Tajco Group A/S

Jens Ravns Vej 11A, DK-7100 Vejle

Annual Report for 2023

CVR No. 33 57 47 97

The Annual Report was presented and adopted at the Annual General Meeting of the company on 1/5 2024

Henrik Buur Nielsen
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Tajco Group A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Vejle, 1 May 2024

Executive Board

Erik Laursen
CEO

Board of Directors

Chlinton Arendahl Nielsen Chairman	Limin Kevin Mao	Frank Lorenz
Melanie Schuttenberg	Catherine Mulvey	

Independent Auditor's report

To the shareholder of Tajco Group A/S

Opinion

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Tajco Group A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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 Financial Statements" 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 (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, 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 Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements 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 Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, 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 Financial Statements 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 Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements 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.

Independent Auditor's report

Aarhus C, 1 May 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Kragh
State Authorised Public Accountant
mne26783

Henrik Berring Rasmussen
State Authorised Public Accountant
mne34157

Company information

The Company	Tajco Group A/S Jens Ravns Vej 11A DK-7100 Vejle Telephone: + 4575321411 Website: www.tajco-group.com CVR No: 33 57 47 97 Financial period: 1 January - 31 December Municipality of reg. office: Vejle
Board of Directors	Chlinton Arendahl Nielsen, chairman Limin Kevin Mao Frank Lorenz Melanie Schuttenberg Catherine Mulvey
Executive Board	Erik Laursen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	634,927	719,091	713,786	684,896	885,086
Gross profit	220,757	235,926	244,646	214,198	241,149
Profit/loss of primary operations	55,986	43,373	53,280	5,942	18,195
Profit/loss of financial income and expenses	3,915	-2,239	838	-5,091	-2,490
Net profit/loss for the year	51,030	33,504	45,067	628	8,899
Balance sheet					
Balance sheet total	472,424	559,482	659,560	602,573	647,148
Investment in property, plant and equipment	-5,033	-21,026	-21,026	-14,290	-32,100
Equity	349,306	312,164	278,685	205,552	215,084
Number of employees	748	757	879	1,008	1,185
Ratios					
Gross margin	34.8%	32.8%	34.3%	31.3%	27.2%
Profit margin	8.8%	6.0%	7.5%	0.9%	2.1%
Return on assets	11.9%	7.8%	8.1%	1.0%	2.8%
Solvency ratio	73.9%	55.8%	42.3%	34.1%	33.2%
Return on equity	15.4%	11.3%	18.6%	0.3%	4.2%

Financial ratios have been calculated in accordance with definitions in the Accounting Policies in Note 21.

Management's review

Key activities

TAJCO Group develops and manufactures premium exterior trims for the global automotive industry. Operations consist of product development, engineering, manufacturing and sales for OEM's and Tier 1 partners. TAJCO Group products are mainly delivered directly to car manufacturing plants in Europe, Asia and the US.

Exterior trims are used as a design element on most premium cars. Especially exhaust trims are subject to the strict quality requirements of the automotive industry and, consequently, the quality demands on TAJCO Group are extensive. In order to stay ahead of market demands, all companies within TAJCO Group are certified according to the IATF 16949:2016 standard.

Development in the year

The income statement of the Group for 2023 shows a profit of TDKK 51,030, which is considered very satisfactory. Revenue was lower than budgeted, but the lower sales of exhaust trims was compensated by cost optimizations and operations optimizations during the year.

During the year, TAJCO employees have worked and succeeded together to capture new business opportunities, mitigated and overcome challenges and ensured production and delivery of high-quality products to our customers.

Order intake during the year was slightly below expectation and impacted by a low level of new vehicle programs.

As per 31.12.2023, the consolidated balance sheet shows a positive equity of TDKK 349,306.

Special risks - operating risks and financial risks

Raw material prices and freight rates

TAJCO Group's use of stainless steel as raw material creates a specific risk; the potentially significant fluctuations in steel prices in a volatile market may create cost increases, which only to a varying degree can be compensated for by contractually agreed price increases.
The tendency is similar for fluctuations in freight rates, which also depends on commercial negotiations with individual customers and hence any degree of compensation can vary across the year. TAJCO Group continuously monitors the market and assesses if long term agreements for freight rates are considered advantageous.

