Annual Report March 15 – August 31, 2021

Spring TopCo DK ApS
Agern Allé 24
2970 Hørsholm
Company Reg. (CVR) No. 42217506

Adopted at the Annual General Meeting
on January 18, 2022

Chair of the meeting

Content

Consolidated key figures and financial ratios

EUR millions	2021 Mar-Aug
Income statement	
Revenue	108.4
Gross income/(loss)	35.3
EBITDA before special items	16.2
EBIT before special items	4.1
EBIT	(50.1)
Net financial items	(10.7)
Income/(loss) for the year	(56.1)

Cash flow	
Cash flow from operating activities	4.1
Cash flow from investing activities	(930.5)
Cash flow from financing activities	974.2
Purchase of property, plant and equipment	(7.9)
Free cash flow	(926.4)
Free cash flow before acquisitions and special items	45.3

Balance sheet	
Total assets	1,176.1
Invested capital	1,058.8
Net working capital	84.7
Equity	577.7
Net interest-bearing debt	365.4

	2021 Mar-Aug
Financial ratios	
Gross margin, %	32.6
EBITDA margin before special items, %	14.9
EBIT margin before special items, %	3.8
EBIT, %	(46.2)

Other key figures	
Average number of employees (FTEs)	713.2

The calculation principles related to key figures and financial ratios are presented in a note.

Management commentary

Spring TopCo DK ApS (Oterra) was established on March 15, 2021 in Denmark as a holding company in connection with the acquisition of the Natural Colors division from Chr. Hansen Holding A/S ("Chr. Hansen") effective March 31, 2021.

The newly established stand-alone group, now named 'Oterra', is owned by the leading Nordic private equity firm EQT.

The Group has since its establishment also acquired SECNA Natural Ingredients Group (June 2021), which is included in the consolidated financial statements from June 25, 2021.

Furthermore, the Group has subsequent to the balance sheet date acquired the Diana Food's colouring business effective December 29, 2021 and the company Food Ingredient Solutions LLC effective December 30, 2021.

The business[1]

Oterra is the market leader on the global market for natural colors and has a solid platform for growth in this area. The global market for natural colors has been growing in recent years due to increased focus on safe and natural food that is free from artificial ingredients.

Governance

As a global company developing natural colors, we have an important role to play in creating a food system that is resilient and prepared to feed a growing population while also minimizing its potential adverse climate impact.

Our ingredients may be small and usually only make up a small part of a product, but their functionality has a large impact and is strategically critical to the final consumer product.

Environment

At Oterra, we take our responsibility for doing business in a sustainable way very seriously, and as a production company we continually work to ensure a minimal environmental impact with focus on minimising energy consumption and use of materials.

We are currently designing a new strategy for sustainability. Our new environmental ambition is to be in line with the 1.5°C pathway described in the Paris Agreement. Our framework will be based on the SBTi (Science-Based Targets), mainly focusing on GHG emissions. We will target to use 100% renewable energy where available. Oterra has as a natural ingredient provider a significant interest in sustainability and the preservation of our earth's resources, this will be reflected in the Oterra sustainability strategy.

Social and staffing

As a knowledge-based group, Oterra is very dependent on having committed and motivated employees as well as skilled leaders.

Oterra wants to be an attractive employer that provides opportunities for learning and development for all our employees. We are very aware that our key resource is our employees. We have implemented multiple online platforms to engage with our employees and measure how they are doing, and we take action to improve, if

[1] Pages 2-5 constitute our reporting according to section 99A of the Danish Financial Statement Act.

needed. We are keeping the dialogue open and invite feedback from all levels of our organization. We are introducing online learning opportunities via our learning platform and right now prioritize building the leadership toolbox of our leaders. Our leaders are key in deploying our strategy and ensuring organizational health at all levels. These activities are expected to continue in the coming years.

Safety

As no one should get ill from going to work, we give very high priority to employee safety and well-being. We are focused on ensuring business continuity, while also complying with strict safety measures. Our focus on continually improving safety and introducing updated safety measures is an integral part of our ways of working, and we keep ourselves committed to continuing our efforts to keep each other safe.

Putting safety first requires robust management systems, behavior-based training and consistent and clear communications, as well as continually evaluating and improving processes to prevent accidence from happening.

Human rights

Oterra is recognized for our extensive product portfolio, which offers a wide range of different colors, as well as different application options for our global customer base. Both our customer and our supplier base are equally extensive and diverse. Regardless of whether we are sourcing from our suppliers or selling to our customers, we are making sure that this is done in a responsible manner. One measure to ensure this is our vendor approval process, which includes requirements for human rights. For vendors located in countries that are considered high risk, the vendor approval process is followed up by audits at the vendors location. Audits are performed every three years by Oterra's quality assurance team and covers both food safety as well as compliance with our policies for corporate social responsibility. Further, capacity building is key to our supplier program, and we also work closely and in long-term collaborations with our suppliers to improve standards and quality. We are committed to ensuring that the highest environmental and labor standards are adhered to throughout our supply chain.

Corruption and bribery

As we operate across geographical contexts where factors potentially are posing a threat to business integrity may vary, it is essential that we continue to act in compliance within all parts of our business, whether it is about selling products, sourcing materials, or collaborating with external parties.

In 2021, we have adopted a Global Code of Conduct to ensure that our employees know and act in accordance with our zero tolerance position on corruption and bribery. We also wish to promote a culture based on dialogue. Everyone must feel free to speak out about any serious and sensitive concerns. To remove any obstacles to this, we have implemented an updated whistle-blower portal in December 2021.

Diversity[2]

Oterra is an equal opportunity employer. We value and want to ensure a diverse workforce where respecting each other, building intercultural competencies, and ensuring flexibility and work-life balance are key elements. We employ 40 different nationalities across our 29 countries of operations. Oterra strives to create a work environment that provides employees with equal opportunities in terms of personal and professional development. For us it is not only important to have a diverse workforce by the look of it. We also want to be inclusive and ensure a deep sense of belonging for all. We bring together employees with a wide variety of backgrounds, skills, and cultures. Combining such a wealth of talent and resources creates the diverse and dynamic teams that consistently drive our results.

We are proud of the diversity of our workforce today, and will continue our focus on creating awareness as to inclusiveness in our ways of working.

We work with diversity broadly, yet believing that gender is an important parameter to pay attention to. This year, the percentage of female managers in Oterra was 46% and at Leadership Team level, the percentage was 36% female members.

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[2] This section constitutes our reporting according to section 99B of the Danish Financial Statement Act.

On the Board of Directors of the Oterra Group, the gender representation is split between 33% female board members and 67% male members, and thereby retains its equal gender representation as defined under the Danish law.

When recruiting for leadership positions, we seek to promote positive leadership stories for our underrepresented gender, generating greater awareness and interest in the area, as we make an effort to ensure a fair representation of both genders in the interview process.

Research and development
To Oterra, innovation is an important contributor to business growth, and we work closely with our customers and our suppliers to develop both new products as well as new applications for our existing products.

Oterra generally patents all new products of commercial value. The patents protect our investments in research and development and increase the value of our business. In addition, we make sure that our product technology and application methods are protected by a wide patent portfolio.

Product safety
The majority of Oterra's natural color products are sold to the food & beverage industries. Most products are used as components in our customers' end products, which are consumed as food or beverages.

