

Trimco Group Holdings (Denmark) A/S

Rosenholmsvej 1-5, DK-7400 Herning

CVR no. 34 60 79 23

Annual report 2023

Approved at the Company's annual general meeting on 8 August 2024

Chairman of the meeting:



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Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Trimco Group Holdings (Denmark) 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 give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Herring, 8 August 2024
Executive Board:

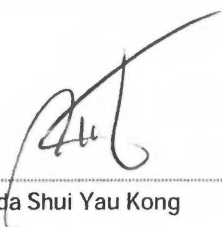


Miranda Shui Yau Kong

Board of Directors:



Chuk Kwan Wan
Chairman



Miranda Shui Yau Kong



Patrick Kwing-Wai Ng

Independent auditor's report

To the shareholders of Trimco Group Holdings (Denmark) A/S

Opinion

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

We have audited the Financial Statements of Trimco Group Holdings (Denmark) 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 ("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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 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 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 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 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 as to 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Herning, 8 August 2024
PricewaterhouseCoopers
CVR no. 33 77 12 31



Kim Vorret
State Authorised Public
Accountant
mne33256



Kasper Ladekjær
State Authorised Public
Accountant
mne50738

Management's review

Company details

Name	Trimco Group Holdings (Denmark) A/S
Address, Postal code, City	Rosenholmsvej 1-5, DK-7400 Herning
CVR no.	34 60 79 23
Established	2 July 2012
Registered office	Herning
Financial year	1 January - 31 December
Website	www.a-tex.com
E-mail	info@a.tex.com
Telephone	+45 96 29 00 00
Board of Directors	Chuk Kwan Wan, Chairman Miranda Shui Yau Kong Patrick Kwing-Wai Ng
Executive Board	Miranda Shui Yau Kong
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4, 7400 Herning

Management's review

Business review

Trimco Group Holdings (Denmark) A/S is parent company of Trimco Group (Denmark) A/S and the subgroup formerly known as the 'A-TEX Group', whose main activity - as previous years - is trading in Brand identification accessories to the textile industry. Trimco Group (Denmark) is one of the leading global suppliers of identity creating branding items - including labels, hang tags, badges, packaging solutions and store decorations for leading international fashion brands. We offer our customers innovative design and deliverance on time - as a result of effective and high quality logistic solutions. The products are sold in numerous countries, primarily to brand owners in Europe and US.

Trimco Group (Denmark) A/S is a part of TRIMCO Group, the global leader in supply chain traceability, data management, and RFID solutions, with comprehensive expertise in brand identity optimization for apparel and footwear brands worldwide. At Trimco Group, we are your brand guardian and trusted partner, supporting you with innovative and creative product designs and production techniques powered by deep expertise in data and technology. Our subject matter experts provide reliable advice on care label regulations and ESG compliance for international markets.

With our global production footprint, we strive to deliver a trouble-free supply chain for all our brand owners to meet quality, timeliness, and sustainability demands.

Trimco Group entails the combined forces of the companies formerly known as A-TEX, CLOTEX, LABELON, and WAH LUNG, with more than 1,670 employees in 22 countries, serving more than 900 brands and 8,600 manufacturers worldwide.

Financial review

The Company's profit for the year ended at DKK 29.364k against DKK 96.945k in 2022.

2023 was a challenging year for the retail and apparel industry in general and many of our customers experienced declining sales and booming inventories. This decline in the market is the primary driver behind the drastic decrease in the Company's profit. On top of this, the subsidiary in Turkey became subject to the regulation on hyperinflationary accounting in 2023 which, in brief, resulted in a restatement of all the subsidiaries historical non-monetary transactions. This alone had a negative effect on the profit of DKK 13.031k in 2023.

All in all, the profit does not meet the expectations for the year.

A continued, intense focus on the sourcing and logistics set-up, has brought increased competitive advantage and has created a solid platform for future growth in both activity and earnings. To strengthen and to keep the Group's market position, there will be a continued focus on design, product development and IT systems, that support the Group's product- and logistics solutions. In addition the high focus on supplier management will continue as the CSR strategy is deeply integrated in the general business strategy.

Events after the balance sheet date

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

Outlook

The retail market is expected to recover in 2024 compared to the challenging year 2023. The 'A-TEX Group', including Trimco Group Holdings (Denmark) A/S, expects a substantial growth up to 50% in earnings in 2024 compared to 2023 as a result of this development.

