

adapa flexibles Denmark Slagelse A/S
Strudsbergsvej 3
DK-4200 Slagelse

Central Business Registration
No 61 72 53 18

Annual report 2024

The Annual General Meeting adopted the annual report on 27th June 2025

Chairman of the General Meeting

Michel Schuetz

Please note that Danish decimal and digit grouping symbols have been used in the Annual report.

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Company details

Company

adapa flexibles Denmark Slagelse A/S
Strudsbergsvej 3, DK-4200 Slagelse
Central Business Registration No: 61 72 53 18
Financial year: 1 January – 31 December
Registered in: Slagelse

Phone: +45 65 48 00 00
Internet: www.adapa-group.com
E-mail: info-slagelse@adapa-group.com

Board of Directors

Michel Schuetz (Chairman)
Marek Pawlak (Vice Chairman)
Sarah Giacomelli
Rune Ram Pedersen (ER)
Flemming Pedersen (ER)

Executive Board

Torben Vissing Rasmussen

Company auditors

Deloitte
Statsautoriseret Revisionspartnerselskab

Notification on digital standard bookkeeping system:

Digital bookkeeping system	Aspect4
System provider	EG Danmark A/S (CVR 84667811)



Statement by the Executive Board and Board of Directors

The Executive Board and the Board of Directors have today considered and adopted the Annual Report of adapa flexibles Denmark Slagelse A/S for the financial year 1 January – 31 December 2024.

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 2024 of the Company and of the results of the Company operations and cash flows for 2024.

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 approved at the Annual General Meeting.

Slagelse, 27th June 2025

Executive Board:

Torben Vissing Rasmussen

Managing Director

Board of Directors:

Michel Schuetz
Chairman

Marek Pawlak
Vice chairman

Sarah Giacomelli

Rune Ram Pedersen

Flemming Pedersen

Independent Auditor's Report

To the shareholders of adapa flexibles Denmark Slagelse A/S

Opinion

We have audited the financial statements of adapa flexibles Denmark Slagelse A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations and cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which states that it is a requirement for the entity's availability to remain a going concern that it can maintain and expand its credit facilities in the group's cash pool arrangement to have sufficient liquidity for the next 12 months. Then entity has received a letter of intent confirming that the group will provide sufficient liquidity for the next 12 months. As stated in note 1, this indicates that it is a significant assumption that the credit facilities can be maintained or expanded as needed. Our conclusion is not modified regarding this matter.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Kolding, den 27th June 2025

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No 33963556

Thomas Aamand Lund

State Authorised Public Accountant

Identification No (MNE) mne47764

Sussi Toft Johansen

State Authorised Public Accountant

Identification No. (MNE) mne35830

Management's Review

Financial highlights

	2020	2021	2022	2023	2024
	<u>DKK mill.</u>	<u>DKK mill.</u>	<u>DKK mill.</u>	<u>DKK mill.</u>	<u>DKK mill.</u>
Key figures					
Revenue	356,1	342,1	400,7	390,0	350,6
EBITDA	23,9	16,1	11,7	-0,7	11,4
Operating profit/loss (EBIT)	1,6	-0,9	-7,6	-21,2	-12,0
Net financials	-2,5	-1,8	-4,6	-8,9	-9,4
Result before tax (EBT)	-1,0	-2,6	-12,2	-30,1	-21,5
Net profit/loss for the year	0,1	-1,0	-8,3	-23,2	-18,3
Balance sheet					
Balance sheet total	268,0	261,8	293,1	251,6	206,1
Equity	93,1	92,5	85,1	61,7	43,3
Cash flows					
Investments in (items of) property, plant and equipment	14,8	13,2	12,5	6,9	7,4
Investments in intangible assets	13,6	15,7	17,8	11,5	0,4
Number of employees	193,0	183,0	183,0	188,0	156,0
Ratios					
EBIT margin (%)	0,4	-0,3	-1,9	-5,4	-3,4
Return on Equity (%)	0,1	-1,1	-0,1	-0,3	-0,3
Equity share (%)	34,7	35,3	29,0	24,5	21,0

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts.

