

Caldic Denmark A/S

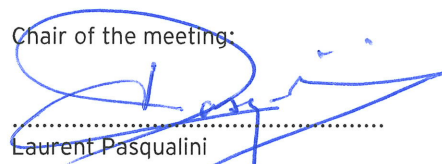
Mimersvej 1, 8722 Hedensted

CVR no. 32 47 89 80

Annual report 2022

Approved at the Company's annual general meeting on 27 June 2023

Chair of the meeting:



Laurent Pasqualini

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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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 Caldic Denmark A/S for the financial year 1 January - 31 December 2022.

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

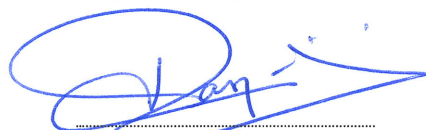
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

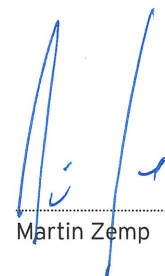
Hedensted, 27 June 2023
Executive Board:

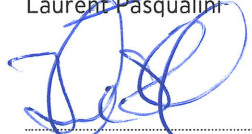

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Niklas Hugo Georg Ekman

Board of Directors:


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Laurent Pasqualini


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Niklas Hugo Georg Ekman


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Martin Zemp


.....
Johan Sundell

Independent auditor's report

To the shareholders of Caldic Denmark A/S

Opinion

We have audited the financial statements of Caldic Denmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

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.

Independent auditor's report

- ▶ 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Vejle, 27 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Lene Kamper Jørgensen
State Authorised Public Accountant
mne34456

Management's review

Company details

Name	Caldic Denmark A/S
Address, Postal code, City	Mimersvej 1, 8722 Hedensted
CVR no.	32 47 89 80
Established	8 October 2009
Registered office	Hedensted
Financial year	1 January - 31 December
Board of Directors	Laurent Pasqualini Niklas Hugo Georg Ekman Martin Zemp Johan Sundell
Executive Board	Niklas Hugo Georg Ekman
Auditors	EY Godkendt Revisionspartnerselskab Lysholt Allé 10, 7100 Vejle, Denmark

Management's review

Financial highlights

DKK'000	2022	2021	2020	2019	2018
Key figures					
Revenue	240,941	201,476	188,136	169,961	0
Gross profit	23,260	18,854	18,566	14,524	17,904
Profit/loss before financials	11,229	7,286	7,340	2,139	3,269
Net financials	-331	-519	-1,671	-1,492	-2,077
Profit for the year	8,499	5,273	4,493	505	929
Total assets					
Equity	46,084	37,587	32,291	27,828	27,333
Financial ratios					
Return on assets	13.7%	8.8%	8.9%	2.4%	4.3%
Equity ratio	57.8%	45.0%	40.7%	40.9%	34.4%
Return on equity	20.3%	15.1%	14.9%	1.8%	5.0%
Average number of full-time employees					
	10	11	11	11	12

For terms and definitions, please see the accounting policies.

Management's review

Business review

The activities of the company is within sale and distribution of industrial chemicals, pharma and personal care.

Products are sold on domestic and foreign markets.

On the Danish market the company is distributing non-food ingredients from various suppliers with whom the Company has long term relationships. The Danish market is the dominant market of the Company.

The export markets are dominated by the Nordic countries and EU, but there are also sales outside EU.

It is the Company's strategy to provide non-food ingredients to companies producing end-products to consumers. The strategy is to provide value added activities to commodities. The Company expects to further develop the current activities in cooperation with activities of the Caldic Group.

Recognition and measurement uncertainties

Recognition and measurement in the annual report have not been subject to any uncertainty.

Unusual matters having affected the financial statements

The financial position at 31 December 2022 of the Company and the results of the activities of the Company for the financial year for 2022 have not been affected by any unusual events.

Financial review

The income statement for 2022 shows a profit of DKK 8,499 thousand against a profit of DKK 5,273 thousand last year, and the balance sheet at 31 December 2022 shows equity of DKK 46,084 thousand.

Management considers the Company's financial performance in the year satisfactory.

Knowledge resources

A substantial part of the income is related to personal relationships between suppliers and customers. The company has obtained rights to sell restricted products in certain markets.

Research and development activities

A substantial part of the activities of the company is related to the continuous development of ingredients for non-food products in cooperation with the company suppliers.