Currency

Due to its international operations, TAJCO Group earnings, cash flow and equity are affected by the development in exchange rates and interest rates in several currencies. It is TAJCO Group policy not to hedge these commercial currency risks. To the extent possible, TAJCO Group seeks to naturally hedge the risks, which occur as a consequence of the actions in an international market. Furthermore, TAJCO Group continuously monitors fluctuations in currencies and continuously evaluates the need for hedging by forward contracts.

For subsidiaries, which are separate legal entities, the currency adjustments of investments are recognized directly in equity.

Targets and expectations for the year ahead

Opportunities for winning new programs for TAJCO exterior trims are positive as several programs are expected to be quoted in both Europe, US, and Asia in 2024.

Uncertainties for automotive manufacturers caused by increased inflation and disrupted supply chains could influence the demand for exterior trims. Therefore, a single digit decline in 2024 revenue, and a lower EBITDA, are forecasted. This is in line with the trend towards electric vehicles and away from fossil fueled cars that carry exhaust trims.

Management's review

External environment

TAJCO Group continuously invests to ensure that all environmental requirements are followed, including initiatives to ensure that the use of chemicals does not impact or cause damage to the external environment. The necessary environmental licenses and certifications have been obtained to be able to carry out activities. See further elaboration on this point in the section 'Focus on environment'.

Statement of corporate social responsibility

TAJCO Group has a global footprint as described in the section "Key Activities". The company has manufacturing and logistics facilities in China, external warehousing in Slovakia and United states as well as sales organizations and service centers in Denmark, Germany, Slovakia, United States and China. Subcontractors in China are furthermore part of the TAJCO Group supply chain. Products are exported globally.

TAJCO Group is aware of its responsibility as an employer and world citizen, and therefore has a great focus on acting in a financially and socially responsible manner. The board of directors and management aims at putting the ESG (Environment, Social, Governance) agenda and sustainability area on top of priorities in TAJCO Group. The TAJCO Group stance on ESG matters is publicly available on the company website: https://www.tajco-group.com/environment.

TAJCO Group uses several subcontractors. It is essential for TAJCO Group to ensure that these subcontractors follow and comply with the same ethical and social responsibility standards as TAJCO Group. The determined effort to follow up on this by review of the subcontractors is ongoing, to ensure that subcontractors have recorded, implemented, and followed up on the policies.

TAJCO Group focuses both on the professional development of its employees as well as on providing employees with a safe and healthy working environment. Due to the nature of the production process of exterior trims, the major risk for employees is within the safety area. Employees are trained in quality, environmental and occupational health as well as safety awareness under the motto of 'Safety First'.

At group level, TAJCO Group monitors and follows up on work safety through the registration of the number of accidents. A major "Safety First" campaign has been pursued since 2019. In 2023, the number of work-related accidents were 3, which is the level as in 2022 but significantly lower than in prior years. The result is achieved through continued efforts within operations and the global 'Safety First' campaign, structured risk assessments, safety audits, comprehensive training, continually mitigating unsafe activities and unsafe conditions.

For 2024, the objective has been set for no accidents.

Furthermore, clear terms of employment regarding training, working hours and ethics as well as diversity, gender equality and inclusion are referred to in the TAJCO Employee Handbooks and policy for gender equality.

Management's review

It is important for TAJCO Group that all human rights are respected and maintained. The TAJCO Supplier Code of Conduct clearly states that TAJCO Group under no circumstances makes use of child labour, thus supporting the ILO Convention regarding minimum ages of employees.

In 2023, TAJCO Group continued to conduct process audits among all potential suppliers in order to ensure compliance with the company's human rights policy. Due to the risk of violation of human rights within in the value chain, TAJCO Group has continued throughout 2023 to ensure agreement with the TAJCO Group Supplier Code of Conduct in advance of all potential business offers as well as all new supplier collaborations. Hereby TAJCO Group seeks to ensure the prevention of underage labour as well as the upholding of human and labour rights. In 2023, TAJCO Group has continued declining potential suppliers because of the company's pre-agreement compliance requirements. It is important for TAJCO Group that all human rights are respected and maintained.

Going forward, TAJCO Group expects to continue working with the human rights and continue with audits for suppliers and potential suppliers.

Due to the potential risk of corruption, there is a significant focus on preventive actions such as the TAJCO Group Code of Conduct for Employees. The Code of Conduct is applicable to all employees, despite geographical differences in risk related to corruption assessed by Transparency International Index. The purpose is to ensure that all employees are fully aware of TAJCO Group's zero tolerance on non-ethically correct behavior. All employees sign the Code of Conduct upon employment. Throughout 2023, we have continuously taken necessary preventive precautions to eliminate corruption. TAJCO Group has implemented, promoted and trained employees in the TAJCO Group whistle-blower system and implemented additional controls to safeguard the wellbeing of the employees.