Factors of uncertainty to realize the expectations are related to the development in foreign exchange rate, inflation rates, logistics and supply disturbances, the outcome of the presidential election in USA, further the development in the situation in Ukraine and the uncertainty about local and global restrictions towards the future implications from COVID-19.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
	Gross profit/loss	-10	-21
	Income from investments in group enterprises	29,040	96,512
2	Financial income	1,179	653
3	Financial expenses	-738	0
	Profit before tax	29,471	97,144
	Tax for the year	-107	-199
	Profit for the year	<u>29,364</u>	<u>96,945</u>
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	30,000	50,000
	Net revaluation reserve according to the equity method	29,040	96,512
	Retained earnings/accumulated loss	<u>-29,676</u>	<u>-49,567</u>
		<u>29,364</u>	<u>96,945</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	<u>2023</u>	<u>2022</u>
	ASSETS		
	Fixed assets		
	Investments		
	Investments in group enterprises	428,118	478,321
		<u>428,118</u>	<u>478,321</u>
	Total fixed assets	<u>428,118</u>	<u>478,321</u>
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	29,600	49,262
	Joint taxation contribution receivable	678	697
		<u>30,278</u>	<u>49,959</u>
	Cash	279	624
	Total non-fixed assets	<u>30,557</u>	<u>50,583</u>
	TOTAL ASSETS	<u><u>458,675</u></u>	<u><u>528,904</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	15,001	15,001
	Net revaluation reserve according to the equity method	169,887	220,090
	Retained earnings	229,117	208,793
	Dividend proposed	30,000	50,000
	Total equity	444,005	493,884
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Payables to group enterprises	13,396	35,000
	Corporation tax payable	1,259	0
	Other payables	15	20
		14,670	35,020
	Total liabilities other than provisions	14,670	35,020
	TOTAL EQUITY AND LIABILITIES	458,675	528,904

- 1 Accounting policies
- 4 Contractual obligations and contingencies, etc.
- 5 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Dividend proposed	Total
Equity at 1 January 2022	15,001	168,125	223,360	35,000	441,486
Transfer through appropriation of profit	0	96,512	-49,567	50,000	96,945
Adjustment of investments through foreign exchange adjustments	0	-9,547	0	0	-9,547
Distributed dividend from group enterprises	0	-35,000	35,000	0	0
Dividend distributed	0	0	0	-35,000	-35,000
Equity at 1 January 2023	15,001	220,090	208,793	50,000	493,884
Transfer through appropriation of profit	0	29,040	-29,676	30,000	29,364
Adjustment of investments through foreign exchange adjustments	0	-29,243	0	0	-29,243
Distributed dividend from group enterprises	0	-50,000	50,000	0	0
Dividend distributed	0	0	0	-50,000	-50,000
Equity at 31 December 2023	15,001	169,887	229,117	30,000	444,005

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Trimco Group Holdings (Denmark) A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Pursuant to section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The financial statements of Trimco Group Holdings (Denmark) A/S are included in the consolidated financial statements of TRIMCO GROUP HOLDINGS (UK) LIMITED, 1 Park Row, Leeds, LS15AB, United Kingdom, (reg. no. 05218660)

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Basis of recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized.

Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized 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 recognized 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.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

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 recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognized directly in equity.

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 transaction date rates are recognized in financial income and expenses in the income statement.

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Gross profit/loss

With reference to section 32 in the Danish Financial Statements Act revenue, "Gross loss" is calculated as a summary of other external expenses.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as administration expenses.

Profit/loss from investments in group entities

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

Financial income and expenses

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

Tax

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

The Company is jointly taxed with Danish related companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investments in group entities

Investments in subsidiaries are recognized 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 unrealized intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

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 subsidiaries.

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured in the balance sheet at the lower of amortized cost and net realizable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Equity

Proposed dividends

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

Tax assets and liabilities

Current tax liabilities and receivables are recognized 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 recognized in the income statement in financial income and expenses.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Fixed-interest loans, such as mortgage loans and loans from credit institutions, are recognized initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortized cost; the difference between the proceeds and the nominal value is recognized as an interest expense in the income statement over the loan period. Mortgage loans are measured at amortized cost, which for cash loans corresponds to the remaining loan.

Amortized 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 amortized cost, substantially corresponding to nominal value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2023	2022
2 Financial income		
Interest received from group enterprises	1,179	653
	<u>1,179</u>	<u>653</u>
3 Financial expenses		
Interest expenses, group entities	681	0
Other financial expenses	57	0
	<u>738</u>	<u>0</u>

4 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Trimco Group Holdings (Denmark) A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Security

Bank deposits of total kDKK 279 with Svenska Handelsbanken AB have been placed as security for the Group's total debt with CTBC Bank co. LTD.

5 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
TRIMCO GROUP HOLDINGS (UK) LIMITED Brookfield Asset Management Inc.	United Kingdom Brookfield Place 181 Bay Street, Suite 100 Bay Wellington Tower Toronto, Canada	Parent company Ultimate owner