Statutory CSR report

Social responsibility is of high importance within the Caldic Group and in order to comply with the social responsibility we have in the Caldic Group implemented a Caldic code of Conduct which each employee needs to sign upon employment. This is the basic principle for all conduct within the Caldic organisation.

Environment and Climate

The Caldic Code of Conduct implies that all employees of Caldic at any time will have focus on reducing climate changing behavior including reductions of scarce resources. This policy is followed by quaterly reporting to the Executive Board of the Caldic Group and there has been no violations reported of this Conduct in 2022.

In 2021 we have continuously worked on reducing the consumption of electricity. Gas and water and investments in production equipment with low energy consumption has been initiated. Besides financial measurements, accidents and nearby accidents are measured as an internal target reported to the Executive Board of Caldic Group on a quarterly basis. We are happy to know that there has been no accidents or nearby accidents in 2022 that could have environment or climate effect.

Management's review

Human rights

The Caldic Code of Conduct implies that all employees of Caldic at any time will give fair human rights to all individuals. This policy is followed by quarterly reporting to the Executive Board of the Caldic Group and there has been violations reporting of this Conduct in 2022. In 2022 all job interviews have ensured the ideal match of candidates based on competence match and fair human rights.

Safety

The safety of all individuals involved in Caldic's operations is given the highest priority at all times, hence each person employed at Caldic is responsible for remaining up-to-date on the main applicable safety and environmental laws and regulations. The precautionary measures implemented by Caldic with respect to safety and the environment must be applied at all times. Therefore, the Caldic Code of conduct is:

Each person must refrain from any conduct that could potentially give rise to dangerous situations.

All persons are required to immediately report any situation that could potentially undermine safety and/or harm the environment.

In order to ensure the environmental behavior and food safety standards, internal courses are conducted following ISO 9001 standards. Besides financial measurements, accidents and nearby accidents are measured as an internal target reported by the Board of Directors on a quarterly basis. We are happy to know that there has been no accidents or nearby accidents in 2021 that could have safety breach.

Employee relations

Caldic is committed to providing equal career opportunities to all qualified individuals, regardless of race, age, personal beliefs, skin color, religion, gender, sexual orientation or on any other grounds specified by the law. No form of discrimination based on these characteristics will be tolerated; everyone is required to treat his or her colleagues with respect and to be open and honest in their dealings with others. All job and appraisal interviews in 2022 have complied with this policy in accordance with the Caldic Code of Conduct.

Competition

Caldic will compete honestly and lawfully in the markets in which it operates, which means that the applicable competition laws and regulations will be complied with at all times. Therefore, the Caldic Code of Conduct is to:

Avoid anticompetitive practices at all times.

Limit interaction with competitors to legitimate business purposes.

Not enter into any verbal or written agreements that could potentially undermine competition laws and regulations.

Not enter into any verbal or written agreements with one or more competitors for the purpose of fixing prices or dividing markets.

In those cases where Caldic acts as distributor, persons employed at the company must refrain from exchanging information with the supplier about Caldic's customers.

There has in 2022 not been reported any non-compliance with this policy. During 2022 all sales and procurement staff is followed up regularly by the Executive Board to ensure the policy is complied with.

For any of the above policies within social responsibility a whistle blower rule is set for each employee to contact the managing director of the company or the CFO of Caldic Group.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

Management expects a modest revenue growth of about 5% and unchanged net profit for the year as compared to 2022. This is based on management's assumption of market uncertainties.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2022	2021
	Revenue	240,941	201,476
	Cost of sales	-211,670	-175,416
	Other operating income	51	85
	Other external expenses	-6,062	-7,291
	Gross profit	23,260	18,854
2	Staff costs	-6,785	-6,338
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-5,247	-5,228
	Profit before net financials	11,228	7,288
3	Financial income	693	206
4	Financial expenses	-1,024	-725
	Profit before tax	10,897	6,769
5	Tax for the year	-2,398	-1,496
	Profit for the year	8,499	5,273