Going forward TAJCO Group expects to continue working with the anticorruption agenda to decrease the risk.

Acknowledging that the manufacturing processes in TAJCO represent a risk for the environment, there is significant focus on reducing this risk. The international standards for Environmental Management ISO 14001:2015 and Occupational Health and Safety ISO 45001:2018 have been implemented at the manufacturing site in China. Analyses are continuously performed by the on-premises laboratory, spot checks are implemented by the EHS department to 3rd party, monitoring that regulatory limits are not exceeded.

The facility in China is inspected regularly by local environmental and safety authorities. During the year, there have been minor deviations, which have been corrected immediately. As a result, TAJCO Group operations are at all times compliant with local environmental requirements.

Energy and environmental considerations are a central attention point in TAJCO, as TAJCO is aware of the impact of its products on the eco-system. An overall evaluation and registration of the energy and environmental impact of the products in relation to the manufacturing process, generation and disposal of production waste, scrap and chromium re-plating, is now standard procedure.
Work has been undertaken since the end of 2021 and throughout 2022 and 2023 to map our scope 1, 2 & 3 CO_2 emissions according to the Green House Gas Protocol.

The findings have led to concrete actions throughout 2023. These actions support TAJCO's commitment to 100% carbon emission reduction for Scope 1 and Scope 2, and further 30% carbon emissions reduction in Scope 3 compared to 2018 levels by 2030, as communicated to customers and on our website. It is TAJCO's ambition to be climate neutral by 2050.

Some of the most impactful concrete actions during 2023 include:
-TAJCO has initiated the purchase of 100% green electricity for the Ningbo plant and offices in Europe. The switch to green electricity, i.e., electricity that is derived from renewable energy, is not just a step towards cleaner energy, but also a testament to our dedication to sustainable practices.
-Internal carbon emissions reduction program involving among others all manufacturing units in Ningbo as well as the Advanced Mechanical Engineering department and the Procurement department.
-Continuation of the journey towards replacing hexavalent chrome with more environmental trivalent chrome.
-Driving packaging efficiency program for reducing the overall Transportation emissions.
-Integrating product lifecycle assessment (LCA) into internal TAJCO Product Engineering Process (TPEP).

TAJCO Group is also looking into the option of being able to offer customers a 'greener' stainless steel product by acquiring recycled stainless steel produced by use of sustainable energy sources.

Moreover, in 2023 dedicated Sustainability Managers, have been recruited into the Stuttgart office of TAJCO in order to strengthen TAJCO's ability to handle the data and convert this knowledge into plans for action as well as create a greater engagement and dialogue with our customers about this important topic.

Statement on gender composition

Diversity among management and employees is central for the continuous development and success of TAJCO Group. TAJCO Group has a policy on gender equality that seeks to increase the number of women in key positions at all organizational levels by 2025 - matching the automotive industry standards as a minimum.

The Board of Directors of TAJCO Group A/S and TAJCO A/S (Upper management level) currently consists of 5 people, 60% men 40% women and are therefore considered to be equally distributed. The TAJCO Group target is to continually have at least a 40% representation of female members on the Board of Directors.

There are no employes in TAJCO Group A/S, and are therefore not obliged to provide a stated gender composition for Other Management level cf. the Danish Companies Act § 139c, section 7.
Other Management level consists therefore of 0 members.

The TAJCO Group wants to be an attractive and stimulating workplace that attracts and retains the most qualified employees and offer equal career opportunities for all employees. In 2023 All interested and capable candidates are encouraged to apply for positions within TAJCO Group, regardless of gender, culture or age. Active work has been done in 2023 with the policy through employment and promotion practices, to increase the share of the underrepresented gender in the coming years to reach targets.