To ensure the highest product safety, Oterra has an extensive quality assurance and food safety program in place, which covers the entire value chain: from the sourcing of raw materials until the finished products are delivered to customers. The risk assessment performed in the food safety program includes an evaluation of the use of our products in customers' end products.

Risk management
At Oterra, we view risk management as an integrated part of managing the Company. We strive to make sure that we do business in a balanced way, assessing and managing both financial and non-financial risks to protect our employees, assets and reputation. At least once a year, the Board of Directors reviews the risk exposure associated with Oterra's activities, including the risk mitigating actions. Policies are adopted for areas of risk, and developments are monitored to ensure that identified risks are mitigated and accounted for, including strategic, operational and financial risks.

Key risks

Financial
As an international business, Oterra is exposed to a number of financial risks relating to currency and interest rate fluctuations, funding, liquidity, credit, and counterparty risks.

Legal
Oterra is from time to time a party to legal proceedings arising in the ordinary course of business. Our legal department is focused on analysing possible risks in a timely manner and on mitigating them in an appropriate way using both internal and, if necessary, external capabilities. Despite Oterra's focus on these matters, the outcome of legal proceedings cannot be predicted with certainty.

Staffing
As a knowledge-based group a risk to Oterra is associated with incapability of attracting the right competences Being a production company a further risk is that our employees will suffer injuries during working hours.

Human rights
In Oterra we are sourcing from a wide range of suppliers globally and a risk to the company relates to the possible employment of suppliers who do not comply with national law and internationally recognized standards and conventions.

COVID-19
With a global production and sourcing program as well as a global distribution network, Covid-19 could have an impact on timely deliveries to Oterra customers as well as our logistics cost. As the Covid-19 pandemic is not considered a material risk, no policy have been incorporated in this fiscal year.

Financial review

The financial year 2021 comprises the period from 15 March to 31 August 2021 only. In the period from March 15 to March 31, 2021, the Group did not carry on any significant activities. From March 31, 2021, the Natural Colors business acquired from Chr. Hansen has been included, and from June 25, 2021, the business acquired from the Secna Group has been included.

In the fiscal period under review, Oterra generated net revenues of EUR 108.4 million and an operating result of EUR (50.1) million. Operating result before special items amounts to EUR 4.1 million. Included in the operating result is amortization of acquired intangible assets from business combinations, amounting to EUR 7.3 million.

Management considers the results of operations for the fiscal period satisfactory.

Outlook

In 2021/22, revenues are expected to increase both from organic growth as well as from new acquisitions. A positive EBITDA before special items is expected, and at a higher level than in 2021. Income/(loss) before tax is expected to be negative or close to zero due to significant non-recurring costs related to M&A activities and continued build-up costs.

Oterra will continue to optimize operations and processes and to invest in innovative solutions with an ambition to create value for our customers, partners, and shareholders.

Besides the general market development, developments in commodity prices, currency fluctuations and Covid-19 impact on logistic cost and our ability to deliver goods timely to our customers are associated with uncertainty.

Events after the balance sheet date

On September 17, 2021, Oterra signed an agreement to acquire Diana Food's natural food coloring business. For additional information, please refer to note 5.3.

In October 2021, Oterra signed an agreement to invest EUR 18 million in a company that produces natural colors. The amount comprises both an equity investment and the rights to purchase certain products in future.

On December 30, 2021, Oterra signed an agreement to acquire the company Food Ingredient Solutions LLC. For additional information, please refer to note 5.3.

To fund these acquisitions, Oterra has acquired senior bank borrowings of EUR 115.1 million, second-lien borrowings of EUR 5.3 million and capital increases of EUR 35.6 million. In mid-January 2022 a capital increase of EUR 68.1 million will be carried out. The capital increase will be used to settle senior bank borrowings.

No further events which could have a significant impact on the consolidated financial statements have occurred subsequently to August 31, 2021.

Statement of the Board of Directors and the Executive Board

The Executive Board and the Board of Directors have today considered and adopted the Annual Report of Spring TopCo DK ApS for the financial year March 15, 2021 – August 31, 2021.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position at August 31, 2021 of the Group and the Parent Company and of the results of the Group's and the Parent Company's operations and cash flows for the financial year March 15, 2021 – August 31, 2021.

In our opinion, the Management's review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of their results of operations for the year, and of the financial position of the Group and the Parent Company, as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

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

Hørsholm, January 11, 2022.

Executive Board:

Odd Erik Hansen
CEO

Board of Directors:

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Chair

Mads Munkholt Ditlevsen
Vice Chair

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Christoffer Erik Mathies Lorenzen

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Independent auditor's report

To the shareholders of Spring TopCo DK ApS

Report on the audit of the consolidated financial statements and the parent company financial statements

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Spring TopCo DK ApS for the financial year 15 March 2021 – 31 August 2021, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 August 2021 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year March 15, 2021 – August 31, 2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Independent auditor's report (continued)

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Copenhagen, January 11, 2022
EY Godkendt Revisionspartnerselskab
Company Reg. (CVR) No. 30 70 02 28

Torben Bender	Mads Vinding
State Authorized	State Authorized
Public Accountant	Public Accountant
mne21332	mne42792

Consolidated income statement

EUR millions	Note	2021 Mar-Aug
Revenue	2.1	108.4
Cost of sales	2.2, 2.3	(73.1)
Gross income/(loss)		**35.3**
Research and development expenses	2.2, 2.3	(9.7)
Sales and marketing expenses	2.2, 2.3	(11.8)
Administrative expenses	2.2, 2.3, 2.4	(9.7)
Operating income/(loss) before special items		**4.1**
Special items	2.5	(54.2)
Operating income/(loss) (EBIT)		**(50.1)**
Financial income	2.6	1.1
Financial expenses	2.6	(11.8)
Income/(loss) before tax		**(60.8)**
Income taxes	2.7	4.7
Income/(loss) for the year		**(56.1)**

The income/(loss) for the year *is attributable to:*		
Owners of Spring TopCo DK ApS		(56.5)
Non-controlling interests		0.4
Income/(loss) for the year		**(56.1)**

Consolidated statement of comprehensive income

EUR millions	Note	2021 Mar-Aug
Income/(loss) for the year		(56.1)
Items that will not be reclassified subsequently to the income statement		
Remeasurements of defined benefit plans	3.7	(0.2)
Income tax relating to these items		0.0
Items that will be reclassified subsequently to the income statement when specific conditions are met		
Currency translation of foreign operations		0.0
Income tax relating to these items		0.0
Other comprehensive income/(loss) for the year		**(0.2)**
Total comprehensive income/(loss) for the year		**(56.3)**

Consolidated balance sheet

EUR millions	Note	2021 Aug
ASSETS		
Non-current assets		
Goodwill	3.1	499.9
Other intangible assets	3.2	383.7
Property, plant and equipment	3.3, 3.4	90.5
Other long-term assets		0.7
Deferred tax	2.7	1.6
Total non-current assets		**976.4**
Current assets		
Inventories	3.5	71.4
Trade receivables	3.6, 4.2	56.8
Tax receivables	4.2	3.7
Other receivables	4.2	15.4
Prepayments		4.9
Cash at bank	4.2	47.5
Total current assets		**199.7**
Total assets		**1,176.1**

