# *ALLFLEX DAN-MARK ApS*

Rugmarken 31, DK-7620 Lemvig

# Annual Report for 2024

CVR No. 78 47 93 10

The Annual Report was presented and adopted at the Annual General Meeting of the company on 27/6 2025

Hilde Myrvang Male
Chairman of the general meeting

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# Management's statement

The Executive Board has today considered and adopted the Annual Report of ALLFLEX DAN-MARK ApS 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 for 2024.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Lemvig, 27 June 2025

**Executive Board**

| | |
|---|---|
| Wenche Wikan Ligård<br>Executive Officer | Hilde Myrvang Male<br>Executive Officer |

# Independent Practitioner's Extended Review Report

To the shareholder of ALLFLEX DAN-MARK ApS

**Conclusion**

We have performed an extended review of the Financial Statements of ALLFLEX DAN-MARK ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, 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 extended review in accordance with the Danish Business Authority´s Assurance Standard for Small Enterprises and FSR – Danish Auditors´ standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner´s responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

**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 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.

**Practitioner's responsibilities for the extended review of the Financial Statements**

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

# Independent Practitioner's Extended Review Report

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Hellerup, 27 June 2025

**PricewaterhouseCoopers**
Statsautoriseret Revisionspartnerselskab
*CVR No 33 77 12 31*

Thomas Lauritsen
State Authorised Public Accountant
mne34342

# Company information

| | |
|---|---|
| **The Company** | ALLFLEX DAN-MARK ApS<br>Rugmarken 31<br>DK-7620 Lemvig<br>Telephone: 97 81 15 55<br>Website: www.allflex.dk<br>CVR No: 78 47 93 10<br>Financial period: 1 January - 31 December<br>Financial year: 40th financial year<br>Municipality of reg. office: Lemvig |
| **Executive Board** | Wenche Wikan Ligård<br>Hilde Myrvang Male |
| **Auditors** | PricewaterhouseCoopers<br>Statsautoriseret Revisionspartnerselskab<br>Strandvejen 44<br>DK-2900 Hellerup |

# Income statement 1 January - 31 December

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | DKK | DKK |
| **Gross profit** | | **20,626,772** | **23,257,448** |
| Distribution expenses | 2 | -2,709,858 | -2,184,125 |
| Administrative expenses | 2 | -11,178,174 | -11,463,247 |
| **Profit/loss before financial income and expenses** | | **6,738,740** | **9,610,076** |
| Financial income | 3 | 283,884 | 293,279 |
| Financial expenses | 4 | -136,481 | -34,456 |
| **Profit/loss before tax** | | **6,886,143** | **9,868,899** |
| Tax on profit/loss for the year | 5 | -2,445,043 | -2,789,647 |
| **Net profit/loss for the year** | | **4,441,100** | **7,079,252** |

## Distribution of profit

| | 2024 | 2023 |
|---|---|---|
| | DKK | DKK |
| **Proposed distribution of profit** | | |
| Proposed dividend for the year | 13,000,000 | 20,000,000 |
| Retained earnings | -8,558,900 | -12,920,748 |
| | **4,441,100** | **7,079,252** |

# Balance sheet 31 December

## Assets

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | DKK | DKK |
| Goodwill | | 17,008,038 | 21,260,048 |
| **Intangible assets** | 6 | **17,008,038** | **21,260,048** |
| | | | |
| Land and buildings | | 1,238,800 | 1,182,761 |
| Other fixtures and fittings, tools and equipment | | 2,012,516 | 2,718,006 |
| **Property, plant and equipment** | 7 | **3,251,316** | **3,900,767** |
| | | | |
| **Fixed assets** | | **20,259,354** | **25,160,815** |
| | | | |
| Raw materials and consumables | | 10,989,990 | 7,472,753 |
| **Inventories** | | **10,989,990** | **7,472,753** |
| | | | |
| Trade receivables | | 4,179,395 | 4,314,365 |
| Other receivables | | 0 | 853,289 |
| Deferred tax asset | | 20,111 | 3,577 |
| Prepayments | | 152,624 | 188,448 |
| **Receivables** | | **4,352,130** | **5,359,679** |
| | | | |
| **Cash at bank and in hand** | | **9,412,402** | **21,284,128** |
| | | | |
| **Current assets** | | **24,754,522** | **34,116,560** |
| | | | |
| **Assets** | | **45,013,876** | **59,277,375** |

# Balance sheet 31 December

## Liabilities and equity

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | DKK | DKK |
| Share capital | | 201,000 | 201,000 |
| Retained earnings | | 21,699,245 | 30,258,145 |
| Proposed dividend for the year | | 13,000,000 | 20,000,000 |
| **Equity** | | **34,900,245** | **50,459,145** |
| | | | |
| Credit institutions | | 0 | 52 |
| Trade payables | | 1,005,365 | 751,280 |
| Payables to group enterprises | | 3,821,783 | 2,035,120 |
| Corporation tax | | 2,461,577 | 3,107,465 |
| Other payables | | 2,824,906 | 2,924,313 |
| **Short-term debt** | | **10,113,631** | **8,818,230** |
| | | | |
| **Debt** | | **10,113,631** | **8,818,230** |
| | | | |
| **Liabilities and equity** | | **45,013,876** | **59,277,375** |

| | |
|---|---|
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# Statement of changes in equity

| | Share capital | Retained earnings | Proposed dividend for the year | Total |
|---|---|---|---|---|
| | DKK | DKK | DKK | DKK |
| Equity at 1 January | 201,000 | 30,258,145 | 20,000,000 | 50,459,145 |
| Ordinary dividend paid | 0 | 0 | -20,000,000 | -20,000,000 |
| Net profit/loss for the year | 0 | -8,558,900 | 13,000,000 | 4,441,100 |
| **Equity at 31 December** | **201,000** | **21,699,245** | **13,000,000** | **34,900,245** |

# Notes to the Financial Statements

## 1. Key activities

The company's main activity is the manufacture and sale of earmarking products to the agricultural sector.

| | 2024 | 2023 |
|---|---|---|
| | DKK | DKK |
| **2. Staff** | | |
| Wages and salaries | 4,872,123 | 4,895,458 |
| Pensions | 572,909 | 545,992 |
| Other social security expenses | 37,026 | 33,711 |
| | **5,482,058** | **5,475,161** |
| Wages and salaries etc. are recognised in the following items: | | |
| Production expenses | 1,551,381 | 1,590,948 |
| Distribution expenses | 472,592 | 450,616 |
| Administrative expenses | 3,458,085 | 3,433,597 |
| | **5,482,058** | **5,475,161** |
| **Average number of employees** | **9** | **10** |

| | 2024 | 2023 |
|---|---|---|
| | DKK | DKK |
| **3. Financial income** | | |
| Other financial income | 283,884 | 293,279 |
| | **283,884** | **293,279** |

| | 2024 | 2023 |
|---|---|---|
| | DKK | DKK |
| **4. Financial expenses** | | |
| Other financial expenses | 64,886 | 34,456 |
| Exchange adjustments, expenses | 71,595 | 0 |
| | **136,481** | **34,456** |

# Notes to the Financial Statements

| | 2024 | 2023 |
|---|---|---|
| | DKK | DKK |

## 5. Income tax expense

| | | |
|---|---|---|
| Current tax for the year | 2,461,577 | 3,107,465 |
| Deferred tax for the year | -16,534 | 19,775 |
| Adjustment of tax concerning previous years | 0 | -337,593 |
| | **2,445,043** | **2,789,647** |

## 6. Intangible fixed assets

| | Goodwill |
|---|---|
| | DKK |
| Cost at 1 January | 42,520,097 |
| Cost at 31 December | 42,520,097 |
| | |
| Impairment losses and amortisation at 1 January | 21,260,049 |
| Amortisation for the year | 4,252,010 |
| Impairment losses and amortisation at 31 December | 25,512,059 |
| | |
| **Carrying amount at 31 December** | **17,008,038** |
| | |
| Amortised over | 10 years |

## 7. Property, plant and equipment

| | Land and buildings | Other fixtures and fittings, tools and equipment |
|---|---|---|
| | DKK | DKK |
| Cost at 1 January | 4,125,703 | 5,570,264 |
| Additions for the year | 119,000 | 221,064 |
| Cost at 31 December | 4,244,703 | 5,791,328 |
| | | |
| Impairment losses and depreciation at 1 January | 2,942,942 | 2,852,258 |
| Depreciation for the year | 62,961 | 926,554 |
| Impairment losses and depreciation at 31 December | 3,005,903 | 3,778,812 |
| | | |
| **Carrying amount at 31 December** | **1,238,800** | **2,012,516** |
| | | |
| Depricated over | 25 years | 3-10 years |

| | 2024 | 2023 |
|---|---|---|
| | DKK | DKK |

## 8. Contingent assets, liabilities and other financial obligations

**Rental and lease obligations**

| | | |
|---|---|---|
| Lease obligations, period of non-terminability 1 month | 990 | 600 |

Rental and lease commitments comprise rent of premises and lease of vehicles and amounts to DKK 518k.

**Other contingent liabilities**

The Danish group companies of Merck & Co. are jointly and severally liable for tax on the jointly taxed incomes etc of the Group, with MSD Danmark ApS as the management company of the joint taxation. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 9. Accounting policies

The Annual Report of ALLFLEX DAN-MARK ApS for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2024 are presented in DKK.

**Recognition and measurement**

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

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

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

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

**Leases**

Leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

**Translation policies**

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income statement

**Revenue**

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

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

**Production expenses**

Production expenses comprise costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs such as maintenance and depreciation, etc.

**Gross profit**

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and production expenses.

**Distribution expenses**

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

**Administrative expenses**

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

**Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

**Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

**Tax on profit/loss for the year**

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

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance sheet

**Intangible fixed assets**

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 year.

**Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

| | |
|---|---|
| Other buildings | 25 years |
| Other fixtures and fittings, tools and equipment | 3-10 years |

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

**Impairment of fixed assets**

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

If so, the asset is written down to its lower recoverable amount.

**Inventories**

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

**Receivables**

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

**Prepayments**

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

## Equity

**Dividend**

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

**Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

**Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on account taxation scheme are recognised in the income statement in financial income and expenses.

**Financial liabilities**

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