Statement on data ethics

TAJCO Group has extensive procedures regarding compliance and GDPR, including process descriptions and incident reporting. Since TAJCO Group does not work with machine learning, and operates within the B2B business, we believe that data ethical risks have been sufficiently covered by GDPR processes, therefore no formal data ethics policy has been developed at this point in time.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Revenue	1	634,927	719,091	0	0
Expenses for raw materials and consumables		-335,724	-419,700	0	0
Other external expenses		-78,446	-63,465	-1,816	-1,298
Gross profit		**220,757**	**235,926**	**-1,816**	**-1,298**
Staff expenses	2	-147,501	-167,270	0	0
Amortisation and impairment losses of intangible assets		-17,270	-25,283	0	0
Profit/loss before financial income and expenses		**55,986**	**43,373**	**-1,816**	**-1,298**
Income from investments in subsidiaries		0	0	53,097	39,127
Financial income	3	10,963	946	2,210	499
Financial expenses	4	-7,048	-3,185	-2	-206
Profit/loss before tax		**59,901**	**41,134**	**53,489**	**38,122**
Tax on profit/loss for the year	5	-8,871	-7,630	-2,459	-4,618
Net profit/loss for the year	6	**51,030**	**33,504**	**51,030**	**33,504**

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Acquired licenses		1,989	3,250	0	0
Intangible assets	7	**1,989**	**3,250**	**0**	**0**
Plant and machinery		50,112	59,236	0	0
Other fixtures and fittings, tools and equipment		279	498	0	0
Leasehold improvements		2,500	5,035	0	0
Property, plant and equipment in progress		2,548	9,804	0	0
Property, plant and equipment	8	**55,439**	**74,573**	**0**	**0**
Investments in subsidiaries	9	0	0	278,262	286,257
Fixed asset investments		**0**	**0**	**278,262**	**286,257**
Fixed assets		**57,428**	**77,823**	**278,262**	**286,257**
Raw materials and consumables		10,672	14,522	0	0
Work in progress		20,352	32,521	0	0
Finished goods and goods for resale		84,608	147,951	0	0
Inventories		**115,632**	**194,994**	**0**	**0**
Trade receivables		76,730	118,112	0	0
Contract work in progress	10	34,065	25,656	0	0
Receivables from group enterprises		0	3,649	74,103	28,793
Other receivables		14,216	26,187	0	0
Prepayments	11	10,816	13,340	0	0
Receivables		**135,827**	**186,944**	**74,103**	**28,793**
Cash at bank and in hand		**163,537**	**99,721**	**107**	**77**
Current assets		**414,996**	**481,659**	**74,210**	**28,870**
Assets		**472,424**	**559,482**	**352,472**	**315,127**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Share capital		1,000	1,000	1,000	1,000
Reserve for net revaluation under the equity method		0	0	221,060	229,055
Reserve for exchange rate conversion		-13,888	0	0	0
Retained earnings		345,194	311,164	110,246	82,109
Proposed dividend for the year		17,000	0	17,000	0
Equity		**349,306**	**312,164**	**349,306**	**312,164**
Provision for deferred tax	12	2,943	3,986	0	0
Other provisions	13	3,277	9,343	0	0
Provisions		**6,220**	**13,329**	**0**	**0**
Credit institutions		2,600	69,885	0	0
Trade payables		62,732	97,247	20	57
Contract work in progress	10	2,041	3,819	0	0
Payables to group enterprises		0	25,676	0	0
Corporation tax		7,534	1,977	3,086	2,779
Other payables		41,991	35,385	60	127
Short-term debt		**116,898**	**233,989**	**3,166**	**2,963**
Debt		**116,898**	**233,989**	**3,166**	**2,963**
Liabilities and equity		**472,424**	**559,482**	**352,472**	**315,127**

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Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,000	0	311,164	0	312,164
Exchange adjustments	0	-13,888	0	0	-13,888
Net profit/loss for the year	0	0	34,030	17,000	51,030
Equity at 31 December	**1,000**	**-13,888**	**345,194**	**17,000**	**349,306**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,000	229,055	82,109	0	312,164
Exchange adjustments relating to foreign entities	0	-13,888	0	0	-13,888
Dividend from group enterprises	0	-47,204	47,204	0	0
Net profit/loss for the year	0	53,097	-19,067	17,000	51,030
Equity at 31 December	**1,000**	**221,060**	**110,246**	**17,000**	**349,306**

