

Mariager Salt Specialties

Hadsundvej 17
DK-9550 Mariager
Denmark

CVR no. 41 95 04 20

Annual report for the period 1 July 2022 – 30 June 2023

The annual report was presented and approved at
the Company's annual general meeting on

18 December 2023

Hubert Michel Marie Joseph Francois

Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Mariager Salt Specialties A/S for the financial year 1 July 2022 – 30 June 2023.

The annual report has been prepared 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 30 June 2023 and of the results of the Company's operations and cash flows for the financial year 1 July 2022 – 30 June 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Mariager, 18 December 2023

Executive Board:

Rickard Hedin

Board of Directors:

Hubert Michel Marie Joseph
Francois
Chairman

Rickard Hedin

Philippe Léonce Gaudron



Independent auditor's report

To the shareholder of Mariager Salt Specialties A/S

Opinion

We have audited the financial statements of Mariager Salt Specialties A/S for the financial year 1 July 2022 – 30 June 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, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2023 and of the results of the Company's operations and cash flows for the financial year 1 July 2022 – 30 June 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 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.

Management's responsibility 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 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 made 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 Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 18 December 2023

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Niklas R. Filipsen
State Authorised
Public Accountant
mne 47781

Mariager Salt Specialties A/S
Annual report 2022/23
CVR no. 41 95 04 20

Management's review

Company details

Mariager Salt Specialties A/S
Hadsundvej 17
9550 Mariager
Denmark

CVR no.:	41 95 04 20
Established:	15 December 2020
Registered office:	Mariager
Financial year :	1 July – 30 June

Board of Directors

Hubert Michel Marie Joseph Francois, Chairman
Rickard Hedin
Philippe Léonce Gaudron

Executive Board

Rickard Hedin

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
8000 Aarhus C
Denmark
CVR no. 25 57 81 98

Management's review

Financial highlights

DKK'000	1/7 2022 - 30/6 2023	1/1 2022 - 30/6 2022	15/12 2020- 31/12 2021
Key figures			
Revenue	495,799	214,296	208,352
Gross profit	138,672	67,369	69,806
Operating profit	21,733	5,863	21,980
Loss from financial income and expenses	-1,835	-924	-786
Profit for the period	18,899	7,212	16,933
Total assets			
Equity	101,379	82,480	75,267
Investment in property, plant and equipment	3,058	8	4,759
Ratios			
Solvency ratio	50.6%	44.8%	51.9%

The financial ratios have been calculated as follows:

Solvency ratio

$$\frac{\text{Equity at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$$

Management's review

Operating review

Principal activities

Mariager Salt Specialties A/S buys wet high purity vacuum salt from its main supplier Dansk Salt A/S, where we dry the salt, sell and distribute it loose and packed. We operate across multiple markets and have a wide range of product categories to provide salt for a diverse customer base.

Mariager Salt Specialties A/S differentiates between seven product categories, with a specialised product offering which is manufactured under a dedicated brand for its core products.

Development in activities and financial position

The income statement of the Company shows a profit of DKK 18,899 thousand for 2022/23 as against a profit of DKK 7,212 thousand for the period 1 January - 30 June 2022 and on 30 June 2023, equity stood at DKK 101,379 thousand as against DKK 82,480 thousand at 30 June 2022.

2022/23 has been a solid financial year for Mariager Salt Specialties A/S. After a turbulent beginning to the year with extraordinary increases in energy costs and raw material prices, we managed to increase our sales prices in the market to safeguard our long-term commitments and bottom-line performance. Our position as a long-term reliable partner and working with and towards a very strong customer base have been two of the main factors behind our solid 2022/23 performance.

Results for the financial year 2022/23 surpassed our expectations set last year, exceeding the projected range of DKK 10-15 million. Management is satisfied with the strong financial performance.

Targets and expectations for the year ahead

As we set our sights on the 2023/24 financial year, we hold strong expectations for a solid performance in the market and enhanced financial results, predominantly delivered by sustaining price increases. Although we acknowledge that the pricing adjustments may have some impact on our sales volumes in certain markets and segments, we remain resolute in our market expertise and the quality of our products, enabling us to maintain and protect our market share.