EBIT-margin
$$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Net turnover}}$$

Return on Equity %
$$\frac{\text{Net result for the year} \times 100}{\text{Average equity}}$$

Equity share
$$\frac{\text{Equity} \times 100}{\text{Balance sheet total}}$$

Primary activities

The activities of the Company are development, production and marketing of flexible packaging products primarily for the pharmaceutical, dairy, aroma protection and food industries. The Company is the global leader for packaging of aggressive drugs and excipients. The Company has its own Product Technology Centre, which is developing products and ensuring regulatory documentation.

The Company's plant in Slagelse, Denmark meets the highest hygienic standards and is certified according to ISO9001, FSSC22000, ISO50001 as well as FSC on selected products. The Company is conducting its business in compliance with the guidelines of GMP and ISO15378.

Equity and Ownership

The company is owned by adapa Holding GesmbH, Austria.

Development in activities and finances

Net result for the year was a loss of DKK 18,3 million (2023: DKK -23,2 million). Management acknowledge, the significant improvement of the EBITDA, which was a gain of DKK +11,4 million (2023: DKK -0,7 million) and given the special postings of the year, Management considers the result to be acceptable.

To improve the result and the basis for the future a new strategy was implemented. The product portfolio was optimized and some products were made redundant. The Company stepped out of products in the technology area of wax lamination and block punching. The machines in these technologies were old and no longer profitable. The new strategy lead to a reduction of revenue but an increase in profitability.

The wax laminated products were mainly packaging materials for yeast products. Development project was successfully performed and we were able to present the customers for an alternative packaging material.

A number of initiatives to improve efficiency in production and to save waste was started in 2023 and accelerated in 2024 and especially in 2nd half year of 2024 efficiency increased significantly.

The change in strategy lead to a replacement of Management and some additional organizational changes. The staff costs include DKK 2,3 million in one-off costs (2023: one-off costs of DKK 4,2 million). The organizational changes carried out in 2023 was fully implemented in 2024 and staff costs were DKK 16,5 million lower in 2024 than in 2023. The average number of employees in 2024 was 156 (2023: 188).

In 2024 the company spend DKK 3,2 million for a patent lawyer for defending a certain patent in the US.

After the change of name from Danapak Flexibles A/S to adapa flexibles Denmark Slagelse A/S in 2023 the company was charged with a Trademark fee of DKK 5,2 million for 2024 (2023: 0).

Due to the adapa Group's continuous alignment with dynamic market conditions, the introduction and adjustment of new operational functions, especially Supply Chain Management, were implemented in response to these challenges. In 2024, market conditions became even more dynamic compared to previous years, further driving the need for strategic adjustments and operational flexibility, along with the implementation of interim roles within the organization to fill key vacant positions. Furthermore, the previous cost allocation model was no longer up-to-date and did not meet current requirements anymore. An updated benchmark study revealed that the

old model, which was partially dependent on the (positive) profitability of the Group's subsidiaries, was no longer relevant. As a result, the cost allocation model was fully transitioned to a cost-based allocation model. The company is charged for this through the Management fee, which increased by DKK 5,2 million to last year.

EBITDA for 2024 was a gain of DKK 11,4 million (2023: a loss of DKK 0,7 million), which was in line with the expectations for the year.

A consequence of the difficulties the company experienced in 2023 was an increase of DKK 7,1 million in the Group cash pool debt for which the company pays interests. The interest expenses from the cash pool debt increased by DKK 1,4 million in 2024. The cash pool debt was reduced by DKK 9,3 million during 2024. The debt is expected to decrease further in 2025 as the improved EBITDA and Working Capital balance improves the cash position.

The Company has a payable against the Group cash pool and pay interest for this on arms lengths basis. The necessary cash was unrestricted provided by the group.

Management estimates that the company has the necessary liquidity available to continue operations for the next 12 months. In this assessment, much emphasis is placed on the prepared budgets and the group's declaration of intent to provide the necessary support over the next 12 months. For further information, please refer to note 1.