Cash flow statement 1 January - 31 December

		Group	
	Note	2023	2022
		TDKK	TDKK
Result of the year		51,030	33,504
Adjustments	14	8,338	37,169
Change in working capital	15	91,602	-31,127
Cash flow from operations before financial items		**150,970**	**39,546**
Financial income		10,963	946
Financial expenses		-7,048	-3,185
Cash flows from ordinary activities		**154,885**	**37,307**
Corporation tax paid		-3,443	-6,029
Cash flows from operating activities		**151,442**	**31,278**
Purchase of intangible assets		0	-261
Purchase of property, plant and equipment		-1,814	-4,947
Sale of intangible assets		28	0
Sale of property, plant and equipment		3,249	0
Cash flows from investing activities		**1,463**	**-5,208**
Repayment of loans from credit institutions		-67,062	-95,828
Repayment of payables to group enterprises		-22,027	-15,752
Cash flows from financing activities		**-89,089**	**-111,580**
Change in cash and cash equivalents		**63,816**	**-85,510**
Cash and cash equivalents at 1 January		99,721	185,231
Cash and cash equivalents at 31 December		**163,537**	**99,721**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		163,537	99,721
Cash and cash equivalents at 31 December		**163,537**	**99,721**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Europe	426,993	486,147	0	0
America	130,279	138,672	0	0
Other parts of the world	77,655	94,272	0	0
	634,927	**719,091**	**0**	**0**
Business segments				
Trims	591,852	661,889	0	0
Tools	17,521	16,638	0	0
Scrap	25,554	40,564	0	0
	634,927	**719,091**	**0**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2. Staff Expenses				
Wages and salaries	128,124	145,471	0	0
Pensions	1,483	1,799	0	0
Other social security expenses	16,918	18,744	0	0
Other staff expenses	976	1,256	0	0
	147,501	**167,270**	**0**	**0**
Including remuneration to the Executive Board and Board of Directors	**5,471**	**5,045**	**0**	**0**
Average number of employees	**748**	**757**	**0**	**0**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
3. Financial income				
Interest received from group enterprises	112	94	1,865	0
Other financial income	10,851	852	345	499
	10,963	**946**	**2,210**	**499**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
4. Financial expenses				
Interest paid to group enterprises	632	608	0	206
Other financial expenses	6,416	2,577	2	0
	7,048	**3,185**	**2**	**206**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
5. Income tax expense				
Current tax for the year	9,377	9,356	2,459	4,519
Deferred tax for the year	-692	-2,870	0	0
Adjustment of tax concerning previous years	186	168	0	99
Adjustment of deferred tax concerning previous years	0	976	0	0
	8,871	**7,630**	**2,459**	**4,618**

Notes to the Financial Statements

	Parent company	
	2023	2022
	TDKK	TDKK

6. Profit allocation

	2023 TDKK	2022 TDKK
Proposed dividend for the year	17,000	0
Reserve for net revaluation under the equity method	53,097	39,126
Retained earnings	-19,067	-5,622
	51,030	**33,504**

7. Intangible fixed assets

Group

	Acquired licenses
	TDKK
Cost at 1 January	48,606
Exchange adjustment	-775
Disposals for the year	-63
Cost at 31 December	47,768
Impairment losses and depreciation at 1 January	45,356
Exchange adjustment	-579
Depreciation for the year	1,037
Reversal of impairment and depreciation of sold assets	-35
Impairment losses and depreciation at 31 December	45,779
Carrying amount at 31 December	**1,989**

8. Property, plant and equipment

Group

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	166,389	8,566	26,919	17,844
Exchange adjustment	-9,722	-831	-1,584	-909
Additions for the year	170	27	1,246	371
Disposals for the year	-7,606	-427	-11,659	0
Transfers for the year	5,263	0	0	-5,263
Cost at 31 December	154,494	7,335	14,922	12,043
Impairment losses and depreciation at 1 January	107,153	8,068	21,884	8,040
Exchange adjustment	-6,059	-801	-1,279	-401
Impairment losses for the year	-2,014	0	0	0
Depreciation for the year	10,507	202	3,476	1,769
Reversal of impairment and depreciation of sold assets	-5,205	-413	-11,659	0
Reversal for the year of previous years impairment losses	0	0	0	87
Impairment losses and depreciation at 31 December	104,382	7,056	12,422	9,495
Carrying amount at 31 December	**50,112**	**279**	**2,500**	**2,548**