We have launched the new year as expected with good sales volumes across all markets and industries.

In the light of these considerations, Management expects an increase in revenue of 4-6% projecting a range between DKK 510-525 million. In line with this, Management anticipates an increase in results to expected levels of DKK 30-50 million.

Intellectual capital

For Mariager Salt Specialties A/S, it is vital that the employees possess the right competences. In connection with Mariager Salt Specialties A/S' business strategy (the Gameplan), core qualifications and critical competences for the different business areas have been defined.

Research and development activities

Mariager Salt Specialties A/S' research and development activities primarily focus on various development initiatives within product range and our production facility.

We have a constant awareness on market requirements where we strive to adapt our products to fit our customers in the best possible way. Currently we are working on the development of a new product category, brine (saturated salt) for some food customers. Brine is typically evaporated, dried, and then sent to customers who subsequently dissolve the salt for their use. Instead, we aspire to develop methods on how to sell and distribute brine, so we can save customers' time and energy in dissolving the dried salt.

Management's review

Operating review

In addition, various development activities and optimisation are carried out in production, with a particular focus on environmental awareness. In the financial year 2022/23, microsalt production was optimised, where we implemented a procedure on how to reuse the additive Sipernat in the process instead of sending it to landfill. This is a more efficient approach both in relation to the environment and cost-effectiveness.

Risks

The Company's risk exposure

Operating risks

The most apparent business risk Mariager Salt Specialties A/S is exposed to is market development and the ability to have a strong position in the markets where we operate. We continuously invest in production and market development to secure a positive trend in revenue and results. Our broad market foundation and our diverse customer base enable a risk spread on product categories and markets.

The most important raw material we buy is the wet high purity vacuum salt from Dansk Salt A/S. Although we see price developments in the raw material due to fluctuations in energy prices, we focus on adapting the sales prices accordingly. Competing business and products will, to a large extent, be exposed to the same development in raw material prices.

Financial risks

Financial risk management is fully integrated at the level of the Salins group, with the purpose of ensuring optimal financing and reducing risks related to exchange rates.

As a result of foreign-currency transactions, results and cash flows are affected by movements in several exchange rates, mainly the Euro and Scandinavian currencies.

We do not undertake our own hedging of commercial exchange rate risks.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2022/23.

Corporate social responsibility

The CSR statement is provided in accordance with the legal framework of the Danish Financial Statements Act, section 99a.

Environmental matters

Mariager Salt Specialties A/S are working in a dedicated manner with our impact on the environment and nearby communities. It is an integrated part of how we do business, and how we establish our working processes. Our organisation's processes and way of working are important to us and are something we communicate clearly to all employees through our quality management system, D4InfoNet.

Management's review

Operating review

In 2023, we initiated an independent sustainability assessment from EcoVadis, who provides business sustainability ratings. EcoVadis' assessment measures the sustainability performance of Mariager Salt Specialties A/S focusing on four key areas: environment, ethics, human rights & labor practices and sustainable procurement. The overall score was 66 out of 100, which means that Mariager Salt Specialties A/S has received a top 25% rating across 100,000+ companies that have participated world-wide. As a responsible supplier of specialty salt products, we take pride in our sustainability efforts, hence it motivates our desire to reach the next level and improve for the 2024 EcoVadis rating. Sustainable procurement policy is one of the key areas for further development, defining responsibilities and accountabilities with appropriate mechanisms for Management monitoring, where internal and external communication is essential to create a proactive procurement policy.

At Mariager Salt Specialties A/S we are among others certified to ISO 14001:2015 "Environmental management incl. energy". This certification specifies the requirements for an environmental management system that an organisation can use to enhance its environmental performance. We intend to manage our environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability. Within our management system, D4InfoNet, we have policies and procedures in place for seven key areas of sustainability which we work actively with:

Resources

We monitor and register energy consumption, electricity, steam and heat from our production to set goals for reduction of emissions. We do this in collaboration with Dansk Salt A/S, who we share our production site with. Our first year with our own stand-alone reduction targets, will be the financial year 2023/24. The specific actions and goals are further described in the climate impact section.