Particular risks

Business risks

A major part of the turnover is covered by long term customer contracts, which reduces the business risk. Management has attention on reducing risks, coming from raw materials, energy supply and other areas, by innovation, dual suppliers and other measures.

Financial exposure

A part of the Company's loan portfolio is subject to variable interest rates. A movement in interest rates of 1% p.a. will affect finance costs by 0,8 mill DKK.

Liquidity risk

The Company is participating in the Group cash pool and has a credit line with an external bank. This secures sufficient liquidity of the Company for the coming 12 months.

Currency risks

The major currencies are DKK and EUR. The Company has receivables and payables in both of these currencies.

Credit risks

The credit risk related to all major customers is evaluated regularly. The Company has taken out a credit insurance covering all trade accounts receivable except for a small group of selected customers. For many year's the losses on outstanding accounts receivable have been very limited.

Research and development activities

The Company carries out development projects for technical applications in the Product Technology center of the company, which also is responsible for all work with documentation and IP-rights.

The part of the costs for development projects are included under intangible assets to the extent the projects comply with the criteria for recognition of these activities.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would negatively influence the evaluation of this annual report or the financial position at 31. December 2024 of the company.

Outlook

The changes of organization, product portfolio and the increase in productivity and efficiency in production from late 2023 and during 2024 has improved the EBITDA result – especially in the 2nd half year of 2024 - and it is Managements belief that the improvement will accelerate in 2025.

On this basis the management estimates EBITDA in the level +25 to +35 million compared to a realized EBITDA for 2024 of DKK +11,4 million. Net result for 2025 is expected to be realized at the level of DKK +1 to +9 million.

Accounting policies of adapa flexibles Denmark Slagelse A/S for 2024

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium size).

The accounting policies applied for this annual report are consistent with those applied last year. The Financial Statements for 2024 are presented in DKK.

Recognition and measurement

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

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

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

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement on a regular basis.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts.

Other operating income

Other operating income comprises items secondary to the Company's activities, including gains on disposal of intangible assets and items of property, plant and equipment.

Cost of raw materials and consumables

Cost of raw materials and consumables comprises direct and indirect costs of raw materials and consumables incurred to earn revenue.

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Other external expenses also include research costs and costs of development projects that do not meet the criteria for recognition in the balance sheet.

Staff costs

Staff costs comprise expenses for wages and salaries, social costs, pensions etc. for the employees of the Company.

Other operating expenses

Other operating expenses comprise items secondary to the Company's activities, including losses on disposal of intangible assets and items of property, plant and equipment.

Financial income and expenses

These items comprise interest income and expenses, realised and unrealised capital gains and losses on payables and transactions in foreign currencies as well as amortisation premium/allowance on mortgage debt etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly on equity by the portion attributable to entries directly on equity.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income adjusted for prepaid tax.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forward, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Company is jointly taxed with the group company adapa flexibles Denmark Bjert A/S. The current Danish income tax is allocated among the jointly taxed Danish companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intangible assets

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights.

Development costs comprise costs, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement when incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 6 years and is not to exceed 10 years.

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

Intellectual property rights acquired are measured at costs less accumulated amortisation. Patents are amortised over their remaining duration.

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation. For company-manufactured assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	20 - 50 years
Plant and machinery	7 - 15 years
Other fixtures and fittings, tools and Equipment	3 - 7 years
Computing equipment	3 - 4 years

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the amortisation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price minus selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement as an adjustment to depreciation and impairment losses, or under other operating income if the selling price exceeds original cost.

Leases

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

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered 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 liabilities relating to operating leases and other leases are disclosed under "Contractual obligations and contingencies, etc."

Impairment of non-current assets

The carrying amount of intangible and tangible assets is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

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 expected net cash flows from the use of the asset or the group of assets and expected 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 the lower of cost using the FIFO method and net realisable value.