EUR millions	Note	2021 Aug
EQUITY AND LIABILITIES		
Equity		
Share capital	4.1	0.1
Other reserves		(0.2)
Retained earnings		569.8
Non-controlling interests		8.0
Total equity		**577.7**
Non-current liabilities		
Employee benefit obligations	3.7	1.2
Deferred tax	2.7	83.5
Borrowings	4.2	396.2
Lease liabilities	4.2	10.5
Total non-current liabilities		**491.4**
Current liabilities		
Borrowings	4.2	2.1
Lease liabilities	4.2	4.1
Trade payables	4.2	43.5
Tax payables	4.2	8.7
Prepayments		0.4
Other payables	4.2	48.2
Total current liabilities		**107.0**
Total liabilities		**598.4**
Total equity and liabilities		**1,176.1**

Consolidated cash flow statement

EUR millions	Note	2021 Mar-Aug
Operating income/(loss) before special items		4.1
Special items		(54.2)
Non-cash adjustments	5.1	19.3
Change in working capital	5.2	40.6
Interest paid		(2.7)
Taxes paid		(3.0)
Net cash flow from operating activities		**4.1**
Acquisition of entities, net of cash acquired		(917.5)
Acquisition of intangible assets		(5.1)
Acquisition of property, plant and equipment		(7.9)
Cash flow from investing activities		**(930.5)**
Proceeds from issues of shares and other equity securities		627.4
Proceeds from borrowings		382.6
Repayment of borrowings		(34.4)
Repayment of lease liabilities		(1.4)
Cash flow from financing activities		**974.2**
Cash and cash equivalents at the beginning of the financial year		0.0
Unrealized exchange gains/(losses) included in cash and cash equivalents		(0.3)
Net cash flow for the year		47.8
Cash and cash equivalents at August 31		**47.5**

Consolidated statement of changes in equity

EUR millions	Share capital	Other reserves	Retained earnings	Non-controlling interests	Total equity
2021					
Equity at March 15	0.0	-	-	-	0.0
Capital increase	0.1	-	626.3	-	626.4
Total comprehensive income for the year, see the statement of comprehensive income	-	(0.2)	-	-	(0.2)
Income/(loss) for the year	-	-	(56.5)	0.4	(56.1)
Non-controlling interests arising on a business combination	-	-	-	7.6	7.6
Equity at August 31	**0.1**	**(0.2)**	**569.8**	**8.0**	**577.7**

The Board of Directors has decided not to propose an ordinary dividend for the financial year March 15 – August 31, 2021.

Section 1

Note 1.1

Accounting policies

BASIS OF PREPARATION

The consolidated financial statements of the Oterra Group ("Oterra" or "the Group") have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the EU, and additional requirements of the Danish Financial Statements Act.

These financial statements for the year ended 31 August 2021 comply with IFRS applicable at August 31, 2021 and are the first the Group has prepared and, consequently, no opening balance sheet at March 15, 2021 or comparative period data is presented.

GENERAL INFORMATION ON RECOGNITION AND MEASUREMENT

The consolidated financial statements have been prepared on a historical cost basis, except for the measurement of certain financial instruments at fair value.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The IASB has issued new or amended standards and interpretations that have not yet become effective and have, consequently, not been implemented in the consolidated financial statements for 2021.

The Group expects to adopt the new accounting standards, amendments, and interpretations, none of which is expected to have any significant impact on the consolidated financial statements, as they become mandatory.

PRESENTATION OF ACCOUNTING POLICIES

Where possible, the accounting policies for an accounting area are presented in the individual notes for that area. Accounting policies not directly related to an area covered by a note are presented below.

DEFINING MATERIALITY

The consolidated financial statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. When aggregated, the transactions are presented in classes of similar items in the consolidated financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or in the notes. There are substantial disclosure requirements throughout IFRS.

Management provides specific disclosures required by IFRS unless the information is considered immaterial to the economic decision-making of the intended users of the consolidated financial statements or not applicable.

TRANSLATION OF FOREIGN CURRENCIES

Translation from functional currency to presentation currency

The functional currency of the Parent Company is the Danish krone (DKK). However, due to the Group's international relations, the consolidated financial statements are presented in euros (EUR).

Items in the financial statements of each of the reporting entities of the Group are measured in the currency of the primary economic environment in which the entity operates (the functional currency).

Assets, liabilities, and equity items are translated from each reporting entity's functional currency into EUR at the balance sheet date. The income statements are translated from the functional currency into the presentation currency based on the average exchange rate for the individual months. Differences arising on the translation of equity at the beginning of the period and translation of the income statement from average rates to the exchange rate at the balance sheet date are recognized in other comprehensive income and presented as a separate reserve in equity.

Translation of transactions and amounts

Transactions in foreign currencies are initially translated into the functional currency at the exchange rates at the transaction date.

Exchange adjustments arising due to differences between the transaction date rates and the rates at the payment date are recognized in financial income or financial expenses in the income statement. Receivables, payables, and other monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Exchange adjustments arising due to differences between the rates at the balance sheet date and the transaction date are recognized in financial income or financial expenses in the income statement.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Spring TopCo DK ApS (the Parent Company) and subsidiaries controlled by Spring TopCo DK ApS, which are prepared in accordance with the Group's accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with those applied by the Group.

Intercompany transactions, shareholdings, balances, and dividends as well as realized and unrealized gains and losses arising from intercompany transactions are eliminated on consolidation.

Consolidated income statement

The consolidated income statement is presented based on costs classified by function.

Alternative performance measures

Oterra presents certain financial measures of the Group's financial performance, financial position and cash flows that are not defined according to IFRS.

These non-IFRS financial measures may not be defined and calculated by other companies using the same method and may not be comparable.

The financial measures should not be considered as a replacement for performance measures as defined under IFRS, but rather as supplementary information.

Calculation of key figures and financial ratios

EBITDA before special items	Operating income/(loss) adjusted for amortization, depreciation, impairment losses and special items
EBIT before special items	Operating income/(loss) adjusted for special items
EBIT	Operating income/(loss)
Invested capital	Intangible assets, property, plant and equipment adjusted for deferred gains on sale and lease back transactions, trade receivables and inventories less trade payables
Net working capital	Inventories and trade receivables less trade payables
Net interest-bearing debt	Borrowings from financial institutions and lease liabilities less cash at bank and cash equivalents
Free cash flow	Free cash flow is calculated as the sum of cash flows from operating activities and purchase of property, plant and equipment.
Free cash flow before special items and acquisitions	Free cash flow adjusted for cash effect of special items and acquisitions
Capital expenditure	Investments for the year in intangible assets and property, plant and equipment divided by revenue
Other financial ratios	Other key ratios used are measured as a percentage of revenue

Note 1.2

Key accounting estimates and judgements

In preparing the consolidated financial statements, Management makes various accounting estimates and assumptions that form the basis of the presentation, recognition, and measurement of the Group's assets and liabilities. The most significant accounting estimates and judgements are presented below.

In applying the Group's accounting policies, Management makes judgements that may significantly influence the amounts recognized in the consolidated financial statements. Determining the carrying amount of some assets and liabilities requires judgements, estimates and assumptions to be made concerning future events.

The judgements, estimates, and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which are inherently associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise.

