

Heraeus Comvance Denmark ApS

(Former OFS-UTD2 ApS)

Priorparken 611, DK-2605 Brøndby

Annual Report for

24 March 2023 – 31 March 2023

CVR No. 43 94 08 99

The Annual Report was
presented and adopted at the
Annual General Meeting of the
Company on 31/08/2023

Kristiyan Delev
Chairman of the General Meeting



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Management's Statement

The Executive Board have today considered and adopted the Annual Report of Heraeus Comvance Denmark ApS for the financial year March 24, 2023 - March 31, 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position as of March 31, 2023 of the Company and of the results of the Company operations for March 24, 2023 - March 31, 2023.

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

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

Brøndby, 31/08/2023

Executive Board

Per Kringhøj
Director

Ansgar Johannes Adalbert Meissner
Director

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Heraeus Comvance Denmark ApS for the financial year March 23, 2023 - March 31, 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position as of March 31, 2023 of the Company and of the results of the Company operations for March 23, 2023 - March 31, 2023.

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

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

Brøndby, 31/08/2022

Executive Board



Per Kringhøj
Director



Ansgar Johannes Adalbert Meissner
Director

Independent Auditor's Report To the Shareholders of Heraeus Comvance Denmark ApS

Opinion

We have audited the financial statements of for the financial period 24.03.2023 - 31.03.2023, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant 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 Entity's financial position at 31.03.2023 and of the results of its operations and cash flows for the financial period 24.03.2023 - 31.03.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed; we conclude that the management commentary 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 of the management commentary.

Copenhagen, 31 August 2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CYR No. 33 96 35 56

Eskild N. Jakobsen

Eskild Nørregaard Jakobsen

State Authorised Public Accountant

Identification No. (MNE) mne11681

Management's Review

Financial Statements of Heraeus Comvance Denmark ApS (former OFS-UTD2 ApS) for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The company has been established in March 2023 by transferring a transmission fiber part of the business from OFS Fitel Denmark ApS as a capital contribution.

Key activities

The objects for which the Company is established are to develop, produce and market high technology products within the fields of telecommunication and data transfer, and carry on all such other business activities as the executive management deems to the attainment of such objects.

Development in the year

The income statement of the company for 2023 shows a profit of 0 kDKK, and as of 31 March 2023 the balance sheet shows a balance of 171,061 kDKK and an equity of 168,645 kDKK.

Subsequent events

On 30 June 2023 the company has been sold to Heraeus Beteiligungsverwaltungsgesellschaft mbH.

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

Income Statement for 2023

	<u>Notes</u>	<u>2023 kDKK</u>
Net Profit/loss for the year	1	<u>0</u>

Balance Sheet 31 March 2023

Assets

	<u>Notes</u>	<u>2023</u> <u>kDKK</u>
Plant and machinery		65,487
Leasehold improvements		69,941
Property, plant and equipment	2	<u><u>135,428</u></u>
Fixed assets		<u><u>135,428</u></u>
Inventories	3	<u><u>19,217</u></u>
Deferred tax asset	5	3,800
Receivable from joint taxation		10,200
Receivables from group enterprises		2,416
Receivables		<u><u>16,416</u></u>
Cash at bank and in hand		<u><u>0</u></u>
Current assets		<u><u>35,633</u></u>
Assets		<u><u>171,061</u></u>

Balance Sheet 31 March 2023

Liabilities and Equity

	<u>Notes</u>	<u>2023 kDKK</u>
Share capital		40
Share premium		168,645
Retained earnings		0
Equity	4	<u>168,685</u>
Other payables		2,376
Short-term debt		<u>2,376</u>
Liabilities and equity		<u>171,061</u>
Contingent liabilities	6	
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Statement of Changes in Equity

	Share Capital kDKK	Retained earnings kDKK	Share premium kDKK	Total kDKK
Equity at 24 March 2023	40	0	0	40
Capital increase of 100 DKK	0	0	197,562	197,562
Adjustment for booked value method	0	0	-50,077	-50,077
Adjustment for booked value method (tax)	0	0	21,160	21,160
Net profit/loss for the year	0	0	0	0
Equity at 31 March 2023	<u>40</u>	<u>0</u>	<u>168,645</u>	<u>168,685</u>

Notes to the Financial Statements

1. Number of employees

By end March 2023 22 head counts were transferred to Heraeus Comvance Denmark ApS.

	Plant and machinery kDKK	Leasehold improvements kDKK	Total kDKK
2. Property, plant and equipment			
Cost at 24 March 2023	65,487	69,941	135,428
Cost at 31 March 2023	65,487	69,941	135,428
Carrying amount at 31 March	65,487	69,391	135,428
Depreciated over	3-15 years	7-15 years	

3. Inventories

Raw materials and consumables	16,699
Finished goods and goods for resale	2,518
	<u>19,217</u>

4. Equity

The share capital consists of 40,100 shares of a nominal value of DKK 1. No shares carry any special rights.

Notes to the Financial Statements

	2023
	kDKK
5. Deferred tax asset	
Deferred tax liability at 24 March 2024	-7,160
Adjustment for booked value method tax	21,160
Adjustment for joint taxation	-10,200
Deferred tax asset at 31 March	3,800

6. Contingent liabilities

The Company has a contractual commitment amounting to mDKK 30.6 for 5 years rental.

The Group companies of OFS Fitel Denmark Denmark ApS are jointly and severally liable for tax on the jointly taxed incomes etc. in these companies. 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 liabilities.

7. Related parties

Controlling interest	Basis
Furukawa Electric Co., Tokyo, Japan	Ultimate controlling shareholder
OFS Fitel Denmark ApS, Brøndby, Denmark	Immediate controlling shareholder

Consolidated Financial Statements

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

Name	Place of registered office
Furukawa Electric Co., Ltd.	Japan
OFS Fitel, LLC, Norcross, USA	USA

Notes to the Financial Statements

7. Related parties (continued)

The Group Annual Report of Furukawa Electric Co., Ltd. May be obtained at following address:

Furukawa Electric Co., Ltd.

6-1, Marunouchi, 2-chome, Chiyoda-ku

Tokyo 10-8322

Japan

The Group Annual Report of OFS Fitel, LLC, Norcross, USA may be obtained at the following address:

OFS Fitel, LLC

200 Northeast Expressway

Norcross, GA 30071

USA

8. Subsequent events

On 30 June 2023 the company has been sold to Heraeus Beteiligungsverwaltungsgesellschaft mbH.

Notes to the Financial Statements

9. Accounting Policies

The Annual Report of Heraeus Comvance Denmark ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Connected to the acquisition and disposal of equity interest controlled by Parent Company, the booked value is applied and meaning that the comparative figures are not restated.

The Financial Statements for 2023 are presented in DKK.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

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

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

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

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement consider predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognized directly in equity.

Notes to the Financial Statements

9. Accounting Policies (continued)

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

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

Revenue

Revenue from the sale of goods is recognized 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.

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

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labor costs and indirect production costs such as maintenance and depreciation, etc., as well as operation, administration and management of factories.

Cost of sales also includes research and development costs that do not qualify for capitalization as well as amortization of capitalized development costs. Furthermore, amortization of goodwill is included to the extent that goodwill relates to production activities. Finally, provisions for losses on contract work are recognized.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc. Amortization of goodwill is also included to the extent that goodwill relates to distribution activities.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortization of goodwill is also included to the extent that goodwill relates to administrative activities.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Notes to the Financial Statements

9. Accounting Policies (continued)

Financial income and expenses

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

Tax on profit/loss for the year

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

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use in the case of assets of own construction, cost comprises direct and indirect expenses for labor, materials, components and sub-suppliers.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognized in cost over the period of construction. All indirectly attributable borrowing expenses are recognized in the income statement.

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

Plant and machinery 3-15 years

Other fixtures and fittings, tools and equipment 3-5 years

Leasehold improvements 7-15 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Notes to the Financial Statements

9. Accounting Policies (continued)

Inventories

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

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

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

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

Receivables

Receivables are recognized in the balance sheet at amortized cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions, and interest.

Provisions

Provisions are recognized when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation, and it is probable that economic benefits must be given up settling the obligation.

Deferred tax assets and liabilities

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

Deferred tax assets are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured based on the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

Notes to the Financial Statements

9. Accounting Policies (continued)

Current tax receivables and liabilities

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

Financial debts

Debts are measured at amortized cost, substantially corresponding to nominal value.