Air

We seek to reduce air-pollution. Our Company has a well-established foundation in the local community, and we want to take active responsibility in reducing air-pollution with certain focus on emissions from transport of goods. Currently we are working with actions to reduce internal logistics by expanding production-near warehouses instead of shipping to external warehouses.

Water

We have policies in place to comply with the wastewater discharge agreement that Dansk Salt A/S has with the Mariager Fjord Municipality. We discharge wastewater via the public sewage system to the municipality's wastewater treatment plant. Surface water is discharged to the Mariager Fjord, where we follow specific regulations to sustain biodiversity and surface water. We continuously monitor our discharge for contamination, etc. We have not encountered any incidents of contamination.

Soil

Policies for receiving, storing, and handling chemicals and associated spills that could potentially impact the soil.

Waste

Through our close partnership and cooperation with our supplier and landlord, Dansk Salt A/S, we have policies for recycling, reuse of waste material and sorting. It remains a high focus area for us to recycle as much as possible from our production and packaging, which is why we leverage from the agreement Dansk Salt A/S has with approved external waste handlers that support us in the disposal and pick-up of sorted material.

Noise

We strive to maintain minimal noise levels at our production facility to avoid any potential disruption to the local community. Our production site is situated within a summer house area, and it is of utmost importance to us that our neighbours are not inconvenienced by any noise.

External safety (fire)

The possibility of fires occurring within our production facilities has the potential to impact our surrounding environment. To mitigate this risk, policies have been established for fire alarms, security companies conducting daily patrols, and 24/7 staffing in our control room. Furthermore, all employees are trained in first aid and first-in-line firefighters.

Management's review

Operating review

Climate impact

We remain committed to a sustainable future and continue to focus on regularly improving our environmental footprint and supplying products that deliver premium sustainability benefits for our customers. We have short-term and long-term targets that we are working on to improve our climate impact.

Within our production facility, we are actively working with our main supplier of salt, Dansk Salt A/S, to reduce emissions. The targets are spanning from short-term to long-term targets.

- 25% reduction of carbon emissions between 2020 and 2025
- 50% reduction in carbon emissions by 2030 (70% compared to 1990)
- 66% share of renewable energy by 2030 (50% by 2025)
- 100% carbon neutral in 2040.

Our short-term energy and environment targets for 2023/24 have been agreed upon and lean against our environmental policies in terms of reduction in energy and emissions.

Goals for 2022/23

Waste salt with Sipernat (monitoring of sipernat level in waste salt) < 100 kg for 2022/23

Reduction in energy consumption in the drying process of food and feed salt (specific investments in isolation of dryer can potentially save a lot of energy) < 119,000 Kwh for 2022/23

Employee health and safety

Health and safety is an integrated part of our daily work at Mariager Salt Specialties A/S. We are actively working to prevent injuries and health risks for employees and contractors while minimising environmental impacts. Through health and safety management and environmental management (certified to ISO 45001 and ISO 14001 standards), along with appropriate technology, processing and disposal protocols, we aim to limit the health and environmental impact on our employees, partners, the external environment, as well as products and other activities.

In our health and safety management system, we have policies and procedures in place for the following:

- Health and safety detailed risk assessment (unique risk assessment document)
- Supply of protective equipment to all employees
- Specific procedures for the handling of chemicals or hazardous substances
- Health and safety procedures
- Joint labor management health and safety committee in operation
- Active preventive measures for stress and noise
- Training of all involved employees on health and safety risks and good working practices
- Medical check-ups are mandatory for all production employees
- Training on health and safety issues for subcontractors working on sites
- Regular inspection or audit to ensure the safety of equipment.

Every year Mariager Salt Specialties A/S determines new improved goals to accommodate our health and safety policies.

