CHEMPILOTS A/S

Rugmarken 22-24, 3520 Farum

CVR no. 20 94 42 42

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 28.06.24

Kim Sander Pedersen
Dirigent

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Company information etc.

The company

CHEMPILOTS A/S
Rugmarken 22-24
3520 Farum
Tel.: 44 95 16 61
Registered office: Farum
CVR no.: 20 94 42 42
Financial year: 01.01 - 31.12

Executive Board

CEO Kim Sander Pedersen

Board of Directors

Chairman, James Andrew Moran
Mark Edward Weishaar
Robort Bell Hance

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for CHEMPILOTS A/S.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.23 and of the results of the company's activities for the financial year 01.01.23 - 31.12.23.

The annual report is submitted for adoption by the general meeting.

Farum, June 28, 2024

Executive Board

Kim Sander Pedersen
CEO

Board of Directors

James Andrew Moran Chairman	Mark Edward Weishaar	Robort Bell Hance

Independent auditor's report

To the shareholder of CHEMPILOTS 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 CHEMPILOTS 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' 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.

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 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 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 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.

Hellerup, June 28, 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33771231

Ulrik Ræbild
State Authorized Public Accountant
MNE-no. mne33262

Income statement

Note		2023 DKK	2022 DKK
	Gross profit	**30,214,539**	**22,237,353**
2	Staff costs	-11,836,230	-10,988,313
	Profit before depreciation, amortisation, write-downs and impairment losses	**18,378,309**	**11,249,040**
	Depreciation and impairments losses of property, plant and equipment	-798,072	-408,182
	Operating profit	**17,580,237**	**10,840,858**
	Financial income	91,222	131,747
	Financial expenses	-135,187	-227,387
	Profit before tax	**17,536,272**	**10,745,218**
3	Tax on profit for the year	-3,853,024	-2,360,704
	Profit for the year	**13,683,248**	**8,384,514**

Proposed appropriation account

Proposed dividend for the financial year	0	3,240,000
Retained earnings	13,683,248	5,144,514
Total	**13,683,248**	**8,384,514**

Balance sheet

ASSETS

Note		31.12.23 DKK	31.12.22 DKK
	Leasehold improvements	1,008,200	866,358
	Other fixtures and fittings, tools and equipment	3,587,177	2,094,773
4	**Total property, plant and equipment**	**4,595,377**	**2,961,131**
5	Deposits	316,582	316,582
	Total investments	**316,582**	**316,582**
	Total non-current assets	**4,911,959**	**3,277,713**
	Raw materials and consumables	969,292	261,170
	Manufactured goods and goods for resale	1,045,125	1,566,000
	Total inventories	**2,014,417**	**1,827,170**
	Trade receivables	15,690,111	8,930,245
	Income tax receivable	304,876	0
	Other receivables	390,239	864,704
	Prepayments	407,395	300,726
	Total receivables	**16,792,621**	**10,095,675**
	Cash	**5,458,565**	**4,710,452**
	Total current assets	**24,265,603**	**16,633,297**
	Total assets	**29,177,562**	**19,911,010**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.23 DKK	31.12.22 DKK
	Contributed capital	1,080,000	1,200,000
	Retained earnings	24,297,190	10,493,942
	Proposed dividend for the financial year	0	3,240,000
	Total equity	**25,377,190**	**14,933,942**
	Provisions for deferred tax	156,995	40,781
	Total provisions	**156,995**	**40,781**
	Trade payables	1,347,827	2,805,020
	Income taxes	0	1,289,592
	Other payables	2,295,550	841,675
	Total short-term payables	**3,643,377**	**4,936,287**
	Total payables	**3,643,377**	**4,936,287**
	Total equity and liabilities	**29,177,562**	**19,911,010**

6 Contingent liabilities
7 Charges and security
8 Related parties

Statement of changes in equity

Figures in DKK	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total equity
Statement of changes in equity for 01.01.23 - 31.12.23				
Balance as at 01.01.23	1,200,000	10,493,942	3,240,000	14,933,942
Capital reduction	-120,000	120,000	0	0
Dividend paid	0	0	-3,240,000	-3,240,000
Net profit/loss for the year	0	13,683,248	0	13,683,248
Balance as at 31.12.23	1,080,000	24,297,190	0	25,377,190

Notes

1. Primary activities

The company performs development and production tasks from customers primiarily within the medical industry.

2. Staff costs

Wages and salaries	10,849,252	9,891,636
Pensions	522,797	649,563
Other social security costs	124,527	116,035
Other staff costs	339,654	331,079
Total	11,836,230	10,988,313
Average number of employees during the year	16	14

3. Tax on profit for the year

Current tax for the year	3,736,810	2,242,592
Adjustment of deferred tax for the year	116,214	118,112
Total	3,853,024	2,360,704

4. Property, plant and equipment

Figures in DKK	Leasehold improvements	Other fixtures and fittings, tools and equipment
Cost as at 01.01.23	1,027,344	7,975,555
Additions during the year	271,752	2,160,566
Cost as at 31.12.23	1,299,096	10,136,121
Depreciation and impairment losses as at 01.01.23	-160,986	-5,880,782
Depreciation during the year	-129,910	-668,162
Depreciation and impairment losses as at 31.12.23	-290,896	-6,548,944
Carrying amount as at 31.12.23	1,008,200	3,587,177

5. Non-current financial assets

Figures in DKK	Deposits
Cost as at 01.01.23	316,582
Cost as at 31.12.23	316,582
Carrying amount as at 31.12.23	316,582

6. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 4 - 59 months and total lease payments of DKK 992k

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

7. Charges and security

The company has not provided any security over assets.

8. Related parties

Consolidated Financial Statement

The Company is included in the Group Annual report of the Parent Company of the largest and smallest group:

GTCR BC Intermediate, Inc.
300 N. LaSalle St.
Suite 5600
Chicago, Illinios 60654, Chicago

9. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

9. Accounting policies - continued -

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT

Gross profit

With reference to section 32 of the Danish Financial Statements Act, Gross profit comprises revenue and raw materials and consumables and other external expenses.

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 Company.

Contract work in progress (construction contracts) 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 Company. 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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

9. Accounting policies - continued -

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Leasehold improvements	10	0
Other plant, fixtures and fittings, tools and equipment	3-5	0

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the ‘Impairment losses on fixed assets’ section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

9. Accounting policies - continued -

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the ‘Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

9. Accounting policies - continued -

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The cost of manufactured finished goods and work in progress is determined as the value of direct material and labour costs. Interest on loans arranged to finance production is not included in the cost.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

9. Accounting policies - continued -

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

9. Accounting policies - continued -

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.