The Group is also subject to risks and uncertainties that may lead to actual results differing from these estimates, either positively or negatively.

Assumptions about the future and estimation uncertainties at the balance sheet date are described in the notes when there is a significant risk of changes that could result in material adjustments to the carrying amounts of assets or liabilities within the next financial year.

Management considers the key accounting estimates and judgements used in the preparation of the consolidated financial statements to relate to the following:

- Note 2.5 Special items (judgement)
- Note 3.1 Goodwill (estimate)
- Note 3.2 Other intangible assets (estimate)
- Note 5.3 Acquisition of entities (judgement and estimate)

See the specific notes for further information on the key accounting estimates and assumptions applied.

Section 2

Note 2.1

Revenue

The table below shows the Group's revenue broken down by geographical region. The geographic segmentation of revenue is based on the customers' location.

Geographic allocation

EUR millions	
March 15 – August 31, 2021	
APAC	16.2
EEMEA	19.0
LATAM	11.8
North America	21.9
Western Europe	39.5
Total	**108.4**

ACCOUNTING POLICIES

Revenue

Oterra produces a wide range of natural colors. Revenue includes sales of goods and is recognized at an amount that reflects the consideration to which Oterra expects to be entitled.

Revenue from a straightforward sale of goods to customers is recognized at the point in time when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

Rebates

Products are often sold at a discount. An agreement to this effect can be set up in various ways, but common to all discount agreements is that revenue is recognized based on the price specified in the contract, net of the estimated discount. Discounts are estimated based on historical data as well as forecasts. Estimated discounts are reassessed at the end of each reporting period.

Variable consideration related to rebates are recognised as revenue only to the extent that it is highly possible that significant revenues will not occur subsequently.

Trade receivables

A trade receivable is recognized when the customer obtains control of the goods and an invoice is issued, as this is the point in time when the consideration is unconditional and only the passage of time is required before the payment is due. Typical payment terms are around 45 days, but there may be country-specific deviations from typical payment terms.

Cost of sales

Cost of sales comprises the cost of products sold. Cost comprises the purchase price of raw materials, consumables and goods for resale, direct labour costs and a share of indirect production costs, including costs of operation and depreciation of production facilities as well as operation, administration, and management of factories.

Note 2.2

Amortization, depreciation and impairment losses

EUR millions	2021 Mar–Aug
Amortization	
Intangible assets	
Research and development costs	5.8
Sales and marketing expenses	2.4
Total	**8.2**
Depreciation	
Property, plant and equipment	
Cost of sales	2.5
Research and development costs	0.1
Sales and marketing expenses	0.2
Administrative expenses	1.2
Total	**4.0**
Total amortization and depreciation	**12.2**

Hereof, amortization of acquired intangible assets from business combinations totals EUR 7.3 million.

ACCOUNTING POLICIES

The accounting policies on amortization, depreciation and impairment losses are described in notes 3.1, 3.2, 3.3 and 3.4.

Note 2.3

Staff costs

EUR millions	2021 Mar-Aug
Wages and salaries, etc.	21.1
Pension expenses – defined contribution plans	1.4
Social security	1.9
Total	**24.4**
Average number of employees (FTEs)	**713.2**

EUR millions	2021 Mar-Aug
Key management personnel	
Employee benefits	0.5
Pensions	0.0
Total	**0.5**

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Total fees to key management personnel, comprising members of the Board of Directors and the Executive Board, amounted to EUR 0.5 million for the period March 15 to August 31, 2021.

Remuneration to the Executive Board is disclosed together with remuneration to the Board of Directors in accordance with section 98 B(3) of the Danish Financial Statements Act.

KEY MANAGEMENT PERSONNEL

Employee benefits include fixed-base salary and accrued cash bonuses designed to incentivize individual performance and the achievement of a number of predefined short-term functional and individual business targets.

If an individual is dismissed, the ordinary salary is paid for a 6-month notice period. In the event of change of control, individuals do not receive any additional compensation.

Certain employees participate in a management equity program, which allows them to acquire shares in Spring TopCo DK ApS. The investment was made at fair value why no economic benefit to the participants, hence, no expenditure or effect on either the balance sheet or on the income statement of the Group.

At August 31, 2021, key management personnel consisted of the CEO and the members of the Board of Directors.

Note 2.4

Fees to auditors

EUR millions	2021 Mar-Aug
EY	
Statutory audit	0.3
Other services	0.1
Total	**0.4**

Note 2.5

Special items

EUR millions	2021 Mar-Aug
Business combinations	40.6
Build-up activities in acquired businesses	12.0
Restructuring of acquired activities	1.6
Total	**54.2**

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The use of special items entails Management judgement in the separation from other items in the income statement. Management considers such items in order to present a distinction between the operating activities, build-up, and restructuring of the Group carried out to enhance the future earnings potential. All income and costs presented under "Special items" are directly derived from the books and records monitored by Management to ensure that only amounts meeting the criteria of being of a non-recurring nature are included.

ACCOUNTING POLICIES

Special items comprise amounts that are not considered to be attributable to recurring operations, such as income and expenses related to M&A activities and fair value adjustments to contingent considerations relating to the acquisition of entities resulting from events after the acquisition date. Costs related to build-up activities or significant organisational changes in relation to acquired activities are also considered to be special Items.

Note 2.6

Financial income and expenses

EUR millions	2021 Mar-Aug
Financial income	
Foreign exchange gains	1.1
Total	**1.1**

EUR millions	2021 Mar-Aug
Financial expenses	
Interest expenses	8.3
Interest on lease liabilities	0.1
Foreign exchange losses	2.6
Other financial expenses including amortized costs	0.8
Total	**11.8**

ACCOUNTING POLICIES

Financial income and expenses comprise interest income and interest expenses, commission, the interest component of payments under finance leases, surcharges and refunds under Denmark's on-account tax scheme, and value adjustments of financial fixed assets and items denominated in foreign currencies.

Note 2.7

Income taxes and deferred tax

EUR millions	2021 Mar-Aug
Income taxes	
Current tax for the year	(3.3)
Change in deferred tax concerning the income/(loss) for the year	8.0
Tax on the income/(loss) for the year	**4.7**
Tax in the income statement	**4.7**
Tax on other comprehensive income	**-**

EUR millions	2021 Mar-Aug
Reconciliation of tax rate	
Danish tax rate	22.0%
Deviation from the Danish tax rate – taxation of foreign operations	(0.3%)
Non-taxable income and non-deductible expenses	(12.2%)
Valuation allowance of deferred tax assets	(1.8%)
Other taxes	0.0%
Effective tax rate	**7.7%**
Tax for the year	**4.7**

EUR millions	2021
Deferred tax	
Deferred tax at March 15	
Additions from acquisitions	89.9
Currency translation	
Change in deferred tax – recognized in the income statement	(8.0)
Change in deferred tax – recognized in comprehensive income	
Change in deferred tax – recognized through equity	
Deferred tax at August 31	**81.9**
Deferred tax assets	(1.6)
Deferred tax liabilities	83.5
Deferred tax at August 31	**81.9**
Specification of deferred tax	
Intangible assets	86.3
Property, plant and equipment	(1.6)
Non-current assets	1.3
Tax loss carry-forwards	(5.2)
Valuation allowance	1.1
Total deferred tax at August 31	**81.9**
Amounts due after 12 months, estimated	**81.9**

Note 2.7

Income taxes and deferred tax

(continued)

ACCOUNTING POLICIES

Current tax liabilities and receivables are recognized in the balance sheet at the amounts calculated on the taxable income for the year, adjusted for tax on taxable incomes for prior years and for taxes paid on account.