Management's review

Operating review

For the reporting year 2023/24, the following goals have been agreed upon:

Workplace incidents for employees and externals (absences, reassignments, medical treatment)

FY22/23 (goal): 0

FY22/23 (realised): 4

FY23/24 (goal): 0

Sick-leave (Joint goal with Dansk Salt A/S) (Short term)

FY22/23 (goal): <1.3 %

FY22/23 (realised): 2.53 %

FY23/24 (goal): <1.3 %

Near incidents/dangerous situations/conditions (Joint goal with DS) (Near-miss and hazards)

FY22/23 (goal): <160

FY22/23 (realised): 196

FY23/24 (goal): <200

Near-miss and hazards mitigation actions (Joint goal with DS) (Based on the 200 situation goal)

FY22/23 (goal): 75%

FY22/23 (realised): 92%

FY23/24 (goal): 80%

Employees perform/participate in at least one coached ABS observation during the year ((Joint goal with DS) (ABS = Behavior-based safety)

FY22/23 (goal): 100%

FY22/23 (realised): 90.45 %

FY23/24 (goal): 100 %

ABS observations (Joint goal with Dansk Salt A/S) - per month per employee

FY22/23 (goal): 1

FY22/23 (realised): 1.02

FY23/24 (goal): 1

ABS observations on external staff - per year per employee

FY22/23 (goal): N/A - new for 2023/24

FY22/23 (realised): N/A - new for 2023/24

FY23/24 (goal): 1

ABS observation with suggestion for safety improvement (Joint with DS) (Goal for the total observations for the year)

FY22/23 (goal): > 25%

FY22/23 (realised): 17.1%

FY23/24 (goal): > 25%

Employee participation in Teksam examination (Psychological APV) (Workplace investigation in psychological environment)

FY22/23 (goal): N/A - new for 2023/24

FY22/23 (realised): N/A - new for 2023/24

FY23/24 (goal): > 80%

Working and social environment

Mariager Salt Specialties A/S is committed to take social responsibility, primarily for our own employees, to prevent labour market exclusion. We strive, to the extent possible, to retain employees who, due to illness or physical, mental, or social reasons, cannot continue in their current roles.

Management's review

Operating review

In cooperation with Dansk Salt A/S, we have a programme in place to support people on the edge of the labor market, supporting with protective jobs where they work as much as they can, holding a job, meeting colleagues and where they perform valuable work that gives a higher self-esteem.

We initiate programmes that promote the physical health and well-being of each employee, including supporting initiatives that positively influence employees' tobacco, alcohol, exercise, and dietary habits in a health-promoting direction.

We organise work to create a positive mental work environment where each employee thrives and develops. This is surveyed every three years in a psychosocial workplace assessment which is performed by a third party. The survey results in a report which is being worked on by our working environment groups, who also agrees on the actions that need to be performed in each department to maintain a great workplace.

Mariager Salt Specialties A/S provides a safe, clean, and healthy working environment that complies with all relevant laws, rules, and regulations. Additional leave beyond standard vacation days and flexible work is available for employees (e.g. home office).

Human rights

Mariager Salt Specialties A/S and any third party working with us must comply with all labour laws in the jurisdictions where it operates. We will not engage in, or do business with any third party engaging in, the use of forced or involuntary labour, human trafficking or child labour. We recognise the human rights of all people as outlined in the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

All suppliers undergo a continuous evaluation process, encompassing a range of criteria. In the financial year 2022/23, we introduced a Health, Safety, and Environment (HSE) questionnaire to this assessment for the first time. This initiative aims to guarantee that our suppliers align with Mariager Salt Specialties A/S in their commitment to upholding values related to health, safety and human rights.

The evaluation assesses the supplier on a 1 to 3 scale:

1. Critical
2. Average
3. Excellent

Suppliers are generally evaluated once a year, and depending on the result of the evaluation, the frequency can be changed from 6 months up to 3 years. If the result of an evaluation is critical, the supplier must be reevaluated again after 6 months, and an audit may be needed on the basis of a risk assessment.

If a supplier reaches a score of 1.0 as average in three evaluations over a two-year period, an alternative supplier should be sought, and decommissioning of this supplier should be initiated.

Supplier audits and frequencies are defined in our Supplier Audit Plan, which is reviewed once a year during a Management Review. Audits must be performed with the frequency as indicated above or in the supplier audit plan +/-12 months (calculated from the date of the last audit).

Management's review

Operating review

Anti-corruption

Mariager Salt Specialties A/S is committed to complying with applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act and the anti-corruption laws of all other countries where we do business. Mariager Salt Specialties A/S distances itself from all forms of corruption, including to offer, give, request, or accept bribes, kickbacks, or any other type of improper preferential benefit to or from anyone whether they are a government or party official, political candidate, business partner or employee. We are also committed to doing business only with business partners that share our commitment to compliance.