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	<u>2022</u>	<u>2021</u>
	ASSETS		
	Fixed assets		
6	Intangible assets		
	Goodwill	2,727	7,748
		<u>2,727</u>	<u>7,748</u>
	Total fixed assets	<u>2,727</u>	<u>7,748</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	2,970	2,750
	Finished goods and goods for resale	15,968	9,155
		<u>18,938</u>	<u>11,905</u>
	Receivables		
	Trade receivables	28,790	26,168
	Receivables from group enterprises	0	117
	Other receivables	6,149	6,707
		<u>34,939</u>	<u>32,992</u>
	Cash	<u>23,138</u>	<u>30,819</u>
	Total non-fixed assets	<u>77,015</u>	<u>75,716</u>
	TOTAL ASSETS	<u><u>79,742</u></u>	<u><u>83,464</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	501	501
	Retained earnings	45,583	37,086
	Total equity	<u>46,084</u>	<u>37,587</u>
	Provisions		
	Deferred tax	346	321
	Total provisions	<u>346</u>	<u>321</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	21,270	26,928
	Payables to group enterprises	5,039	10,910
	Corporation tax payable	2,373	1,435
	Other payables	4,630	6,283
		<u>33,312</u>	<u>45,556</u>
	Total liabilities other than provisions	<u>33,312</u>	<u>45,556</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>79,742</u></u>	<u><u>83,464</u></u>

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Related parties
- 10 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2022	501	37,086	37,587
10	Transfer, see "Appropriation of profit"	0	8,499	8,499
	Fair value adjustment of hedging instruments	0	-2	-2
	Equity at 31 December 2022	<u>501</u>	<u>45,583</u>	<u>46,084</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Caldic Denmark A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Effective from the financial year 2022, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. 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.

Reporting currency

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

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation

The item comprises amortisation of intangible assets.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill	7 years
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Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life which is assessed at 7 years.

The estimated useful life has been determined by taking into consideration the business platform acquired including a strong brand and reputation as well as very loyal customers.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in group entities and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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 at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	<u>2022</u>	<u>2021</u>
2 Staff costs		
Wages/salaries	5,807	5,738
Pensions	336	384
Other social security costs	59	79
Other staff costs	583	137
	<u>6,785</u>	<u>6,338</u>
	<u>2022</u>	<u>2021</u>
Average number of full-time employees	<u>10</u>	<u>11</u>

The Company did not pay any remuneration to Management during the financial year.

DKK'000	<u>2022</u>	<u>2021</u>
3 Financial income		
Other interest income	547	133
Exchange adjustments	146	73
	<u>693</u>	<u>206</u>

DKK'000	<u>2022</u>	<u>2021</u>
4 Financial expenses		
Interest expenses, group entities	345	596
Other interest expenses	261	4
Exchange adjustments	416	125
Interest surcharges and tax recognised under net financials	2	0
	<u>1,024</u>	<u>725</u>

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2022	2021
5 Tax for the year		
Estimated tax charge for the year	2,378	1,472
Deferred tax adjustments in the year	20	13
Tax adjustments, prior years	0	11
	<u>2,398</u>	<u>1,496</u>

6 Intangible assets

DKK'000	Goodwill
Cost at 1 January 2022	41,313
Additions	226
Cost at 31 December 2022	<u>41,539</u>
Impairment losses and amortisation at 1 January 2022	33,565
Amortisation for the year	5,247
Impairment losses and amortisation at 31 December 2022	<u>38,812</u>
Carrying amount at 31 December 2022	<u>2,727</u>

7 Share capital

The Company's share capital has remained DKK 501 thousand in the past year.

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Danish group companies are jointly severally liable for tax on the jointly taxed income etc of the Group. The total amount of corporation tax payable is the sum of Caldic Denmark A/S payable and the payable disclosed in the annual report of Caldic Ingredients Denmark A/S which is the management company of the joint taxation purposes. Moreover, the Danish 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.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2022	2021
Rent and lease liabilities	<u>267</u>	<u>436</u>

Financial statements 1 January - 31 December

Notes to the financial statements

9 Related parties

Caldic Denmark A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Caldic B.V.	Rotterdam, Holland	100% ownership of shares

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Caldic Holdco B.V.	Rotterdam, Holland	Westerlaan 1, NL-3016 CK Rotterdam, Holland
Caldic B.V.	Rotterdam, Holland	Westerlaan 1, NL-3016 CK Rotterdam, Holland

Related party transactions

Caldic Denmark A/S was engaged in the below related party transactions:

<u>DKK'000</u>	<u>2022</u>	<u>2021</u>
Sales of goods to group enterprises	2,515	2,376
Purchase of goods from group enterprises	2,275	2,154
Management fee to group enterprises	5,042	5,570
Receivables from group enterprises	0	117
Payables to group enterprises	5,039	3,410
Loan from group enterprises	0	7,500

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Caldic B.V.	Rotterdam, Holland

<u>DKK'000</u>	<u>2022</u>	<u>2021</u>
10 Appropriation of profit		
Recommended appropriation of profit		
Retained earnings	8,499	5,273
	<u>8,499</u>	<u>5,273</u>

Caldric Denmark A/S

Mimersvej 1, 8722 Hedensted

CVR no. 32 47 89 80

Long-form audit report

dated 27 June 2023

in respect of the financial statements for 2022



Building a better
working world

Introduction

We have audited the financial statements of Caldric Denmark A/S (the Company) for 2022, which are prepared in accordance with the Danish Financial Statements Act. As part of our audit, we have read the Management's review.