Deferred tax is measured using the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Apart from assets acquired as part of business combinations, deferred tax is not recognized in respect of temporary differences concerning goodwill. In cases where the computation of the tax base may be performed according to different tax rules, deferred tax is measured on the basis of Management's intended use of the asset or settlement of the liability.

Section 3

Note 3.1

Goodwill

EUR millions	2021
Cost at March 15	-
Exchange rate adjustments	0.0
Additions from business acquisitions	499.9
Cost at August 31	**499.9**

Effective March 31, 2021, Oterra acquired full ownership of Chr. Hansen's Natural Colors division, the world's largest provider of natural food color, and effective June 25, 2021, Oterra acquired the full ownership of Secna Natural Ingredients Group S.L.

Management has performed an impairment test of the carrying amount of goodwill. No basis for impairment was identified. Impairment tests compare the carrying amount of assets to the discounted value of future cash flows (value in use). The future cash flows are based on budgets and Management's estimates of expected developments over the next five years. Revenue growth assumptions, EBIT, working capital and discount rate constitute the most material parameters in the calculations.

Goodwill is evaluated at aggregated level, as Oterra is considered one cash-generating unit.

Overall, revenue growth of 33-53% is expected in the five-year period. For EBITDA before special items, the corresponding increase in the five-year period is 44-97%. A pre-tax discount rate of 8.0-11,3% and a terminal growth of 2% have been applied in the impairment test.

Sensitivity tests covering key assumptions were performed in connection with the impairment testing. These additional sensitivity tests did not identify any potential impairment.

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

Goodwill is tested annually for impairment, whereby an estimate is made to determine whether the cash-generating units related to the goodwill will be able to generate sufficient future positive net cash flows to support the value of goodwill, trademarks with an indefinite useful life, and other net assets of the entity in question.

The estimate of future free net cash flows is based on budgets and business plans for the coming five years and on projections for subsequent years. Budgets and business plans are based on specific future business initiatives for which the risks relating to key parameters have been assessed and recognized in estimated future free cash flows. Projections for years following the five-year period are based on general expectations and risks. Key parameters are revenue development, profit margins, proposed capital expenditure, and growth expectations. The discount rate used to calculate recoverable amounts is the weighted average cost of capital before tax.

ACCOUNTING POLICIES

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of the acquired company. The carrying amount of goodwill is allocated to the Group's cash generating units, which are the operating segments at the acquisition date.

Note 3.2

Other intangible assets

EUR millions	Technology and software	Customer relations	Development projects	Intangible assets in progress	Total
2021					
Cost at March 15	-	-	-	-	-
Additions from acquisitions	267.1	110.0	5.9	3.8	386.8
Additions	-	-	-	5.1	5.1
Cost at August 31	**267.1**	**110.0**	**5.9**	**8.9**	**391.9**
Amortization and impairment at March 15	-	-	-	-	-
Amortization and impairment	(5.7)	(2.1)	(0.4)	-	(8.2)
Amortization and impairment at August 31	**(5.7)**	**(2.1)**	**(0.4)**	**-**	**(8.2)**
Carrying amount at August 31	**261.4**	**107.9**	**5.5**	**8.9**	**383.7**

Note 3.2

Other intangible assets
(continued)

PATENTS, TRADEMARKS, KNOW-HOW ETC.
In the financial year, the Group acquired intangible assets through acquisitions amounting to EUR 386.8 million, which primarily related to technology and customer relations.

DEVELOPMENT PROJECTS
Completed development projects and development projects in progress comprise development and testing of new strains for natural colours as well as production techniques. Projects in progress also comprise cost relating to the implementation of a new ERP system.

In the year under review, the value of the development projects recognized was compared to expected sales or cost savings. Impairment tests similar to the goodwill impairment test described in note 3.1 were prepared based on the value in use of the assets.

No impairment losses were recognised in the financial year.

SOFTWARE
Software comprises expenses for acquiring software licenses. The value of the recognized software has been compared to the expected value in use.

No impairment losses were recognised in the financial year.

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS
Finished development projects are reviewed at the time of completion and on an annual basis to determine whether there is any indication of impairment. If so, an impairment test is carried out for the individual development projects. For development projects in progress, however, an annual impairment test is always performed. The impairment test is performed on the basis of various factors, including future use of the project, the fair value of estimated future earnings or savings, interest rates, and risks.

For development projects in progress, Management estimates on an ongoing basis whether each individual project is likely to generate future economic benefits for the Group in order to qualify for recognition. The development projects are evaluated based on both technical and commercial criteria.

ACCOUNTING POLICIES
Research expenses are recognized in the income statement as incurred. Development costs are recognized as intangible assets if the costs are expected to generate future economic benefits.

Costs related to the development and implementation of substantial software and IT systems are capitalized and amortized over the expected useful lives of the assets.

Trademarks, patents, and customer lists acquired are recognized at cost and amortized over the expected useful lives of the assets.

Other intangible assets are measured at cost less accumulated amortization and impairment losses. Borrowing costs in respect of construction of assets are capitalized when it takes more than 12 months for them to be ready for use.

Amortization is carried out systematically over the expected useful lives of the assets:

- Patents, trademarks, know-how etc. 5-20 years
- Software 5-10 years
- Development projects 3-20 years

Note 3.3

Property, plant and equipment

EUR millions	Land and buildings	Plant and machinery	Other fixtures and equipment	Property, plant and equipment in progress	Total
2021					
Cost at March 15	-	-	-	-	-
Additions from acquisitions	25.9	22.2	5.6	24.8	78.5
Additions	7.4	0.9	1.4	6.3	16.0
Cost at August 31	**33.3**	**23.1**	**7.0**	**31.1**	**94.5**
Depreciation and impairment at March 15	-	-	-	-	-
Depreciation and impairment	(1.7)	(1.6)	(0.7)	-	(4.0)
Depreciation at August 31	**(1.7)**	**(1.6)**	**(0.7)**	**-**	**(4.0)**
Carrying amount at August 31	**31.6**	**21.5**	**6.3**	**31.1**	**90.5**

ACCOUNTING POLICIES

Items of property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment charges. Property, plant and equipment in progress are measured at cost. Cost comprises expenses for materials, other expenses directly related to making the asset ready for use, and re-establishment expenses, provided that a corresponding provision is made at the same time. Borrowing costs in respect of construction of assets are capitalized when it takes more than 12 months for the assets to be ready for use.

The useful lives of the individual groups of assets are estimated as follows:

- Buildings 25-50 years
- Plant and machinery 5-20 years
- Other fixtures and equipment 3-10 years

Land and property, plant and equipment in progress are not depreciated.

Depreciation is provided on a straight-line basis.

Gains and losses on the disposal of property, plant and equipment are recognized in the income statement under other operating income and other operating expenses.

Please refer to note 3.4 for accounting policies regarding leases.

Note 3.4

Leases

EUR millions	2021
Lease assets	
Land and buildings	13.0
Plant and machinery	0.1
Other fixtures and equipment	1.2
Carrying amount at August 31	**14.3**
Additions on lease assets	16.1

EUR millions	2021
Depreciation of lease assets per asset class	
Land and buildings	(1.4)
Plant and machinery	0.0
Other fixtures and equipment	(0.2)
Total	**(1.6)**
Amount recognized in the cash flow statement	(1.4)

Lease liabilities are classified as part of borrowings in the balance sheet. For further information related to lease liabilities, please refer to note 4.2.

ACCOUNTING POLICIES

Lease assets are "right-of-use assets", which is a contract or part of a contract that conveys the lessee's right to use an asset for a period of time. Lease assets are initially measured as the present value of future fixed lease payments plus upfront payments and/or other initial direct costs incurred, less any lease incentives received. If, on the inception of the lease, it is reasonably certain that an extension or purchase option will be exercised, future lease payments will be included.

Lease liabilities are measured using the Group's average incremental borrowing rate.

Lease assets are classified alongside owned assets of a similar type under "Property, plant and equipment".

Lease assets are depreciated using the straight-line method over the lease term. Lease assets are tested when there is an indication of impairment.

Short-term leases and leases of low value are recognized as expenses in the income statement on a straight-line basis over the lease term.

Oterra's portfolio of leases includes land, buildings, cars, and equipment.

Note 3.5

Inventories

EUR millions	2021
Raw materials and consumables	21.6
Work in progress	36.3
Finished goods and goods for resale	13.5
Total	**71.4**

EUR millions	2021
Indirect production costs included in "Cost of sales"	6.0
Changes in inventory write-downs	
Write-downs at March 15	0.0
Reversal of write-downs	0.0
Utilization of write-downs	0.0
Inventory write-down at August 31	**0.0**

ACCOUNTING POLICIES

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of goods for resale and raw materials and consumables comprises the purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising costs incurred to bring the product to its current stage of completion and location. Costs include the cost of raw materials, consumables, direct wages and salaries, and indirect production overheads. Indirect production overheads comprise indirect materials, wages and salaries, maintenance and depreciation of production machinery, buildings and equipment, and production administration and management.

Note 3.6

Trade receivables

EUR millions	2021
Aging of trade receivables	
Not due	43.6
0-30 days overdue	6.8
31-60 days overdue	3.0
61-120 days overdue	2.2
> 120 days overdue	1.2
Total	**56.8**

EUR millions	2021
Changes in allowances for trade receivables	
Allowances at March 15	0.0
Additions for the period	0.0
Reversals	0.0
Losses realized	0.0
Allowances at August 31	**(0.0)**

ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group applies the simplified approach to measuring expected credit losses under IFRS 9, which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The allowance for expected credit losses for trade receivables is based on historical credit loss experience combined with forward-looking information on macroeconomic factors affecting the credit risk. The expected loss rates are updated at every reporting date.

ACCOUNTING POLICIES

Trade receivables are measured at amortized cost less allowances for lifetime expected credit losses.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days overdue. Furthermore, an allowance for lifetime expected credit losses for trade receivables is measured on initial recognition.

Trade receivables are written off when all possible options have been exhausted and there are no reasonable expectations of recovery. The cost of allowances for expected credit losses and write-offs for trade receivables are included in "Sales and marketing expenses".

Note 3.7

Employee benefit obligations

EUR millions	2021
Net employee benefit obligations	
Net obligations at March 15	0.0
Additions from acquisitions	1.0
Costs recognized in the income statement	0.0
Remeasurements recognized in other comprehensive income	0.2
Employer contributions	0.0
Net employee benefit obligations at August 31	**1.2**

EMPLOYEE BENEFIT PLANS IN THE GROUP

Other employee benefit obligations consist of obligations regarding payments made in connection with employee service tenure, long-service benefits, and other social benefits.

The Group has entered into pension agreements with a significant number of its employees. The majority of the plans are defined contribution plans, while only a small proportion are defined benefit plans.

DEFINED CONTRIBUTION PLANS

The Group finances the plans through regular premium payments to independent insurance companies, which are responsible for the pension obligations. Once the pension contributions to the defined contribution plans have been paid, the Group has no further pension obligations vis-à-vis current or former employees.

DEFINED BENEFIT PLANS

For certain groups of employees, the Group has entered into agreements on the payment of certain benefits, including pensions. These obligations are not or only partly covered by insurance. Unfunded plans have been recognized in the balance sheet, income statement, and statement of other comprehensive income as shown above.

ACCOUNTING POLICIES

Contributions to defined contribution plans are charged to the income statement in the year to which they relate. In France and Italy, the Group still operates defined benefit plans. The costs for the year of defined benefit plans are determined using the projected unit credit method. This reflects services rendered by employees up to the valuation dates and is based on actuarial assumptions, primarily regarding discount rates used in determining the present value of benefits and projected rates of remuneration growth. Discount rates are based on the market yields of high-rated corporate bonds in the country concerned.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the income statement. Pension assets are only recognized to the extent that it is possible to derive future economic benefits such as refunds from the plan or reductions of future contributions. The Group's defined benefit plans are usually funded by payments from group companies and by employees to funds independent of the Group. Where a plan is unfunded, a liability for the retirement obligation is recognized in the balance sheet.

Note 3.8

Commitments and contingent liabilities

PENDING COURT AND ARBITRATION CASES
The Group is not a party in any litigation proceedings.

CHANGE OF CONTROL
The loan facilities are subject to change-of-control clauses.

Section 4

Note 4.1

Share capital

Number of shares	**2021**
Share capital at March 15	40,000
Addition	114,261,713
Share capital at August 31	**114,301,713**

Oterra's share capital has a nominal value of DKK 1,143,017 (equivalent to EUR 154 thousand), divided into 105,157,576 class A shares of DKK 0.01 each and 9,144,137 class B shares of DKK 0.01 each. The share capital is fully paid up.

Note 4.2

Financial assets and liabilities

FINANCIAL RISKS

Oterra is exposed to currency and interest rate fluctuations. Oterra's treasury department monitors and manages risks related to currency exposure and interest rate levels.

FUNDING AND LIQUIDITY RISK

Funding and adequate liquidity are fundamental factors in driving an expanding business, and managing funding and liquidity risks is an integral part of Oterra's continual budget and forecasting process. To ensure focus on managing these risks, Oterra's Treasury department manages and monitors funding and liquidity for the entire Group and ensures the availability of the required liquidity through cash management and uncommitted as well as committed facilities.

FOREIGN EXCHANGE RISK

To reduce exposure to exchange rate fluctuations, Oterra primarily trades in EUR and USD. However, trading also takes place in other currencies. Currency exposure is mainly managed by having revenue and expenses in the same currency.

INTEREST RATE RISK

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows on borrowings from exposure related to bank loans with floating interest rates. The senior facility requires that 50% of the floating interest rate is fixed, and Oterra's Treasury department manages the interest rate risk using financial derivatives. Hedging is executed after year-end close.

CREDIT RISK

Credit risks mainly relate to trade and other receivables. The risk is limited due to Oterra's diverse customer base, which represents multiple industries and businesses on international markets in which Oterra cooperates with many large and medium-sized partners. When dealing with smaller businesses, Oterra mainly sells through distributors, thus reducing the credit risk associated with these customers.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors, and/or regions.

COUNTERPARTY RISK

Oterra manages counterparty risk for cash, deposits and financial instruments by only engaging with financial institutions that have a satisfactory long-term credit rating. Oterra's core financial counterparties currently have long-term credit ratings of AA or A.

Note 4.2

Financial assets and liabilities

(continued)

EUR millions	Maturity < 1 year	Maturity > 1 year < 5 years	Maturity > 5 years	Contractual cash flows	Carrying amount
2021					
Trade receivables	56.8	-	-	**56.8**	56.8
Tax receivables	3.7	-	-	**3.7**	3.7
Other receivables	15.4	-	-	**15.4**	15.4
Cash at bank	47.5	-	-	**47.5**	47.5
Financial assets at amortized cost	**123.4**	**-**	**-**	**123.4**	**123.4**
Financial liabilities					
Second-lien borrowings	-	-	204.6	**204.6**	99.9
Senior bank borrowings [1)]	16.2	87.7	294.1	**398.0**	298.4
Lease liabilities	4.1	7.6	3.3	**15.0**	14.6
Trade payables	43.5	-	-	**43.5**	43.5
Tax payables	8.7	-	-	**8.7**	8.7
Other payables	12.1	-	-	**12.1**	12.1
Financial liabilities at amortized cost	**84.6**	**95.3**	**502.0**	**681.9**	**477.2**
Employee benefit obligations	-	-	1.2	**1.2**	1.2
Fair value through other comprehensive income	**-**	**-**	**1.2**	**1.2**	**1.2**
Total financial liabilities	**84.6**	**95.3**	**503.2**	**683.1**	**478.4**

1) Includes a loan which may be unconditionally extended until March 2027, meaning that the loan is classified with a maturity in excess of 5 years. As Management expects to repay the loan in March 2027, interest has been calculated until then.

Note 4.2

Financial assets and liabilities

(continued)

EUR millions	2021
Non-current borrowings	
Second-lien borrowings	102.6
Senior bank borrowings	305.3
Lease liabilities	10.5
Total before amortization of financing expenses	**418.4**
Capitalized financing expenses, second-lien borrowings	(2.7)
Capitalized financing expenses, senior bank borrowings	(9.0)
Total non-current borrowings	**406.7**
Current borrowings	
Bank borrowings	2.1
Lease liabilities	4.1
Total current borrowings	**6.2**
Total	**412.9**

The Group's borrowings are denominated in EUR and USD.

The terms for the bank debt include a few covenants focusing on the Group's ability to generate sufficient cash flows. The financing of each group company is monitored and managed at group level. The first covenant check is to take place in May 2022, and estimates for the income statement, balance sheet and cash flow statement indicate that the covenants will be met by a comfortable margin in 2022.

Note 4.2

Financial assets and liabilities
(continued)

EUR millions	Effective interest rate (%) [1]	Currency	Available facility	Drawn amount	Maturity (years)	Carrying amount	Interest rate risk amount [2]
Second-lien borrowings							
Floating rate	0.0	EUR	102.6	102.6	7-8	99.9	0.5
Total			**102.6**	**102.6**		**99.9**	**0.5**
Senior bank borrowings							
Floating rate	0.0	EUR	300.5	247.0	6-7	238.0	1.1
Floating rate	0.3	USD	59.9	59.9	6-7	60.4	0.6
Total			**360.4**	**306.9**		**298.4**	**1.7**
Total second-lien and senior bank borrowings			**463.0**	**409.5**		**398.3**	**2.2**

1) Interest rate including zero-floor and excluding margin

2) Interest rate risk if interest rates increase by 1.0 percentage point

The fair value of bank borrowings does not differ significantly from the carrying amount.

Note 4.2

Financial assets and liabilities
(continued)

EUR millions	Total second-lien borrowings	Total senior bank borrowings	Floating rate	Fixed rate
Currency of the principal				
EUR	99.9	238.0	337.9	0.0
USD	0.0	60.4	60.4	0.0
Total	**99.9**	**298.4**	**398.3**	**0.0**

ACCOUNTING POLICIES
The Group classifies financial assets under the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through the income statement), and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in the income statement or in other comprehensive income.

Cash at banks comprise cash balances and unrestricted deposits with banks.

Financial liabilities, including loans from credit institutions, are initially measured at amortized cost less transaction costs incurred. Amortized cost is calculated as the original cost less instalments plus/less the accumulated amortization of the difference between cost and nominal value. Losses and gains on loans are thus allocated over the term so that the effective interest rate is recognized in the income statement over the loan period. Financial liabilities are derecognized when settled.

The portion of the debt maturing after one year is recognized as non-current debt and the remainder as current debt.

Other payables are measured at amortized cost.

Section 5

Note 5.1

Non-cash adjustments

EUR millions	2021
Depreciation, amortization and impairment	12.2
Change regarding employee benefit obligations	0.0
Exchange rate adjustment	0.8
Other non-cash adjustments	6.3
Total	**19.3**

Note 5.2

Change in working capital

EUR million	2021 Mar-Aug
(Increase)/decrease in receivables	2.1
(Increase)/decrease in inventory	2.2
Increase/(decrease) in payables and other liabilities	18.6
Adjustment for non-cash investing activities	17.7
Change in working capital	**40.6**

Note 5.3

Acquisition of entities

Details of the provisional purchase consideration, net assets acquired, and goodwill are as follows:

EUR millions	Chr. Hansen Natural Colors Division	Secna Group
Purchase consideration		
Cash paid	799.7	127.2
Debt to former shareholder	14.5	3.5
Contingent consideration	-	3.8
Fair value of total consideration	**814.2**	**134.5**

EUR millions	Chr. Hansen Natural Colors Division	Secna Group
Fair value of net assets acquired		
Other intangible assets	352.6	34.2
Property, plant and equipment	60.6	20.3
Inventories	56.6	21.7
Trade receivables	54.2	16.7
Trade payables	(23.4)	(3.0)
Other receivables and payables, net	(17.3)	0.1
Interest-bearing debt	(14.6)	(34.9)
Tax payables and deferred tax liabilities, net	(84.1)	(14.5)
Cash at bank	23.9	7.3
Minority interests	-	(7.6)
Net identifiable assets acquired	**408.5**	**40.3**
Goodwill from acquisition	405.7	94.2
Fair value of total consideration	**814.2**	**134.5**
Hereof cash at bank	(23.9)	(7.3)
Acquisition costs, net of cash	**790.3**	**127.2**

ACQUISITIONS DURING 2021

Acquired businesses are recognized in the consolidated financial statements from the time of the acquisition. A purchase price allocation has been conducted in accordance with IFRS by fair value assessment of identifiable assets and liabilities at the acquisition date in the opening balance sheet.

The following valuation techniques have been applied in the fair value assessment of significant net assets acquired:

- Property, plant and equipment – have been assessed for fair value by applying the replacement cost approach.
- Technology – has been assessed using a multi-period excess earnings model.
- Customer relationships – have been assessed using an allowed margin approach as the valuation methodology.

Chr. Hansen Natural Colors Division

Effective March 31, 2021, Oterra acquired full ownership of Chr. Hansen's Natural Colors division, the world's largest provider of natural food colors. The transfer was contemplated as of the acquisition date, allowing Oterra full control of all assets and liabilities.