We do not tolerate such incidents and consider them to be a grave breach of professional conduct, which can result in employment-related consequences.

In order to secure that all employees comply, we aim to use the TRUST Principles; Top level commitment, Risk assessments, Undertaking control measures, Systematic review, Monitoring and enforcements and Training and communication.

To enhance our anti-corruption measures, we have been working on the establishment of a whistleblower channel. This channel will be implemented in the financial year 2023/24. Throughout the setup and execution of the channel, our intent is to adhere to the guidance and directives provided by the Danish Ministry of Justice.

We did not identify any violations related to bribery and corruption during the financial year 2022/23.

Goals and policies for the underrepresented gender

In the hiring and appointment of leaders at Mariager Salt Specialties A/S, we adhere to the principle of selecting the most qualified individual for the job. However, we also recognise that our industry, dealing with technical and industrial products, has traditionally been male-dominated, resulting in an uneven gender distribution both at the management level and among employees in general. Therefore, we have a responsibility to make our Company more appealing to women. At management level, we are currently working on defining how we make our Company an even more attractive business to women.

In the Board of Directors there are no women represented today. Beginning from the 2022/23 financial year, we have established a goal to increase the number of executive positions on the Board of Directors, who are elected by the general assembly, from three to four members by the 2025/26 financial year. During this process, we are actively working towards appointing a female member, with the aim of achieving our current gender distribution target of 25% female representation. In 2022/23, we fell short of our goal, well knowing our priority was to secure the most qualified candidate for the position.

The gender distribution in other management levels, including executive directors, is currently at 33.33%. Our leadership team comprises a total of nine members from various departments, of which three are women. This aligns with our commitment to achieve equal gender representation, reflecting our goals.

The statement of underrepresented gender is provided in accordance with the legal framework of the Danish Financial Statements Act, section 99b.

Data ethics

Due to digitalisation, Mariager Salt Specialties A/S is increasingly leveraging data to drive our business. Data security, privacy, and data ethics are all integral components of A responsible data culture. Therefore, Mariager Salt Specialties A/S adopted a data ethics policy in the financial year 2022/23. Our data ethics policy is designed to ensure compliance with applicable laws and safeguard our data in accordance with best IT practices. Furthermore, we aim to handle data with respect for individuals.

Management's review

Operating review

Confidential Information: We maintain the confidentiality of our own information and information entrusted to us by others. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers if disclosed such as: marketing plans, sales data, financial performance data, personal data of employees or customers, strategies, intellectual property, and materials covered under legal privilege. You must follow all relevant laws and company policies when collecting, keeping and transferring confidential information. You are prohibited from using confidential information relating to Mariager Salt Specialties A/S for personal gain or competing with Mariager Salt Specialties A/S.

Safeguarding Intellectual Property: Intellectual property (IP) is a valuable asset, and protecting our IP is a core responsibility for every employee. Each of us is responsible for safeguarding our trademarks, patents, copyrights, trade secrets, and proprietary know-how, methods and processes. It is critical that you never disclose to unauthorised individuals – whether inside or outside of Mariager Salt Specialties A/S – any information that may compromise Mariager Salt Specialties A/S' proprietary technology or trade secrets. It is equally important that we respect the valid intellectual property rights of third parties. Unauthorised use of third-party intellectual property may expose Mariager Salt Specialties A/S and our employees to civil damages and criminal penalties.

Personal Data: All employees that may handle the personal data of our employees, customers or business partners, should follow applicable privacy laws and Mariager Salt Specialties A/S' internal guidance regarding GDPR when processing (e.g. collecting, using or sharing) personal data.

Document Retention: Mariager Salt Specialties A/S has record management policies and legal hold notices in place. These policies apply to the retention and destruction of all records created by Mariager Salt Specialties A/S, including hard copies, electronic files, emails, instant messages, videos and backup tapes.