The financial statements show the following key figures for the Company:

DKK'000	2022	2021
Profit for the year after tax	8,499	5,273
Total assets	79,742	83,464
Equity	46,084	37,587

In the following, we have described material matters which, in our opinion, are relevant to the Board of Directors.

If the Board of Directors approves the financial statements in their present form and provided that no additional information that may affect the financial statements is brought to our attention during the Board of Directors' discussion and approval of the financial statements, we will issue an unmodified auditors' report on the financial statements and a statement with no comments on the Management's review.

Our long-form audit report has been prepared solely for the use of the Board of Directors and should not be used by any other party or for any other purpose.

Account of the audit

We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit legislation. The objective and scope of the audit and the responsibility for the financial reporting are outlined in our long-form audit report dated 26 May 2022.

Risk assessment

In order to update our understanding and knowledge of the Company and events and circumstances pertaining to the Company and to assess the risk of material misstatement in the financial statements, we discussed with the general management the risk of material misstatement in the financial statements and the measures taken by Management to manage these risks, including measures to prevent, detect and correct misstatements.

In this connection, we assessed entity level controls and controls in selected critical accounting areas. Based on our discussions with the general management and our knowledge of the Company's

operations, industry and other matters, we identified no financial statement items which, in our opinion, are associated with significant risk of material misstatement in the financial statements, whether due to fraud or error.

An audit also includes assessing the reasonableness of the accounting estimates made. We focused on the estimates made in the financial statements for 2022.

Our risk assessment and the assessment of the risk of material misstatement of the financial statements remain unchanged compared to last year.

Based on the assessed risks of material misstatement in the financial statements, we have developed our audit strategy and plan for 2022.

Based on our audit strategy, we have established an audit plan to reduce the risk that we will not identify material misstatements in the financial statements to an acceptably low level.

Our audit was primarily planned based on a substantive approach, entailing sample testing of income statement, balance sheet and cash flow statement items and notes and other required disclosures, etc., against external and other documentation and the performance of substantive analytical procedures.

Substantive analytical procedures include an assessment of selected financial statement items by means of an analysis of the expected coherence between both financial and non-financial information.

Risk of fraud

We have planned and performed our audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error.

During our audit, we did not identify any matters indicating or raising suspicion of material misstatement of the disclosures in the financial statements due to fraud.

The Executive Board has informed us that, in its opinion, the Company's business procedures and internal controls in the identified risk areas are adequate and effective to address the risk of fraud and that appropriate segregation of duties has been established.

Further, the Executive Board has informed us that it is neither aware of any fraud nor of ongoing investigations of suspected fraud.

We consider the signatures on this long-form audit report a confirmation that the Board of Directors has no knowledge of such matters.

Non-segregation of duties

Since the Company has a limited number of administrative employees, it is not possible in all areas to establish effective segregation of duties and, thus, effective internal control.

We have discussed the lack of segregation of duties with Management, who acknowledges that it is aware that the matter implies increased risk of intentional and unintentional errors, omissions or irregularities, including misappropriation of assets, which could remain undetected.

Management has informed us that effective segregation of duties within all areas is not expedient taking into consideration the existing employees' roles.

We recommend Management, to the extent possible, that compensating controls be performed to prevent or detect the risk of errors, for example by reviewing accounting records, statements of accounts from banks, payment of wages and salaries and reconciliations. Management has informed us that it compensates for this by regular monitoring of the Company's activities and review of its financial reporting.

Other matters

Inventory

During the audit, we have discussed the inventory held at Tricolore for both Caldric Denmark A/S and Caldric Ingredients Denmark A/S. From our testing we have found that there is some uncertainty from Tricolore as to which inventory item belongs to which company.

This leads to an increased risk that the inventory recognized in the individual company is not accurate and might be either overstated or understated.

