

Airlaid ApS

Sverigesvej 2, 8450 Hammel

Company reg. no. 32 47 49 34

Annual report

1 January - 31 December 2024

The annual report was submitted and approved by the general meeting on the 5 March 2025.

Per Godsk Stelmach
Chairman of the meeting



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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



Management's statement

Today, the Managing Director has approved the annual report of Airlaid ApS for the financial year 1 January - 31 December 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

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

We recommend that the annual report be approved at the Annual General Meeting.

Hammel, 5 March 2025

Managing Director

Majbritt Hjorthøj



Independent auditor's report

To the Shareholders of Airlaid ApS

Opinion

We have audited the financial statements of Airlaid ApS for the financial year 1 January - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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 Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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.



Independent auditor's report

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.



Independent auditor's report

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, we conclude that 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 Management's Review.

Copenhagen, 5 March 2025

Christensen Kjarulff

Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Vanja Margrethe Lawaetz Schultz

State Authorised Public Accountant
mne34194



Company information

The company

Airlaid ApS
Sverigesvej 2
8450 Hammel

Company reg. no. 32 47 49 34
Financial year: 1 January - 31 December

Managing Director

Majbritt Hjorthøj

Auditors

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Østbanegade 123
2100 København Ø



Management's review

Description of key activities of the company

Airlaid ApS' principal activities are production, sales and product development within the Airlaid industry. The primary focus segment is the food industry, and the vast majority of the company's production is made for exports.

Airlaid ApS emphasizes that new development and co-development of products is carried out in collaboration with the company's customers.

Significant changes in the company's activities and financial matters

There have been no significant changes in activities and financial matters.

The gross profit for the year totals DKK 31.010.453 against DKK 32.843.304 last year. Income or loss from ordinary activities after tax totals DKK 13.885.852 against DKK 15.731.343 last year.

Management considers the net profit or loss for the year satisfactory.

Expected developments

Management expects positive results for 2025.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.



Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2024</u>	<u>2023</u>
Gross profit	31.010.453	32.843.304
1 Staff costs	-10.692.791	-9.537.603
Depreciation and impairment of property, plant, and equipment	-2.949.349	-3.163.061
Operating profit	17.368.313	20.142.640
Other financial income	572.185	195.043
2 Other financial expenses	-128.979	-155.703
Pre-tax net profit or loss	17.811.519	20.181.980
Tax on net profit or loss for the year	-3.925.667	-4.450.637
Net profit or loss for the year	13.885.852	15.731.343
Proposed distribution of net profit:		
Transferred to retained earnings	13.885.852	15.731.343
Total allocations and transfers	13.885.852	15.731.343



Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2024</u>	<u>2023</u>
Assets		
Non-current assets		
Land and buildings	18.511.177	18.812.965
Other fixtures, fittings, tools and equipment	12.062.990	12.313.558
Total property, plant, and equipment	<u>30.574.167</u>	<u>31.126.523</u>
Total non-current assets	<u>30.574.167</u>	<u>31.126.523</u>
Current assets		
Raw materials and consumables	13.829.425	14.519.662
Manufactured goods and goods for resale	1.059.785	816.876
Total inventories	<u>14.889.210</u>	<u>15.336.538</u>
Trade receivables	3.561.774	9.766.927
Income tax receivables	88.446	47.118
Other receivables	695.645	319.834
Prepayments	31.543	55.394
Total receivables	<u>4.377.408</u>	<u>10.189.273</u>
Cash and cash equivalents	<u>37.289.607</u>	<u>16.456.665</u>
Total current assets	<u>56.556.225</u>	<u>41.982.476</u>
Total assets	<u>87.130.392</u>	<u>73.108.999</u>



Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2024</u>	<u>2023</u>
Equity and liabilities		
Equity		
Contributed capital	2.000.000	2.000.000
Retained earnings	74.808.849	60.922.997
Total equity	76.808.849	62.922.997
Provisions		
Provisions for deferred tax	2.429.119	2.457.006
Total provisions	2.429.119	2.457.006
Liabilities other than provisions		
3 Mortgage debt	2.741.927	3.054.978
Total long term liabilities other than provisions	2.741.927	3.054.978
Current portion of long term liabilities	334.969	333.311
Bank loans	20.192	6.411
Trade payables	2.825.177	2.279.756
Other payables	1.970.159	2.054.540
Total short term liabilities other than provisions	5.150.497	4.674.018
Total liabilities other than provisions	7.892.424	7.728.996
Total equity and liabilities	87.130.392	73.108.999

4 Charges and security



Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2023	2.000.000	45.191.654	47.191.654
Retained earnings for the year	<u>0</u>	<u>15.731.343</u>	<u>15.731.343</u>
Equity 1 January 2024	2.000.000	60.922.997	62.922.997
Retained earnings for the year	<u>0</u>	<u>13.885.852</u>	<u>13.885.852</u>
	<u>2.000.000</u>	<u>74.808.849</u>	<u>76.808.849</u>



Notes

All amounts in DKK.

	<u>2024</u>	<u>2023</u>
1. Staff costs		
Salaries and wages	9.499.197	8.382.517
Pension costs	976.613	957.818
Other costs for social security	58.212	48.564
Other staff costs	158.769	148.704
	<u>10.692.791</u>	<u>9.537.603</u>
Executive board	<u>1.922.986</u>	<u>2.697.122</u>
Average number of employees	<u>16</u>	<u>15</u>
2. Other financial expenses		
Other financial costs	<u>128.979</u>	<u>155.703</u>
	<u>128.979</u>	<u>155.703</u>
3. Mortgage debt		
Total mortgage debt	3.076.896	3.388.289
Share of amount due within 1 year	<u>-334.969</u>	<u>-333.311</u>
	<u>2.741.927</u>	<u>3.054.978</u>
Share of liabilities due after 5 years	<u>1.582.574</u>	<u>1.924.257</u>



Notes

All amounts in DKK.

4. Charges and security

As collateral for mortgage loans, DKK 3.274, security has been granted on land and buildings representing a carrying amount of DKK 18.511 at 31 December 2024.

For bank debt, the company has provided security in deposited mortgages, representing a total of DKK 6.000 thousand. The mortgage deeds give mortgage in the above land and buildings.

For bank loans, DKK 0, the company has provided security in company assets representing a nominal value of DKK 27.000. This security comprises the assets below, stating the carrying amounts:

	DKK in thousands
Inventories	14.889
Fixtures, fittings, tools, and equipment	12.063
Trade receivables	3.562



Accounting policies

The annual report for Airlaid ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.



Accounting policies

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.



Accounting policies

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	50 years	0 %
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.



Accounting policies

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.



Accounting policies

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

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

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.



Accounting policies

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Majbritt Hjorthøj

Navnet returneret af dansk MitID var:

Majbritt Hjorthøj

Direktør

ID: cf7ff374-b91a-4164-9b93-893f930998c2

Tidspunkt for underskrift: 05-03-2025 kl.: 11:48:51

Underskrevet med MitID



Vanja Margrethe Lawaetz Schultz

Navnet returneret af dansk MitID var:

Vanja Margrethe Lawaetz Schultz

Revisor

På vegne af Christensen Kjærulff Statsautoriseret Revisions...

ID: 8e093bff-b779-499f-a7cf-a97e806aa8db

Tidspunkt for underskrift: 05-03-2025 kl.: 16:09:07

Underskrevet med MitID



Per Godsk Stelmach

Navnet returneret af dansk MitID var:

Per Godsk Stelmach

Dirigent

ID: 6134968a-9145-465f-9ccd-8bfd5c649ee6

Tidspunkt for underskrift: 05-03-2025 kl.: 16:10:33

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