Financial statements 1 July – 30 June

Income statement

DKK'000	Note	1/7 2022 - 30/6 2023 (12 months)	1/1 2022 - 30/6 2022 (6 months)
Revenue	2	495,799	214,296
Production costs	3, 4	<u>-357,127</u>	<u>-146,927</u>
Gross profit		138,672	67,369
Distribution costs	3	-69,768	-39,240
Administrative expenses	3	<u>-47,171</u>	<u>-22,266</u>
Operating profit		21,733	5,863
Other operating income		0	19
Other operating costs		<u>0</u>	<u>-1</u>
Profit before financial income and expenses		21,733	5,881
Financial income		219	0
Financial expenses	5	<u>-2,054</u>	<u>-924</u>
Profit before tax		19,898	4,957
Tax on profit for the period		<u>-999</u>	<u>2,255</u>
Profit for the year	6	<u><u>18,899</u></u>	<u><u>7,212</u></u>

Financial statements 1 July – 30 June

Balance sheet

DKK'000	Note	30/6 2023	30/6 2022
ASSETS			
Fixed assets			
Property, plant and equipment	4		
Plant and machinery		18,694	19,650
Fixtures and fittings, tools and equipment		4,082	6,401
Leasehold improvements		3,883	4,110
Property, plant and equipment under construction		0	50
		<u>26,659</u>	<u>30,211</u>
Total fixed assets		<u>26,659</u>	<u>30,211</u>
Current assets			
Inventories			
Raw materials and consumables		11,972	9,462
Work in progress		0	151
Finished goods and goods for resale		<u>21,039</u>	<u>13,163</u>
		<u>33,011</u>	<u>22,776</u>
Receivables			
Trade receivables		96,202	64,978
Receivables from group entities		8,882	30,587
Other receivables		7,290	8,587
Deferred tax asset	7	131	1,130
Corporation tax		3,759	0
Prepayments	8	<u>2,315</u>	<u>0</u>
		<u>118,579</u>	<u>105,282</u>
Cash at bank and in hand		<u>22,260</u>	<u>25,645</u>
Total current assets		<u>173,850</u>	<u>153,703</u>
TOTAL ASSETS		<u><u>200,509</u></u>	<u><u>183,914</u></u>

Financial statements 1 July – 30 June

Balance sheet

DKK'000	Note	30/6 2023	30/6 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		400	400
Retained earnings		100,979	82,080
Total equity		101,379	82,480
Liabilities			
Non-current liabilities			
Lease obligations		0	448
Current liabilities			
Current portion of non-current liabilities		0	596
Lease liabilities		572	0
Trade payables		44,814	89,588
Payables to group entities		21,035	6,231
Corporation tax		0	1,038
Other payables		32,709	3,533
		99,130	100,986
Total liabilities		99,130	101,434
TOTAL EQUITY AND LIABILITIES		200,509	183,914
Staff costs	3		
Fees to auditor appointed at the general meeting	9		
Contractual obligations, contingencies, etc.	10		
Related party disclosures	11		

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Statement of changes in equity

DKK'000	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 July 2022	400	82,080	82,480
Transferred over the profit appropriation	<u>0</u>	<u>18,899</u>	<u>18,899</u>
Equity at 30 June 2023	<u>400</u>	<u>100,979</u>	<u>101,379</u>

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Cash flow statement

DKK'000	Note	1/7 2022 - 30/6 2023	1/1 2022 - 30/6 2022
Profit for the year		18,899	7,212
Other adjustments of non-cash operating items	12	836	-1,330
Depreciation		<u>5,916</u>	<u>2,981</u>
Cash generated from operations before changes in working capital		25,651	8,863
Changes in working capital	13	<u>-22,038</u>	<u>-18,049</u>
Cash generated from operations		3,613	-9,186
Interest income		219	0
Interest expense		-2,054	-924
Corporation tax paid		<u>-2,799</u>	<u>0</u>
Cash flows from operating activities		<u>-1,021</u>	<u>-10,110</u>
Acquisition of property, plant and equipment		-3,058	-8
Disposal of property, plant and equipment		<u>694</u>	<u>0</u>
Cash flows from investing activities		<u>-2,364</u>	<u>-8</u>
Cash flows for the year		-3,385	-10,118
Cash and cash equivalents at the beginning of the year		<u>25,645</u>	<u>35,763</u>
Cash and cash equivalents at year-end		<u><u>22,260</u></u>	<u><u>25,645</u></u>

