
NLM A/S

Blåkildevej 27, DK-5750 Ringe

Annual Report for 2023

CVR No. 44 50 62 89

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 21/2 2024

Nicolai Elstrøm
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Financial Highlights	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance sheet 31 December	8
Statement of changes in equity	10
Notes to the Financial Statements	11

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of NLM A/S for the financial year 1 January - 31 December 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 at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, 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.

Ringe, 21 February 2024

Executive Board

Per Leth Sørensen
Manager

Board of Directors

Thomas Videbæk
Chairman

Rasmus Philip Buhl Lokvig
Vice chairman

Thomas Lægdsmand Ågren

Peter Ryttergaard

Anne Charlotte Roepstorff Lawaetz
Arhning

Independent Auditor's report

To the shareholder of NLM 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 NLM 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 ("the 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.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 21 February 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Kristian Højgaard Carlsen

State Authorised Public Accountant

mne44112

Mette Holy Jørgensen

State Authorised Public Accountant

mne34359

Company information

The Company	NLM A/S Blåkildevej 27 DK-5750 Ringe CVR No: 44 50 62 89 Financial period: 1 January - 31 December Incorporated: 15 December 2023 Financial year: 1st financial year Municipality of reg. office: Faaborg-Midtfyn
Board of Directors	Thomas Videbæk, chairman Rasmus Philip Buhl Lokvig, vice chairman Thomas Lægdsmand Ågren Peter Ryttergaard Anne Charlotte Roepstorff Lawaetz Arhning
Executive Board	Per Leth Sørensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 1-year period, the development of the Company is described by the following financial highlights:

	<u>2023</u>
	TDKK
Key figures	
Profit/loss	
Gross profit/loss	52,748
Profit/loss of ordinary primary operations	47,898
Profit/loss of financial income and expenses	-4
Net profit/loss for the year	37,371
Balance sheet	
Balance sheet total	73,739
Investment in property, plant and equipment	387
Equity	53,191
Number of employees	8
Ratios	
Return on assets	65.0%
Solvency ratio	72.1%
Return on equity	140.5%

Management's review

Key activities

The company's activity consists of the handling and recycling of industrial residual products as well as the processing and recovery/disposal of waste products in Denmark and abroad.

The subsidiary NLM France Sarl provides assistance in connection with the sourcing of residual products for NLM A/S.

Development in the year

The income statement of the Company for 2023 shows a profit of DKK 37,370,944, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 53,191,226.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 December 2023 of the Company and the results of the activities and cash flows of the Company for the financial year for 2023 have not been affected by any unusual events.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2023
		DKK
Gross profit/loss		52,748,331
Staff expenses	1	-4,204,095
Earnings Before Interest Taxes Depreciation and Amortization		48,544,236
Depreciation and impairment losses of property, plant and equipment		-646,408
Profit/loss before financial income and expenses		47,897,828
Income from investments in subsidiaries		91,982
Financial income		236,248
Financial expenses		-332,468
Profit/loss before tax		47,893,590
Tax on profit/loss for the year	2	-10,522,646
Net profit/loss for the year	3	37,370,944

Balance sheet 31 December

Assets

	Note	2023
		DKK
Plant and machinery		2,485,186
Other fixtures and fittings, tools and equipment		0
Property, plant and equipment	4	2,485,186
Investments in subsidiaries	5	2,006,136
Fixed asset investments		2,006,136
Fixed assets		4,491,322
Raw materials and consumables		1,774,100
Finished goods and goods for resale		9,790,254
Inventories		11,564,354
Trade receivables		8,165,053
Receivables from group enterprises		49,370,986
Other receivables		118,928
Prepayments	6	28,396
Receivables		57,683,363
Current assets		69,247,717
Assets		73,739,039

Balance sheet 31 December

Liabilities and equity

	Note	2023
		DKK
Share capital		400,000
Reserve for net revaluation under the equity method		91,982
Retained earnings		50,699,244
Proposed dividend for the year		2,000,000
Equity		53,191,226
Provision for deferred tax	7	373,018
Provisions		373,018
Trade payables		6,984,562
Payables to group enterprises		1,179,000
Corporation tax		10,595,926
Other payables		1,415,307
Short-term debt		20,174,795
Debt		20,174,795
Liabilities and equity		73,739,039
Contingent assets, liabilities and other financial obligations	8	
Related parties	9	
Subsequent events	10	
Accounting Policies	11	

Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Net effect from merger and acquisition under the uniting of interests method	400,000	0	15,420,282	0	15,820,282
	400,000	0	15,420,282	0	15,820,282
Net profit/loss for the year	0	91,982	35,278,962	2,000,000	37,370,944
Equity at 31 December	400,000	91,982	50,699,244	2,000,000	53,191,226

Notes to the Financial Statements

	<u>2023</u>
	DKK
1. Staff Expenses	
Wages and salaries	3,676,695
Pensions	371,193
Other social security expenses	89,421
Other staff expenses	<u>66,786</u>
	<u>4,204,095</u>
Including remuneration to the Executive Board and Board of Directors	<u>1,720,582</u>
Average number of employees	<u>8</u>
	<u>2023</u>
	DKK
2. Income tax expense	
Current tax for the year	10,595,926
Deferred tax for the year	<u>-73,280</u>
	<u>10,522,646</u>
	<u>2023</u>
	DKK
3. Profit allocation	
Proposed dividend for the year	2,000,000
Reserve for net revaluation under the equity method	91,982
Retained earnings	<u>35,278,962</u>
	<u>37,370,944</u>

Notes to the Financial Statements

4. Property, plant and equipment

	Plant and machinery	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1. January	0	0
Net effect from merger and acquisition	5,352,964	59,351
Additions for the year	386,505	0
Cost at 31. December	<u>5,739,469</u>	<u>59,351</u>
Impairment losses and depreciation at 1. January	0	0
Net effect from merger and acquisition	2,607,875	59,351
Depreciation for the year	646,408	0
Impairment losses and depreciation at 31. December	<u>3,254,283</u>	<u>59,351</u>
Carrying amount at 31. December	<u>2,485,186</u>	<u>0</u>
Amortised over	<u>3-15 years</u>	<u>3-5 years</u>

2023

DKK

5. Investments in subsidiaries

Cost at 1 January	0
Net effect from merger and acquisition	1,914,154
Cost at 31 December	<u>1,914,154</u>
Net profit/loss for the year	91,982
Value adjustments at 31 December	<u>91,982</u>
Carrying amount at 31 December	<u>2,006,136</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
NLM France Sarl	Lyon, France	TEUR 80	100%

Notes to the Financial Statements

6. Prepayments

Prepayments consist of prepaid expenses concerning insurance premiums and subscriptions.

	<u>2023</u>
	DKK
7. Provision for deferred tax	
Amounts recognised from demerger	446,298
Amounts recognised in the income statement for the year	<u>-73,280</u>
Deferred tax liabilities at 31 December	<u>373,018</u>

8. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of CC NLM Invest ApS, which is the management company of the joint taxation purposes. Moreover, the 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.

The company has provided limited security of mDKK 18 for group companies' balances with banks and finance companies.

As security for the group's balance with the bank, the company has entered into a mortgaging ban.

Notes to the Financial Statements

9. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
CC NLM Invest ApS	parent company

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
NLM Vantinge A/S	Vantinge
NLM Vantinge Group Holding ApS	Vantinge

10. Subsequent events

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

Notes to the Financial Statements

11. Accounting policies

The Annual Report of NLM A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of NLM Vantinge A/S, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of NLM Vantinge A/S, the Company has not prepared a cash flow statement.

Recognition and measurement

All expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised 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 recognised 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.

Translation policies

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 recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with the parent company. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Notes to the Financial Statements

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.

Interest expenses on loans are not recognised in cost during construction and reconstruction periods.

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Inventories

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

The net realisable 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 and costs of completion. The net realisable 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 labour.

Notes to the Financial Statements

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

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

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of 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 crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Return on assets

Profit/loss of ordinary primary operations x 100 / Total assets at year end

Solvency ratio

Equity at year end x 100 / Total assets at year end

Return on equity

Net profit for the year x 100 / Average equity