Cost of goods for resale, raw materials and consumables consists of purchase price plus landing costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of and depreciation on machinery, factory buildings and equipment applied for the manufacturing

process as well as costs of factory administration and management. Financing costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost less write-downs assessed for bad debt losses based on individual assessments.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less depreciation/write-downs and taxes. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or if they are no more part of the Company's operations by a transfer directly to distributable reserves under equity.

Dividend

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the financial year is presented as a separate line item under "Equity".

Liabilities

At the time of borrowing, mortgage debt is measured at cost which corresponds to the proceeds received less transaction costs incurred. The mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities are recognised at amortised cost.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

- Level 1: Value in an active market for similar assets/liabilities
- Level 2: Value based on recognised valuation methods on the basis of observable market information
- Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Company's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayments of finance leases, instalments on interest-bearing debt, and payment of dividends.

Cash and cash equivalents comprise of cash in hand and at banks.

Segment information

Information is disclosed by geographical market. Segment information is based on the Company's accounting policies, risks and internal financial management.

Profit and Loss Statement 2024

	Notes	2024 DKK'000	2023 DKK'000
Revenue		350.608	390.001
Change in inventories of finished goods and work in progress		-5.184	-23.164
Own work capitalized		0	1.106
Other operating income	2	1.158	273
		346.582	368.216
Costs of raw materials and consumables		-171.053	-195.885
Other external expenses		-71.426	-64.068
Gross profit		104.103	108.263
Staff costs	3	-92.534	-108.853
Depreciation & amortization	4	-23.485	-20.432
Other operating expenses		-131	-148
Operating profit (EBIT)		-12.047	-21.170
Financial income/expenses net	5	-9.447	-8.913
Profit before tax (EBT)		-21.494	-30.083
Tax on profit/loss for the year	6	3.223	6.918
Net profit for the year (EAT)		-18.271	-23.165

Balance sheet

Assets	Notes	2024 DKK'000	2023 DKK'000
Intangible fixed assets			
Patent costs	7	3.746	4.288
Development projects in progress	7	25.579	37.302
		<u>29.325</u>	<u>41.590</u>
Tangible fixed assets			
Land and buildings	8	14.595	14.951
Plant and machinery	8	65.608	69.918
Other fixtures, tools and equipment	8	504	895
Fixed assets under construction	8	12.344	10.833
		<u>93.051</u>	<u>96.597</u>
Non- current assets		<u>122.376</u>	<u>138.187</u>
Current assets			
Raw materials and consumables		15.794	22.391
Work in progress		16.888	22.704
Finished goods/goods for sale		14.739	14.107
Inventories		<u>47.421</u>	<u>59.202</u>
Trade receivables		28.841	46.862
Receivables from affiliated companies		669	5
Receivables from joint taxation		0	0
Income tax receivable	9	484	2.692
Deferred tax asset	10	3.051	786
Other receivables		1.193	1.605
Prepayments	11	1.999	2.195
Receivables		<u>36.237</u>	<u>54.145</u>
Cash and cash equivalents		28	26
Current assets		<u>83.686</u>	<u>113.373</u>
Assets		<u><u>206.062</u></u>	<u><u>251.560</u></u>

Balance sheet

Equity and Liabilities	Notes	2024 DKK'000	2023 DKK'000
Equity			
Share Capital		125.000	125.000
Retained earnings		-101.497	-92.370
Reserve for financial instruments		0	214
Reserve for development costs		19.751	28.895
		<u>43.254</u>	<u>61.739</u>
Long term liabilities other than provisions			
Mortgage	12	15.337	16.916
Financial lease obligation	12	12.198	18.192
Other loans	12	8.962	9.011
		<u>36.497</u>	<u>44.119</u>
Short term liabilities other than provisions			
Current portion of mortgage	12	1.613	1.456
Current portion of financial lease obligation	12	5.994	5.879
Current portion of other loans	12	500	500
Trade payables		30.415	34.124
Bank debt		3.351	3.889
Amounts owed to affiliated companies		68.497	77.656
Other paybles		12.644	17.447
Prepayments received		3.297	4.751
		<u>126.311</u>	<u>145.702</u>
		<u>162.808</u>	<u>189.821</u>
		<u>206.062</u>	<u>251.560</u>
Equity and Liabilities			
Contractual obligations and contingencies	13		
Mortgage and collateral	14		
Related parties	15		
Ownership	16		
Group	17		
Proposed distribution of profit	18		
Financial Instruments	19		