Financial statements 1 July – 30 June

Notes

1 Accounting policies

The annual report of Mariager Salt Specialties A/S for 2022/23 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The Company prepared its financial statements in accordance with the provisions applying to reporting class c medium entities under the Danish Financial Statements Act with opt-in from higher reporting classes in the prior financial year. The adoption of the new reporting class has not lead to changes in recognition and measurement in the financial statements, and accordingly the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Last year, the Company changed its financial year from 1 January - 31 December to 1 July - 30 June. The first financial year after the change was the period 1 January - 30 June 2022. The change was made to adapt its the financial year to that of its Group, namely Salins du Midi Participations S.A.S. On this basis, the comparative figures are not comparable since the financial information for the prior period is 6 months versus 12 months for the current year.

Revenue

Income from the sale of goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries, incurred to generate revenue for the period. Commercial entities recognise their cost of sales, whereas production entities recognise production costs incurred to generate revenue for the period. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases and depreciation of production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the period and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions as well as depreciation.

Administrative expenses

Administrative expenses comprise expenses incurred during the period for management and administration of the Company, including expenses for administrative staff, Management, office premises and office expenses.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of property, plant and equipment.

Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on receivables, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the period comprises current corporation tax for the period and changes in deferred tax, including changes in tax rates. The tax expense relating to profit/loss for the period is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Property, plant and equipment

Plant and machinery, fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Plant and machinery	5-25 years
Fixtures and fittings, tools and equipment	5-25 years
Leasehold improvements	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Property, plant and equipment in progress are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

On initial recognition, leases of fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently treated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at amortised cost.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Company's share of profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Company's accounting policies, risks and internal financial management.

Financial statements 1 July – 30 June

Notes

2 Revenue

DKK'000	1/7 2022 - 30/6 2023
Geographical segments	
Scandinavia	271,134
Europe, Middle East and Africa	148,039
Asia	48,089
America	21,522
Rest of World	7,015
	<u>495,799</u>
Business segments	
Food Industry	219,476
Pharma	137,275
Retail	72,733
Argiculture	26,993
Industrial	19,595
Water Treatment	15,970
Deicing	1,118
Other	2,639
	<u>495,799</u>

Financial statements 1 July – 30 June

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3 Staff costs

	<u>1/7 2022 -</u> <u>30/6 2023</u>	<u>1/1 2022 -</u> <u>30/6 2022</u>
Staff costs		
Wages and salaries	33,739	16,062
Pensions	4,644	2,625
Other social security costs	405	129
Other staff costs	<u>2,376</u>	<u>549</u>
	<u>41,164</u>	<u>19,365</u>
Average number of full-time employees	<u>71</u>	<u>67</u>
Staff costs are recognised in the financial statements as:		
Production costs	19,424	16,678
Distribution costs	7,866	2,322
Administrative expenses	<u>13,874</u>	<u>365</u>
	<u>41,164</u>	<u>19,365</u>

Pursuant to section 98b(3) of the Danish Financial Statements Act, the Company has not disclosed remuneration of Management for the current and prior financial years as only the Executive Board receives remuneration for the role as CEO. The Board of Directors does not receive any remuneration for their roles as directors.

Financial statements 1 July – 30 June

Notes

4 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 July 2022	173,599	14,268	10,448	50	198,365
Additions for the year	0	3,058	0	0	3,058
Disposals for the year	-30,696	-1,096	-527	0	-32,319
Transfers for the year	4,188	-4,138	0	-50	0
Cost at 30 June 2023	147,091	12,092	9,921	0	169,104
Depreciation and impairment losses at 1 July 2022	-153,949	-7,867	-6,338	0	-168,154
Depreciation for the year	-4,684	-511	-721	0	-5,916
Reversed depreciation and impairment losses on assets sold	30,696	402	527	0	31,625
Transfer	-460	-34	494	0	0
Depreciation and impairment losses at 30 June 2023	-128,397	-8,010	-6,038	0	-142,445
Carrying amount at 30 June 2023	18,694	4,082	3,883	0	26,659
Assets held under finance leases	0	422	0	0	422

Depreciation of DKK 5,916 thousand for 2022/23 (1 January - 30 June 2022: DKK 2,981 thousand) is recognised as production costs in the income statement.