Management has informed us that they are aware of the potential risk, however they are certain that the registrations in Ax2012 are accurate and that the total inventory held by Tricolore is consistent with the combined balance booked and the audit did not give rise to any further comments.

We concur with management's assessment of the combined inventory.

Tax

During our audit of the financial statement, we checked the preliminary statement of financial income. We checked, at an overall level, that the tax adjustments have been made in accordance with applicable

tax rules. We are not aware of any matters giving rise to significant adjustments, on that what is reflected in the preliminary statement.

The Danish tax authorities have an increased focus on Transfer Pricing and there has been an increase in the fines regarding inappropriate documentation. We recommend that the company updates the Transfer Pricing documentation on a regular basis.

Transfer pricing

New rules are introduced on the submission of TP documentation for Danish entities and permanent establishments. The purpose is to clarify the concurrency/completion requirement for TP documentation, including in particular the Danish Tax Agency's right to impose TP increases based on estimated assessments in case of lacking, incomplete or late documentation. For estimated assessments, the burden of proof shifts from the Danish Tax Agency to the taxpayer.

For income years starting on or after 1 January 2021, TP documentation must be completed and submitted no later than 60 days after the submission deadline for the tax information sheet (previously the income tax return). The submission requirement applies to the collective TP documentation and thus comprises the Group's "master file" and the entity-specific report. The content requirement for the TP documentation remains unchanged.

The TP documentation must now be submitted within 60 days of the tax return. This means that the TP documentation (both the master file for the group and the local file for the Danish company) must be submitted for the financial year 2022 by the end of August 2023 at the latest.

In practice, if a TP documentation is not submitted to the Danish Tax Agency by 60 after a timely tax return for 2022, the Danish Tax Agency will have the right to issue fines for non-submission and fines of up to 250 t.kr. per legal entity per income year if the TP documentation is insufficient. At the same time, the burden of proof for the arm's length assessment shifts to the taxpayer.

We recommend that the Company's finance function to analyze the principles and documentation and pricing of intra-group transactions in order to fulfil the requirements as laid down in the statutory order issued by the Danish Central Customs and Tax Administration.

Furthermore we recommend that the management is aware of whether its operations can lead to permanent establishments abroad.

New Danish Bookkeeping Act

The new Danish Bookkeeping Act introduces a requirement for future digitalization. In addition, the Act clarifies and extends the requirement regarding accounting materials, including reconciliation material, memoranda and specifications for purposes of the annual report, etc., which entered into force on 1 July 2022. The requirement to prepare descriptions of procedures is effective for financial years beginning on or after 2 October 2022. The Danish Business Authority has prepared a template for this purpose, which is useful in particular for small and medium-sized enterprises.

Requirement for digital bookkeeping comprises i.a. the retention of registrations and the vouchers that document the registrations in a digital bookkeeping system. To begin with, focus will be on the retention of purchase and sales receipts in the bookkeeping system.

It is possible to choose a standard system, which is registered with and approved by the Danish Business Authority. If you choose a system, which has not been approved, you are responsible for ensuring that the system supports the provisions of the Act, including those regarding retention and backup of accounting records, general IT security requirements and automated, administrative processes.

On 1 February 2023, the Danish Business Authority announced that they expect that companies under a duty to keep accounting records must change to digital bookkeeping from 1 July 2024, but a final date depends on a political process.

The new requirements make significant demands on entities and require an update of descriptions, extension of the concept of accounting records and adaptation of processes, and may imply a need for implementing new systems to comply with the new digitalization requirement.

Uncorrected misstatements

During our audit, we identified the following misstatements that have not been corrected in the financial statements.

DKK'000	
Exchange differences regarding stock in transit	387
Total effect of uncorrected misstatements before tax	387
Tax effect	-85
Total effect of uncorrected misstatements on equity after tax at 31 December 2022	302

The executive board has confirmed to us that it considers the effects of the uncorrected misstatements, both individually and combined, immaterial to the financial statements. We have no comments in this respect.

Confirmation

We consider the signatures of the Board of Directors on this long-form audit report a confirmation that the Board of Directors has no knowledge of fraud or ongoing investigations of suspected fraud.

Vejle, 27 June 2023
EY Godkendt Revisionspartnerselskab

Lene Kamper Jørgensen
State Authorised
Public Accountant

Pages 71-74 were presented at the meeting on 27 June 2023.


Board of Directors:




Laurent Pasqualini



Niklas Hüge Georg Ekman



Martin Zemp



Johann Sundell