

Azelis Denmark A/S

Lyskær 5
2730 Herlev
CVR No. 26991064

Annual report 2023

The Annual General Meeting adopted the annual report on 21.03.2024

Per Løwe Jacobsen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2023	9
Balance sheet at 31.12.2023	10
Statement of changes in equity for 2023	12
Notes	13
Accounting policies	18

Entity details

Entity

Azelis Denmark A/S

Lyskær 5

2730 Herlev

Business Registration No.: 26991064

Registered office: Herlev

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Evy Hellinckx

Gert Allan Schnoor

Thijs William Bakker

Per Løwe Jacobsen

Executive Board

Gert Allan Schnoor, CEO

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

2900 Hellerup

CVR No.: 33771231

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Azelis Denmark A/S for the financial year 01.01.2023 - 31.12.2023.

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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Herlev, 21.03.2024

Executive Board

Gert Allan Schnoor
CEO

Board of Directors

Evy Hellinckx

Gert Allan Schnoor

Thijs William Bakker

Per Løwe Jacobsen

Independent auditor's report

To the Shareholders of Azelis 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 Azelis 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' 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 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 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 judgment 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 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, 21.03.2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33771231

Leif Ulbæk Jensen
State Authorised Public Accountant
Identification No (MNE) mne23327

Anders Røjleskov
State Authorised Public Accountant
Identification No (MNE) mne28699

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	396,652	472,027	409,475	382,280	377,141
Gross profit/loss	57,593	60,097	61,546	55,372	70,400
Operating profit/loss	6,896	9,602	13,187	10,407	13,408
Net financials	(5,563)	(2,967)	(2,527)	(7,408)	(6,751)
Profit/loss for the year	3,665	5,305	5,831	2,536	6,657
Total assets	144,760	171,081	134,375	125,898	150,644
Investments in property, plant and equipment	101	540	3,172	10,284	21,993
Equity	47,347	44,005	39,186	33,270	30,934
Average number of employees	56	56	55	57	62
Ratios					
Gross margin (%)	14.52	12.73	15.03	14.48	18.67
Net margin (%)	0.92	1.12	1.42	0.66	1.77
Return on equity (%)	8.02	12.75	16.10	7.90	24.06
Equity ratio (%)	35.10	26.97	29.16	26.42	21.36
Revenue per employee	7,083	8,429	7,445	6,707	6,083

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Primary activities

The Groups most significant business activity is to sell Chemicals and Food Ingredients primarily within the Nordic market area.

Development in activities and finances

The Company's income statement of the financial year 1. January 2023 to 31. December 2023 shows a result of DKK 3,665,435 and the Balance Sheet at 31. December 2023 a balance sheet total of DKK 144,759,669 and an Equity of DKK 47,346,520.

The Company has evolved our product portfolio during 2023, which will strengthen specially the Life Science segments for the future. The company has experienced price decreases due to lower inflation.

The result for the year has been impacted by these challenges in most business segments.

Profit/loss for the year in relation to expected developments

The Company's ordinary results are not deemed satisfactory as they were not in line with our expectations for 2023. This is caused by an larger than expected inventory write-down and reorganizational costs.

Uncertainty relating to recognition and measurement

Reference is made to note 3 of the annual accounts regarding uncertainty in recognition and measurement.

Other risks

The company has no other significant operational, interest, currency, or credit risks.

Outlook

Demand for our products is stable and Azelis Denmark enters 2024 with the expectation that demand will continue. As a result, the result for 2024 is expected to see a positive development. We still expect relative high energy prices and a volatile market for selected chemicals and ingredients, mainly caused by the war in Ukraine and the conflict in the Middle East. The management assesses the company's development positive. We expect both revenue and profit to increase in 2024.

The Company expects a positive development in 2024 with an increase in profit. The Company expects results in the range of DKK 6.500.000 to DKK 7.200.000.

Environmental performance

We continuously contribute to sustainable solutions by taking care of and protecting the environment through both customers and suppliers. We strive to improve our processes in a sustainable manner through our way of working and producing our products in our factory. We work to improve the proportion of environmentally correct materials that emit as little CO₂ as possible during procurement and by following a sustainable waste management process.

Events after the balance sheet date

Reference is made to note 2.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Revenue		396,651,801	472,026,867
Changes in inventories of finished goods and work in progress		(22,670,381)	(14,639,399)
Other operating income	4	4,847,615	0
Cost of sales	5	(287,867,832)	(359,696,538)
Other external expenses		(33,368,668)	(37,594,202)
Gross profit/loss		57,592,535	60,096,728
Staff costs	6	(43,520,734)	(43,186,534)
Depreciation, amortisation and impairment losses	7	(7,175,880)	(7,308,077)
Operating profit/loss		6,895,921	9,602,117
Income from investments in group enterprises		2,034,656	1,303,178
Other financial income from group enterprises		193,925	71,777
Other financial income		919,811	405,905
Financial expenses from group enterprises		(2,759,655)	(497,195)
Other financial expenses		(3,916,859)	(2,947,359)
Profit/loss before tax		3,367,799	7,938,423
Tax on profit/loss for the year	8	297,636	(2,633,150)
Profit/loss for the year	9	3,665,435	5,305,273

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Acquired intangible assets		10,808,223	11,686,254
Goodwill		1,585,229	4,755,685
Prepayments for intangible assets		14,829,814	9,318,948
Intangible assets	10	27,223,266	25,760,887
Land and buildings		14,495,659	15,406,985
Plant and machinery		11,386,275	13,425,081
Other fixtures and fittings, tools and equipment		143,425	220,165
Property, plant and equipment	11	26,025,359	29,052,231
Investments in group enterprises		11,269,735	9,558,707
Financial assets	12	11,269,735	9,558,707
Fixed assets		64,518,360	64,371,825
Work in progress		198,228	189,966
Manufactured goods and goods for resale		40,304,028	62,982,671
Inventories		40,502,256	63,172,637
Trade receivables		13,803,965	13,815,667
Receivables from group enterprises		6,646,479	10,475,747
Deferred tax	13	3,055,904	2,066,000
Other receivables		1,763,311	1,225,165
Tax receivable		13,000	0
Prepayments	14	931,705	2,773,069
Receivables		26,214,364	30,355,648
Cash		13,524,689	13,181,345
Current assets		80,241,309	106,709,630
Assets		144,759,669	171,081,455

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		3,000,000	3,000,000
Retained earnings		40,681,520	41,004,713
Proposed dividend		3,665,000	0
Equity		47,346,520	44,004,713
Payables to group enterprises		21,390,899	0
Non-current liabilities other than provisions	15	21,390,899	0
Current portion of non-current liabilities other than provisions	15	8,383,657	0
Lease liabilities		35,868	55,808
Prepayments received from customers		459,063	550,603
Trade payables		32,708,652	56,837,846
Payables to group enterprises		24,412,472	57,374,780
Other payables		10,022,538	12,257,705
Current liabilities other than provisions		76,022,250	127,076,742
Liabilities other than provisions		97,413,149	127,076,742
Equity and liabilities		144,759,669	171,081,455
Going concern	1		
Events after the balance sheet date	2		
Uncertainty relating to recognition and measurement	3		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Related parties with controlling interest	18		
Non-arm's length related party transactions	19		
Group relations	20		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	3,000,000	41,004,713	0	44,004,713
Exchange rate adjustments	0	(323,628)	0	(323,628)
Profit/loss for the year	0	435	3,665,000	3,665,435
Equity end of year	3,000,000	40,681,520	3,665,000	47,346,520

Notes

1 Going concern

The Financial Statements have been presented on a going concern basis. In order to ensure this assumption, the Company has received a Letter of Comfort from Azelis Finance NV concerning the necessary liquidity and capital up to 12 months from the approval of the Financial Statements.

On this basis, Management has presented the Financial Statements on a going concern basis.

2 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

3 Uncertainty relating to recognition and measurement

The Company has recognised an intangible asset of DKK 14.8 million regarding costs incurred for an ongoing reauthorization of a license to continue the production and sales of liquid smoke flavours.

The Company has submitted the application and test results for the reauthorization to the authorities, which will be considered at political level in the EU. Management assesses that the application and the test results fully support the application, which is expected to be approved in 2025.

Consequently, the recognized amount is subject some uncertainty in respect to possible write-down of the recognised amount, should the EU decide not to approve the application.

4 Other operating income

	2023	2022
	DKK	DKK
Compensation termination distribution agreement.	4,845,815	0
Gain from disposal of fixed assets.	1,800	0
	4,847,615	0

5 Cost of sales

The Company has made an extraordinary inventory write-down of DKK 6.1 million (2022: DKK 6,1 million), which is considered as a special item and recognized in cost of sales.

6 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	39,182,027	38,927,296
Pension costs	3,807,930	3,596,301
Other social security costs	530,777	662,937
	43,520,734	43,186,534
Average number of full-time employees	56	56

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

7 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Amortisation of intangible assets	4,048,488	4,215,765
Depreciation of property, plant and equipment	3,127,392	3,092,312
	7,175,880	7,308,077

8 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	692,268	42,150
Change in deferred tax	(989,904)	2,591,000
	(297,636)	2,633,150

9 Proposed distribution of profit and loss

	2023	2022
	DKK	DKK
Ordinary dividend for the financial year	3,665,000	0
Retained earnings	435	5,305,273
	3,665,435	5,305,273

10 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK	Prepayments for intangible assets DKK
Cost beginning of year	24,002,019	251,392,788	9,318,948
Additions	0	0	5,510,866
Cost end of year	24,002,019	251,392,788	14,829,814
Amortisation and impairment losses beginning of year	(12,315,764)	(246,637,103)	0
Amortisation for the year	(878,032)	(3,170,456)	0
Amortisation and impairment losses end of year	(13,193,796)	(249,807,559)	0
Carrying amount end of year	10,808,223	1,585,229	14,829,814

Reference is made to note 3 regarding recognised prepayments for intangible assets.

11 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	18,667,473	30,481,038	3,289,703
Additions	39,242	61,278	0
Cost end of year	18,706,715	30,542,316	3,289,703
Depreciation and impairment losses beginning of year	(3,260,488)	(17,055,957)	(3,069,538)
Depreciation for the year	(950,568)	(2,100,084)	(76,740)
Depreciation and impairment losses end of year	(4,211,056)	(19,156,041)	(3,146,278)
Carrying amount end of year	14,495,659	11,386,275	143,425
Recognised assets not owned by entity	0	26,390	0

12 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	27,241,002
Cost end of year	27,241,002
Impairment losses beginning of year	(17,682,295)
Exchange rate adjustments	(323,628)
Share of profit/loss for the year	2,034,656
Impairment losses end of year	(15,971,267)
Carrying amount end of year	11,269,735

Investments in subsidiaries	Registered in	Equity interest %
Azelis Norway AS	Norway	100.00
Azelis Sweden AB	Sweden	100.00
Azelis Finland Oy	Finland	100.00

13 Deferred tax

Changes during the year	2023 DKK	2022 DKK
Beginning of year	2,066,000	4,657,000
Recognised in the income statement	989,904	(2,591,000)
End of year	3,055,904	2,066,000

Deferred tax assets

The tax asset is included in the balance sheet based on the managements expectations to the result of the future operations of the company, and therefore naturally is subject to uncertainty. It is the managements assessment that the tax assets within a 5 year period, can be used in future positive taxable income.

14 Prepayments

Prepayments consist of prepaid expenses concerning rent and lease agreements for offices and cars as well as prepaid insurance premiums.

15 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK	Due after more than 12 months 2023 DKK	Outstanding after 5 years 2023 DKK
Payables to group enterprises	8,383,657	21,390,899	10,434,060
	8,383,657	21,390,899	10,434,060

16 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	16,921,353	18,306,254

Unrecognised rental and lease commitments consists of rent commitments of DKK 14,313,843 (DKK 17,091,708 in 2022) and operational leasing of DKK 2,607,510 (DKK 1,214,546 in 2022).

17 Contingent liabilities

No contingent liabilities exist at the balance sheet date.

18 Related parties with controlling interest

Azelis S.A., 19 Rue Gabriel Lippmann, L-6365 Munsbach Luxembourg, is the 100 % owner of Azelis Denmark A/S. All transactions with related parties have been conducted on market terms.

19 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

20 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest and largest group:

Akita Midco S.A.R.L., 19 Rue Gabriel Lippmann, L-6365 Munsbach Luxembourg.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium), with addition of a few provisions for reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year. Some reclassifications has been made to the comparison figures for balance sheet items.

Consolidated financial statements

Referring to section 112(1)/112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the

beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from equity investments comprises the proportionate share of profit/loss after tax and any adjustment

of internal profit/loss and less amortisation of consolidated goodwill.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

Balance sheet

Goodwill

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Estimated useful lives and residual values are reassessed annually.

Intellectual property rights etc

Intangible assets, including licences and acquired rights etc., are measured at cost less accumulated amortisation and impairment losses.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight line depreciation is made on the basis of the following estimated useful lives of the assets:

Concessions, patents, licens, trademarks and other similar rights	7-10 years
Goodwill	7 years
Supplier list	20 years

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	20 to 50 years
Plant and machinery	5 to 10 years
Other fixtures and fittings, tools and equipment	3 to 10 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount. Estimated useful lives and residual values are reassessed annually.

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and

doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (financial leases) are recognised in the balance sheet at the lower of the fair value of the leased assets 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 Company.

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.

Operating leases

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

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

In accordance with Act S. 86, para (4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement as the cash flow statement is included in the ultimate parent company.

Financial Highlights

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Ratios	Calculation formula	Calculation formula reflects
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.
Revenue per employee	$\frac{\text{Revenue}}{\text{Average number of employees}}$	The entity's productivity

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

“By my signature I confirm all dates and content in this document.”

Per Løwe Jacobsen

AZELIS DENMARK A/S CVR: 26991064

Bestyrelsesmedlem

Serial number: 774dc332-ffa9-419d-945e-797f39cd4de7

IP: 212.130.xxx.xxx

2024-03-21 06:50:07 UTC



Gert Allan Schnoor

Adm. direktør

Serial number: a33e2b1c-7a36-40b0-b912-7e5ccfabf9d9

IP: 212.130.xxx.xxx

2024-03-21 11:38:53 UTC



Gert Allan Schnoor

Bestyrelsesmedlem

Serial number: a33e2b1c-7a36-40b0-b912-7e5ccfabf9d9

IP: 212.130.xxx.xxx

2024-03-21 11:38:53 UTC



Thijs William Bakker

Bestyrelsesmedlem

Serial number: thijs.bakker@azelis.com

IP: 84.199.xxx.xxx

2024-03-21 13:09:10 UTC

Evy Hellinckx

Bestyrelsesformand

Serial number: evy.hellinckx@azelis.com

IP: 94.224.xxx.xxx

2024-03-21 14:12:19 UTC

Leif Ulbæk Jensen

Statsautoriseret revisor

On behalf of: PricewaterhouseCoopers Statsautoriseret...

Serial number: 4889818a-d929-4793-ace5-ca5171cc558e

IP: 83.136.xxx.xxx

2024-03-21 14:27:11 UTC



This document is digitally signed using **Penneo.com**. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service <penneo@penneo.com>**. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Anders Røjleskov

PRICEWATERHOUSECOOPERS STATS AUTORISERET
REVISIONSPARTNERSELSKAB CVR: 33771231

Statsautoriseret revisor

On behalf of: PricewaterhouseCoopers Statsautoriseret...

Serial number: da7faec0-7c63-4086-9ed7-371b65c19cd0

IP: 83.136.xxx.xxx

2024-03-21 14:37:29 UTC



Per Løwe Jacobsen

AZELIS DENMARK A/S CVR: 26991064

Dirigent

Serial number: 774dc332-ffa9-419d-945e-797f39cd4de7

IP: 212.130.xxx.xxx

2024-03-21 14:48:10 UTC



This document is digitally signed using **Penneo.com**. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service <penneo@penneo.com>**. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>