Statement of changes in Equity for 2024

	Share Capital DKK'000	Retained Earnings DKK'000	Reserve for financial instruments DKK'000	Reserve for development costs DKK'000	Total DKK'000
Equity at 01.01.2023	125.000	-66.470	427	26.160	85.117
Value adjustments	-	-2.735	-	2.735	0
Financial instruments, after tax	-	0	-213	-	-213
Net profit/loss for the year	-	-23.165	-	-	-23.165
Equity at 01.01.2024	<u>125.000</u>	<u>-92.370</u>	<u>214</u>	<u>28.895</u>	<u>61.739</u>
Value adjustments	-	9.144	-	-9.144	-
Financial instruments, after tax	-	0	-214	-	-214
Net profit/loss for the year	-	-18.271	-	-	-18.271
Equity at 31.12.2024	<u>125.000</u>	<u>-101.497</u>	<u>0</u>	<u>19.751</u>	<u>43.254</u>

Cash flow statement for 2024

	2024	2023
	DKK'000	DKK'000
Operating profit/loss (EBIT)	-12.047	-21.170
Depreciation and gain/loss on sale of fixed assets	23.485	20.432
Tax paid/received from joint taxation & tax credit scheme	3.226	3.654
	14.664	2.916
Change in working capital		
Inventories	11.781	43.029
Trade accounts receivables	16.903	-4.053
Ongoing balances with affiliated companies	-485	3.693
Other receivables, prepayment and accruals	1.726	228
Trade accounts payable	-3.709	-6.291
Other short term debts.	-6.531	-2.535
Cash flow from change in working capital	19.685	34.071
Financial expenses, paid	-9.447	-8.913
Cash flow from operations	24.902	28.074
Development projects in progress	-441	-11.541
Acquisition of property, plant and equipment	-7.415	-6.937
Sale of property, plant and equipment	182	64
Cash flow from investing activities	-7.674	-18.414
Change, long term liabilities other than provisions	-7.350	-12.831
Change, balances with affiliated companies	-9.338	7.171
Change in short term bank debt	-538	-4.004
Cash flow from financing activities	-17.226	-9.664
Change in cash and cash equivalents	2	-4
Cash and cash equivalents at 01.01.2024	26	30
Change in cash and cash equivalents	2	-4
Cash and cash equivalents at 31.12.2024	28	26

1. Going concern

The company has realized unsatisfactory results in recent financial years, which has meant that the company has lost more than 50% of its share capital.

The management estimates that the company has the necessary liquidity available for the next 12 months based on the assumption that the company has the opportunity to maintain and expand its credit facilities in the group's cash pool scheme.

It is the management's expectation that this will be possible based on the letter of intent that the company has received from the group. The letter of intent confirms that the group has the will to support the company, which has also historically been the case.

On the basis of the above letter of intent, initiatives to improve the company's operations and the premise that the credit facilities in the company's cash pool can be maintained and expanded in line with the need for this, the company's management considers that the Financial statements can be prepared with a going concern in mind.

Referring to the Danish Company Act §119 the Board of Directors is attentive to the fact, that more than 50% of the Share Capital has been lost. The Board of Directors has launched a plan to recover the Share Capital through positive results from the above mentioned initiatives in the coming years.

	2024	2023
	DKK'000	DKK'000

2. Other operating income

Sales commission received from Group Companies	686	64
Income related to development projects	330	190
Other items	142	19

Other operating income	1.158	273
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	2024	2023
	DKK'000	DKK'000

3. Staff costs

Salaries and wages	-80.102	-96.388
Pension costs	-9.944	-9.961
Other social security costs	-2.488	-2.504

Staff costs	-92.534	-108.853
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Average number of employees	156	188
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Salaries and fees paid to Executive Board and Board of Directors	-2.310	-1.953
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Management and a number of key staff have performance related (cash) bonus agreements with the company.