	Parent company	
	2023	2022
	TDKK	TDKK

9. Investments in subsidiaries

	2023 TDKK	2022 TDKK
Cost at 1 January	57,202	57,202
Cost at 31 December	57,202	57,202
Value adjustments at 1 January	229,055	264,749
Exchange adjustment	-13,888	-25
Net profit/loss for the year	53,097	39,126
Dividend to the Parent Company	-47,204	-74,795
Value adjustments at 31 December	221,060	229,055
Carrying amount at 31 December	**278,262**	**286,257**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Tajco A/S	Vejle, Denmark	DKK 900.000	100%
- Tajco Asia Co., Ltd. China	Ningbo, China	CNY 681.260	100%
- Tajco Germany GmbH	Germany	EUR 25.000	100%
- Tajco North America Inc.	USA	USD 100	100%
Tajco Manufactoring Co. Ltd.	Ningbo, China	CNY 37.266.346	100%
Tajco Slovakia s.r.o.	Malacky, Slovakia	EUR 500.000	100%

All foreign subsidiaries are recognised and measured as separate entities.

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
10. Contract work in progress				
Selling price of work in progress	46,268	34,312	0	0
Payments received on account	-14,244	-12,475	0	0
	32,024	**21,837**	**0**	**0**
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	34,065	25,656	0	0
Prepayments received recognised in debt	-2,041	-3,819	0	0
	32,024	**21,837**	**0**	**0**

11. Prepayments

Prepayments consist of prepaid expenses relating to concluded contracts, rent, licences, telecommunication and insurance premiums.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
12. Provision for deferred tax				
Deferred tax liabilities at 1 January	3,986	5,530	0	-603
Exchange rate adjustment	-351	-252	0	0
Amounts recognised in the income statement for the year	-692	-1,894	0	0
Amounts recognised in equity for the year	0	602	0	603
Deferred tax liabilities at 31 December	**2,943**	**3,986**	**0**	**0**

13. Other provisions

Other provisions includes expected losses on contracts.

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Other provisions	3,277	9,343	0	0
	3,277	**9,343**	**0**	**0**
The provisions are expected to mature as follows:				
Within 1 year	2,122	3,104	0	0
After 5 years	1,155	6,239	0	0
	3,277	**9,343**	**0**	**0**

14. Cash flow statement - Adjustments

	Group 2023 TDKK	Group 2022 TDKK
Financial income	-10,963	-946
Financial expenses	7,048	3,185
Depreciation, amortisation and impairment losses, including losses and gains on sales	17,270	25,283
Tax on profit/loss for the year	8,871	7,630
Exchange adjustments	-13,888	2,017
	8,338	**37,169**

15. Cash flow statement - Change in working capital

	Group 2023 TDKK	Group 2022 TDKK
Change in inventories	79,362	-4,103
Change in receivables	47,468	-5,733
Change in other provisions	-6,066	7,258
Change in trade payables, etc	-29,162	-28,549
	91,602	**-31,127**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

16. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:				
Within 1 year	684	810	0	0
Between 1 and 5 years	795	590	0	0
	1,479	**1,400**	**0**	**0**
Rental obligations, period of nonterminability	23,375	38,292	0	0

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income. The total amount is shown in the Annual Report of Casifa ApS, which acts as the management company of the joint taxation.

17. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Frank Lorenz, Silkeborg	Controlling shareholder
Casifa ApS, Silkeborg	Majority shareholder

Transactions

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company:

Name	Place of registered office
Casifa ApS	Silkeborg

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
18. Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	510	469	184	212
Tax advisory services	486	458	0	0
Non-audit services	243	183	184	12
	1,239	**1,110**	**368**	**224**
Other auditors				
Audit fee	95	97	0	0
	95	**97**	**0**	**0**

19. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

20. Accounting policies

The Annual Report of Tajco Group A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

With regards to the true and fair view of the Financial Statements, certain reclassifications have been made in the balance sheet and notes. Comparative figures have been adjusted accordingly.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

Cash flow statement

For year 2022 the company has changed the presentation of cash and cash equivalents in the cash flow statement. The categories from last year “Payables, net to group enterprises” and “Overdraft facilities” in the cash flow statement is now presentated as financing activites according to the relevant accounting policy. The change has no effect on the result, equity and total assets.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation and provisions.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Tajco Group A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Contract work in progress (customer tools) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with the parent company and the parent company's Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Software are measured at cost less accumulated amortisation. Software are depreciated over the expected lifetime, which is 3 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	10 years
Other fixtures and fittings, tools and equipment	3-8 years
Leasehold improvements	3-5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Notes to the Financial Statements

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning contracts, rent, licences, telecommunication and insurance premiums etc.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Notes to the Financial Statements

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	Gross profit x 100 / Revenue
Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity