

HERAEUS COMVANCE DENMARK APS

PRIORPARKEN 611, 2605 BRØNDBY

ANNUAL REPORT

1 APRIL - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 28 June 2024**

Kristiyan Delev

CVR NO. 43 94 08 99

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COMPANY DETAILS

Company	Heraeus Comvance Denmark ApS Priorparken 611 2605 Brøndby
	CVR No.: 43 94 08 99
	Established: 24 March 2023
	Municipality: Brøndby
	Financial Year: 1 April - 31 December
Executive Board	Ansgar Johannes Adalbert Meissner Per Kringhøj
Auditor	KPMG P/S Dampfærgevej 28 2100 København Ø

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Heraeus Comvance Denmark ApS for the financial year 1 April - 31 December 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 Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 April - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Brøndby, 28 June 2024

Executive Board

Ansgar Johannes Adalbert
Meissner

Per Kringhøj

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Heraeus Comvance Denmark ApS

Qualified opinion

We have audited the financial statements of Company for the financial year 1 April - 31 December 2023, comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the possible effects of the matters described in the "Basis for qualified opinion" section of our report, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 April - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

During our audit procedures, we identified that the inventory system utilized by the company was not integrated with the ERP system. This significantly impeded our ability to reconcile inventory records and verify their existence and completeness. Despite conducting physical counts of the inventory, the lack of integration between the systems and the resulting reconciliation discrepancies hindered our ability to obtain sufficient appropriate audit evidence regarding existence and completeness of quantities of inventory as of 31 December 2023 and the respective impact on the cost of goods sold.

We conducted our audit in accordance with International Standard 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 qualified 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 that 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 may 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 financial statement users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT

- identify and assess the risks of material misstatement of the company 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.

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.

København Ø, 28 June 2024

KPMG P/S
CVR no. 25 57 81 98

Simon Vinberg Andersen
State Authorised Public Accountant
MNE no. mne35458

MANAGEMENT'S REVIEW

Principal activities

The principal activities comprise 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.

Profit/loss for the year compared to the expected development

The income statement of the company for 2023 shows a loss of -37.234 (000)DKK, and as of 31 December 2023 the balance sheet of the company shows an equity of 131.451 (000)DKK.

The management finds the development for the year as expected.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 APRIL - 31 DECEMBER

	Note	2023 DKK '000	24-31 marts 2023 DKK '000
GROSS LOSS		-14.370	0
Staff costs.....	1	-12.274	0
Depreciation, amortisation and impairment losses for tangible and intangible assets.....		-13.754	0
OPERATING LOSS		-40.398	0
Other financial income.....		230	0
Other financial expenses.....	2	-922	0
LOSS BEFORE TAX		-41.090	0
Tax on profit/loss for the year.....	3	3.856	0
LOSS FOR THE YEAR		-37.234	0
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		-37.234	0
TOTAL		-37.234	0

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2023 DKK '000	31 Marts 2023 DKK '000
Production plant and machinery.....		50.485	53.494
Other plant, fixtures and equipment.....		4.307	5.684
Leasehold improvements.....		66.886	76.250
Tangible fixed assets in progress and prepayments for tangible fixed assets.....		2.783	0
Property, plant and equipment.....	4	124.461	135.428
NON-CURRENT ASSETS.....		124.461	135.428
Expenses for raw materials and consumables.....		12.511	16.698
Work in progress.....		2.782	0
Finished goods and goods for resale.....		729	2.519
Inventories.....		16.022	19.217
Trade receivables.....		3.377	0
Receivables from group enterprises.....		5.646	2.416
Deferred tax assets.....		0	3.800
Other receivables.....		12.841	0
Joint tax contribution receivable.....		0	10.200
Prepayments.....		1.076	0
Receivables.....		22.940	16.416
Cash and cash equivalents.....		8.356	0
CURRENT ASSETS.....		47.318	35.633
ASSETS.....		171.779	171.061

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2023 DKK '000	31 Marts 2023 DKK '000
Share Capital.....		40	40
Share Premium.....		168.645	168.645
Retained earnings.....		-37.234	0
EQUITY.....		131.451	168.685
Provisions for deferred tax.....		607	0
PROVISIONS.....		607	0
Trade payables.....		3.178	0
Debt to Group companies.....		34.643	0
Other liabilities.....		1.900	2.376
Current liabilities.....		39.721	2.376
LIABILITIES.....		39.721	2.376
EQUITY AND LIABILITIES.....		171.779	171.061
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EQUITY

DKK '000	Share Capital	Share Premium	Retained earnings	Total
Equity at 1 April 2023.....	40	168.645	0	168.685
Proposed profit allocation.....			-37.234	-37.234
Equity at 31 December 2023.....	40	168.645	-37.234	131.451

NOTES

	2023 DKK '000	24-31 marts 2023 DKK '000	Note
Staff costs			1
Average number of full time employees	25	1	
Wages and salaries.....	8.562	0	
Pensions.....	1.616	0	
Social security costs.....	1.648	0	
Other staff costs.....	448	0	
	12.274	0	
Other financial expenses			2
Interest expenses to group enterprises.....	591	0	
Other interest expenses.....	331	0	
	922	0	
Tax on profit/loss for the year			3
Adjustment of deferred tax.....	-3.856	0	
	-3.856	0	
Property, plant and equipment			4
		Other plant, fixtures and equipment	
DKK '000	Production plant and machinery		
Cost at 1 April 2023.....	98.022	21.694	
Cost at 31 December 2023.....	98.022	21.694	
Depreciation and impairment losses at 1 April 2023.....	40.375	16.612	
Depreciation for the year.....	7.162	775	
Depreciation and impairment losses at 31 December 2023...	47.537	17.387	
Carrying amount at 31 December 2023.....	50.485	4.307	
		Tangible fixed assets in progress and prepayments for tangible fixed assets	
DKK '000	Leasehold improvements		
Cost at 1 April 2023.....	112.100	0	
Additions.....	0	2.783	
Cost at 31 December 2023.....	112.100	2.783	
Depreciation and impairment losses at 1 April 2023.....	39.397	0	
Depreciation for the year.....	5.817	0	
Depreciation and impairment losses at 31 December 2023...	45.214	0	
Carrying amount at 31 December 2023.....	66.886	2.783	

NOTES

	Note
Contingencies etc.	5
Contingent liabilities The Company has a contractual commitment amounting to (000)DKK 30,600 for 5 year's rental.	
Consolidated Financial Statements The company figures in the group financial statement of Heraeus Holding GmbH, Heraeusstrasse 12-14, D - 63450 Hanau/Main.	6

ACCOUNTING POLICIES

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

The Annual Report is prepared consistently with the accounting principles applied last year.

Comparative figures

The comparative figures in the Income Statement are not comparable with the current year because last year's figures cover a transition period of seven days while the current year covers 9 months.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

ACCOUNTING POLICIES

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Production plant and machinery.....	3-15 years	0
Other plant, fixtures and equipment.....	3-5 years	0
Leasehold improvements.....	7-15 years	0

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of tangible assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct production cost.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

The amortised cost of current liabilities corresponds usually to the nominal value.