	2024	2023
	DKK'000	DKK'000

4. Depreciation & amortization

Non current assets	-12.706	-8.326
Buildings	-356	-356
Plant and machinery	-10.215	-11.277
Other fixtures and fittings, tools and equipment	-391	-437
Gain/loss from sale of fixed assets	183	-36

Depreciation & amortization	-23.485	-20.432
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	2024	2023
	DKK'000	DKK'000
5. Financial expenses, net		
Other financial income	669	807
Financial income	<u>669</u>	<u>807</u>
Interest expenses, affiliated companies	-5.390	-3.936
Other financial expenses	-4.726	-5.784
Financial expenses	<u>-10.116</u>	<u>-9.720</u>
Financial expenses, net	<u><u>-9.447</u></u>	<u><u>-8.913</u></u>

	2024	2023
	DKK'000	DKK'000
6. Tax on profit/loss for the year		
Current tax from joint taxation/current tax on profit for the year	484	2.631
Change in taxes prior year	84	20
Change in deferred tax	2.655	4.267
Tax on profit/loss for the year	<u>3.223</u>	<u>6.918</u>

	2024	2023
	DKK'000	DKK'000
7. Intangible assets		
Development projects in progress and Patent costs		
Costs at 01.01.2024	5.469	59.506
Additions	0	441
Disposals	0	0
Costs at 31.12.2024	<u>5.469</u>	<u>59.947</u>
Depreciation and impairment losses at 01.01.2024	-1.181	-22.204
Depreciation for the year	-542	-12.164
Reversal relating to disposals	0	0
Depreciation and impairment losses at 31.12.2024	<u>-1.723</u>	<u>-34.368</u>
Carrying amount at 31.12.2024	<u>3.746</u>	<u>25.579</u>

Development projects consists of 23 projects to develop sustainable solutions to cover the demand from the market, projects to invent substitutional materials to the material Barex, which were taken off the market by the supplier, projects to enter new markets e.g. developing new solutions for products of MONO materials and PFAS free products. All the projects are either on or very close to be on the market and are sold to both existing customers as well as to new customers. The company expects sales from these projects also in the years to come.

8. Tangible fixed assets

	Land and Buildings DKK '000	Plant and machinery DKK '000	Other fixtures etc DKK '000	Assets in progress DKK '000
Costs at 01.01.2024	61.336	339.496	8.011	10.834
Additions	-	1.618	-	5.797
Transfer		4.287		-4.287
Disposals	-2.014	-5.240	-395	-
Costs at 31.12.2024	<u>59.322</u>	<u>340.161</u>	<u>7.616</u>	<u>12.344</u>
Depreciation and impairment losses at 01.01.2024	-46.385	-269.578	-7.116	-
Depreciation for the year	-356	-10.215	-391	-
Reversal relating to disposals	2.014	5.240	395	-
Depreciation and impairment losses at 01.01.2024	<u>-44.727</u>	<u>-274.553</u>	<u>-7.112</u>	<u>0</u>
Carrying amount at 31.12.2024	<u>14.595</u>	<u>65.608</u>	<u>504</u>	<u>12.344</u>
Hereof Financial leasing assets	-	32.401	-	-
Carrying amount at 31.12.2023	<u>14.951</u>	<u>69.918</u>	<u>895</u>	<u>10.834</u>
hereof Financial leasing assets	-	35.322	-	-

	2024	2023
	DKK'000	DKK'000
9. Income tax receivable (+)/payable (-)		
Income taxes receivable/payable at 01.01.2024	2.692	3.654
Changes to receivable taxes prior year	534	0
Income taxes paid/received during the year	-3.226	-3.654
Income taxes calculated for the year	<u>484</u>	<u>2.692</u>
Income tax receivable/payable at 31.12.2024	<u><u>484</u></u>	<u><u>2.692</u></u>

	2024	2023
	DKK'000	DKK'000
10. Deferred tax asset (+)/ Liability (-)		
Deferred tax at 01.01.2024	786	-3.501
Changes for the year	<u>2.265</u>	<u>4.287</u>
Deferred tax at 31.12.2024	<u><u>3.051</u></u>	<u><u>786</u></u>

The company has a not recognized deferred tax asset of DKK 1,7 mill.

11. Prepayments

Prepayments comprises of payments for expenses related to next year, leasehold, insurance premiums and subscriptions.

12. Long term debt	<1 year	1-5 years	>5 years	Total
	DKK '000	DKK '000	DKK '000	DKK '000
Mortgage debt	1.613	6.900	8.437	16.950
Financial leasing obligation	5.994	12.198		18.192
Other loans	<u>500</u>	<u>2.169</u>	<u>6.793</u>	<u>9.462</u>
Long term debt at 31.12.2024	<u><u>8.107</u></u>	<u><u>21.267</u></u>	<u><u>15.230</u></u>	<u><u>44.604</u></u>
Long term debt at 31.12.2023	<u><u>7.835</u></u>	<u><u>25.701</u></u>	<u><u>18.418</u></u>	<u><u>51.954</u></u>

Part of other loans (DKK 9,5 million) is related to the change in the law on holiday allowance (Fondsår). Due date for this is uncertain, as the amount falls due, when employees, employed from 1st September 2019 to 31st August 2020, retires or die or if the company voluntarily chooses to repay earlier.

13. Contractual obligations and contingencies

	2024	2023
	DKK'000	DKK'000
Rent and leasing commitments	<u>1.270</u>	<u>2.078</u>

The company is jointly taxed with the affiliated company adapa flexibles Denmark Bjert A/S. As the administrative company, together with the affiliated company, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation unit. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies' liability will increase.

14. Mortgages and collateral

The mortgage comprises the plant in Slagelse. Carrying amount of mortgaged plant DKK 14,6 million (2023: DKK 15,0 million).

In 2022 adapa flexibles Denmark Slagelse A/S entered into a financing agreement that applies for the entire adapa Group. adapa flexibles Denmark Slagelse A/S has acceded to the entire financing agreement as a guarantor. adapa flexibles Denmark Slagelse A/S guarantee obligations are limited to an amount equal to the company's equity where payments under the guarantee should be requested. A mortgage deed of DKK 58 million has been registered as a security for this.

A Company charge (floating charge) of DKK 50 million secured upon operating equipment, inventories and trade receivables has been registered, the Company charge is given as security for bank overdraft. Carrying amount of the assets is DKK 111,1 million.

15. Related Parties

	2024	2023
	DKK'000	DKK'000
Transactions with related parties:		
Sales of goods and services to group companies	7.699	744
Sale of services to immediate parent	0	0
Purchase of goods and services from group companies	-15.878	-18.635
Purchase of services from immediate parent	-11.959	-7.425
Purchase of services from group parent	-623	-1.708
Trademark fee to immediate parent	-5.158	0
Interest income/expense from group parent	-5.390	-3.935
Receivable/payable from group parent (cash pool)	-63.682	-73.020
Receivable from other group companies	669	5
Payables to other group companies	-4.815	-4.636

16. Ownership

The Company has registered adapa Holding GesmbH, IZ NÖ-Süd Strasse 1, Obj. 50C, A-2351 Wiener Neudorf as shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital.

17. Group

Adapa flexibles Denmark Slagelse A/S is included in the consolidated financial statements of adapa GmbH, Romerstrasse 12, D-87437 Kempten (both smallest and largest group) from which address the consolidated financial statements may be ordered.

18. Proposed distribution of profit/loss

	2024	2023
	<u>DKK'000</u>	<u>DKK'000</u>
Retained earnings	<u>-18.271</u>	<u>-23.165</u>

19. Financial instruments

The Company holds no financial instruments end of 2024.