.034
Cost at 31 December 2022.....	3.003	304
Depreciation and impairment losses at 1 January 2022.....	2.634	
Exchange adjustment.....	-3	
Depreciation for the year.....	356	
Depreciation and impairment losses at 31 December 2022...	2.987	
Carrying amount at 31 December 2022.....	16	304

NOTES

Note

Financial non-current assets

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	Group	
	Equity investments in group enterprises	Rent deposit and other receivables
Cost at 1 January 2022.....	0	1.897
Exchange adjustment at closing rate.....	0	2
Additions.....	0	570
Disposals.....	0	0
Cost at 31 December 2022.....	0	2.469
Carrying amount at 31 December 2022.....	0	2.469
	Parent Company	
	Equity investments in group enterprises	Rent deposit and other receivables
Cost at 1 January 2022.....	183.700	47
Exchange adjustment at closing rate.....	-2.112	0
Additions.....	30.007	0
Cost at 31 December 2022.....	211.595	47
Revaluation at 1 January 2022.....	326.491	0
Exchange adjustment.....	-6.780	0
Profit/loss for the year.....	32.956	0
Other adjustments.....	294	0
Revaluation at 31 December 2022.....	352.961	0
Carrying amount at 31 December 2022.....	564.556	47

Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
Meneta Danmark ApS, Denmark.....	106.749	-4.238	100 %
Meneta Advance Shims Technology A/S, Denmark.....	179.598	10.575	52 %
Meneta Automative Components Pvt. Ltd., India.....	172.185	-969	100 %
Meneta Shanghai Co. Ltd, China.....	84.360	17.688	100 %
Meneta Dalian Co. Ltd., China.....	52.520	10.690	100 %
Meneta Composite Materials ApS, Denmark.....	31.934	-19.130	100 %

Prepayments and accrued income

10

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

NOTES

	2022 DKK '000	2021 DKK '000	Note
Share capital			11
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	12
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.	

	Group		Parent Company	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Deferred tax, beginning of year.....	2.677	1.909	1.020	1.693
Deferred tax of the year, income statement.....	-2.662	768	-1.235	-673
Currency adjustment beginning year..	47	0	0	0
Provision of deferred tax at December 31 2022.....	62	2.677	-215	1.020

Long-term liabilities	13
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	Group			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Bank loan.....	64.262	6.446	12.091	43.604
Lease liabilities.....	43.997	6.232	0	29.402
	108.259	12.678	12.091	73.006
	Parent Company			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Bank loan.....	37.169	6.446	12.091	43.604
	37.169	6.446	12.091	43.604

NOTES

Note

Contingencies, etc.

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Contingent liabilities

	Group		Parent Company	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Guarantee for subsidiaries.....	101.143	73.567	101.143	73.567

Joint liabilities

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

Tax payable on the Group's joint taxable income amounts to DKK ('000) 2.195 at the balance sheet date.

Charges and securities

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	Group		Parent Company	
	Carrying amount of assets DKK '000	Nominal value of mortgage or outstanding debt DKK '000	Carrying amount of assets DKK '000	Nominal value of mortgage or outstanding debt DKK '000
Property, plant and machinery, estimated value.....	88.000	88.000	70.000	70.000
Chattel mortgage on inventory and receivables.....	210.764	187.282	0	0

NOTES**Note****Related parties****16**

Meneta Holding A/S' related parties include:

Meneta Danmark ApS
Meneta Advanced Shims Technology A/S
Meneta Composite Materials ApS
Meneta Automotive Component Pvt. Ltd., India
Formar CV Brakes India Private Ltd.
Meneta (Shanghai) Co. Ltd., China
Meneta Dalian Co. Ltd., China
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 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large-size enterprises.

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

Consolidated Financial Statements

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

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

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

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

Minority interests

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

INCOME STATEMENT

Net revenue

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

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

Other operating income

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

Cost of sales

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

ACCOUNTING POLICIES

Other external expenses

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

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

Staff costs

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

Income from investments in subsidiaries

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

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

Financial income and expenses

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

Tax

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

BALANCE SHEET

Tangible fixed assets

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

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

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

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

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

ACCOUNTING POLICIES

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.

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

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

Impairment of fixed assets

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

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

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

ACCOUNTING POLICIES

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.

Accruals, assets

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

Tax payable and deferred tax

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

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

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

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

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

Liabilities

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

Amortised cost of current liabilities usually corresponds to nominal value.

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

ACCOUNTING POLICIES

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.