Financial statements 1 July – 30 June

Notes

DKK'000	<u>1/7 2022 - 30/6 2023</u>	<u>1/1 2022 - 30/6 2022</u>
5 Financial expenses		
Interest expense to group entities	623	39
Other financial costs	<u>1,431</u>	<u>885</u>
	<u>2,054</u>	<u>924</u>
6 Proposed profit appropriation		
Retained earnings	<u>18,899</u>	<u>7,212</u>
	<u>18,899</u>	<u>7,212</u>
7 Deferred tax		
DKK'000	<u>30/6 2023</u>	<u>30/6 2022</u>
Deferred tax at beginning of the period	1,130	-1,125
Adjustment of deferred tax for the year	<u>-999</u>	<u>2,255</u>
	<u>131</u>	<u>1,130</u>
<p>Deferred tax relates to timing differences on property, plant and equipment, inventory and loss carryforward. The timing differences as well as the loss carryforward are expected to be realisable within the foreseeable future.</p>		
8 Prepayments		
Prepayments comprise prepayment of costs incurred relating to subsequent financial years.		
9 Fees to auditor appointed at the general meeting		
DKK'000	<u>1/7 2022 - 30/6 2023</u>	<u>1/1 2022 - 30/6 2022</u>
Statutory audit services	222,500	242,000
Tax services	32,700	30,000
Other services	<u>22,700</u>	<u>20,000</u>
	<u>277,900</u>	<u>292,000</u>

Financial statements 1 July – 30 June

Notes

10 Contractual obligations, contingencies, etc.

The Company has entered into operating leases with a remaining term of nine months totalling a contractual obligation of DKK 7,505 thousand (30 June 2022: DKK 7,505 thousand).

The Company has entered into leaseholds with a remaining term of 48.5 years totalling a contractual obligation of DKK 318,301 thousand (30 June 2022: DKK 323,854 thousand). Of the total obligation, DKK 5,061 thousand falls due within 12 months from the balance sheet date.

Mariager Salt Specialties A/S is a party to a few pending lawsuits. In Management's opinion, apart from the liabilities recognised in the balance sheet at 30 June 2023, the outcome of these lawsuits will not affect the Company's financial position.

The Company was covered by Danish legislation on compulsory joint taxation up till the date of acquisition by Salins du Midi Participations S.A.S on 30 September 2021. The Company is jointly taxed with other Danish group entities up till this date and is jointly and severally liable with other jointly-taxed group entities for the payment of income taxes as well as withholding taxes on interest, royalties and dividends up till the date of the acquisition.

11 Related party disclosures

Mariager Salt Specialties A/S' related parties comprise the following:

Salins du Midi Participations S.A.S, Boulevard Victor Hugo 92-98, 92115 Clichy, France, holds all shares in the Company.

Mariager Salt Specialties A/S is part of the consolidated financial statements of Salins du Midi Participations S.A.S, which is the smallest and largest groups, in which the Company is included as a subsidiary.

The consolidated financial statements of Salins du Midi Participations S.A.S can be obtained by contacting the company at the above address.

Related party transactions

DKK'000	1/7 2022 - 30/6 2023
Sale of goods to group entities	52,791
Purchase of goods from group entities	-27,261
Sale of services to group entities	2,187
Purchase of services from group entities	-13,057

Payables to/receivables from group entities are disclosed in the balance sheet.

Interest expense to group entities are disclosed in note 5.

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DKK'000	<u>1/7 2022 - 30/6 2023</u>	<u>1/1 2022 - 30/6 2022</u>
12 Other adjustments		
Financial income	-219	0
Financial expenses	2,054	925
Tax on profit for the period	<u>-999</u>	<u>-2,255</u>
	<u>836</u>	<u>-1,330</u>
13 Change in working capital		
Changes in inventories	-10,235	-5,560
Changes in receivables	-10,537	-44,937
Change in trade and other payables	<u>-1,266</u>	<u>32,448</u>
	<u>-22,038</u>	<u>-18,049</u>