Goodwill represents the value of the current workforce and know-how and also the operational synergies expected from integration within the Group.

Revenue and EBIT amount to EUR 99.2 million and EUR (26.5) million, respectively, since the date of acquisition. On a pro forma basis, had the acquisition been effective from March 15, 2021, the Natural Colors division would have contributed EUR 110.3 million to revenue and EUR (25.2) million to EBIT.

Acquisition costs related to the acquisition amounted to EUR 20.7 million.

SECNA Group

Effective June 26, 2021, Oterra acquired the full ownership of Secna Natural Ingredients Group S.L. The acquisition has further strengthened Oterra's portfolio of products.

Goodwill represents the value of the current workforce and know-how and also the operational synergies expected from integration within the Group.

Revenue and EBIT amount to EUR 9.1 million and EUR 0.1 million, respectively, since the date of acquisition. On a pro forma basis, had the acquisition been effective from March 15, 2021, the Secna Group would have contributed EUR 26.6 million to revenue and EUR (5.1) million to EBIT.

Acquisition costs related to the acquisition amounted to EUR 3.7 million.

Diana Foods

Effective December 29 , 2021, Oterra Group acquired Diana Food's natural food coloring business. The initial accounting for the business combination is not yet completed, and the assessment of acquisition date fair values are still ongoing. Consequently, disclosures of the fair value of assets acquired and other disclosures required under IFRS 3, Business Combinations, cannot be provided. The acquired net assets are expected to relate primarily to goodwill, technology, and customer relationships.

The estimated acquisition price of Diana Foods is EUR 42.8 million subject to final net working capital adjustments.

Food Ingredient Solutions

Effective December 30, 2021, Oterra Group acquired the company Food Ingredient Solutions LLC.

The initial accounting for the business combination is not yet completed, and the assessment of acquisition date fair values are still ongoing. Consequently, disclosures of the fair value of assets acquired and other disclosures required under IFRS 3, Business Combinations, cannot be provided. The acquired net assets are expected to relate primarily to goodwill, technology, and customer relationships.

The estimated acquisition price of Food Ingredient Solutions LLC, is EUR 101.5 million subject to final net working capital and net debt adjustments.

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The most significant assets acquired generally comprise goodwill, patents, IP rights, customer relationships, and property, plant and equipment. No active market exists for the majority of the acquired assets and liabilities, in particular in respect of acquired intangible assets. Accordingly, Management makes estimates of the fair value of acquired assets, liabilities, and contingent liabilities. Depending on the nature of the item, the determined fair value of an item may be associated with uncertainty and possibly adjusted subsequently.

The fair value of development projects and customer contracts acquired in business combinations is based on an evaluation of the conditions relating to the acquired portfolio and related customer relationships. Measurement is based on a discounted cash flow model on key assumptions about the estimated split of the acquired and expected revenue, the related churn rates and profitability of the revenue at the time of the acquisition.

ACCOUNTING POLICIES

On acquisition of entities and joint ventures, the acquisition method is applied. Acquired assets, liabilities and contingent liabilities are measured on initial recognition at fair value at the time control is deemed to exist. Identifiable intangible assets are recognized if they can be separated and the fair value can be reliably measured. Deferred tax on revaluations is recognized.

Any positive differences between cost and fair value of the assets, liabilities and contingent liabilities acquired on acquisition of subsidiaries are recognized as goodwill under "Intangible assets". The cost is stated at the fair value of shares, debt instruments, and cash and cash equivalents. Goodwill is not amortized but is tested annually for impairment. Negative balances (negative goodwill) are recognized in the income statement at the date of acquisition. Positive differences on the acquisition of joint ventures are recognized in the balance sheet under "Investments in joint ventures".

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected, adjustments made to the provisional fair value of acquired assets, liabilities and contingent liabilities or cost of the acquisition within 12 months of the acquisition date are reflected in the initial goodwill. The adjustment is calculated as if it had been recognized at the acquisition date, and comparative figures are restated.

Changes in estimates of the cost of the acquisition that are contingent on future events are recognized in the income statement.

Acquired entities are recognized in the consolidated financial statements from the time of the acquisition.

Note 5.4

Related parties

Related parties are defined as parties with control or significant influence, including group companies.

At August 31, 2021, Spring LuxCo HoldCo S.á r.l. (26A Boulevard Royal, 2449 Luxembourg) held 99.07% of the share capital of Spring TopCo DK ApS.

Other related parties include members of the Board of Directors and the Executive Board together with their immediate families.

The remuneration of key management personnel is specified in note 2.3.

All agreements relating to related party transactions are on market terms (arm's length).

There were no transactions with members of the Board of Directors or other key management personnel other than payment of remuneration.

Note 5.5

Events after the balance sheet date

On September 17, 2021, Oterra signed an agreement to acquire Diana Food's natural food coloring business. For additional information, please refer to note 5.3.

In October 2021, Oterra signed an agreement to make an investment of EUR 18 million in a company producing natural colors. The amount comprises both an equity investment and rights to purchase certain products in future.

On December 30, 2021, Oterra signed an agreement to acquire the company Food Ingredient Solutions LLC. For additional information, please refer to note 5.3.

To fund these acquisitions, Oterra has acquired senior bank borrowings of EUR 115.1 million, second-lien borrowings of EUR 5,3 million and capital increases of EUR 35.6 million.

No other events that could have a significant impact on the consolidated financial statements have occurred subsequent to August 31, 2021.

Note 5.6

Group companies

EUR millions	Country	Consolidated ownership in %	Activity
Chr. Hansen Natural Colors A/S	Denmark	100	P, S
Natural Colors Italy S.R.L.	Italy	100	P, S
Chr. Hansen Natural Colors LLC	USA	100	P, S
Chr. Hansen S.A. [2]	Peru	100	P, S
Oterra Poland sp. z o. o.	Poland	100	S
Local Acqco México S.A. de C.V.	Mexico	100	S
Oterra Australia Pty Ltd.	Australia	100	S
Shanghai Local AcqCo Trading Co., Ltd. [2]	China	100	S
Aurora International OpCo ApS	Denmark	100	S
Oterra Operations ApS, Czech Republic Branch [2]	Czech Republic	100	S
Aurora International OpCo ApS, Dutch branche	Holland	100	S
Aurora International OpCo ApS Hellerup Sucursala Bucuresti	Romania	100	S
Oterra Operations ApS, Sucursal en España	Spain	100	S
Oterra Operations ApS, Filial Sweden	Sweden	100	S
Oterra Operations ApS, Irish Branch	Ireland	100	S
Aurora International OpCo ApS Merkezi Danimarka Istanbul Merkez Şubesi	Turkey	100	S
Oterra France SAS	France	100	S
Oterra GmbH	Germany	100	S
Oterra UK Limited	UK	100	S
Local AcqCo Middle East FZ-LLC	UAE	100	S
Oterra Singapore Pte. Ltd.	Singapore	100	S
Oterra Rus LLC [2]	Russia	100	S
LOCAL ACQCO MALAYSIA SDN. BHD.	Malaysia	100	S
Local AcqCo Argentina SRL	Argentina	100	S
LOCAL ACQCO COLOMBIA S.A.S.	Colombia	100	S
Spring MidCo DK ApS	Denmark	100	O
Holdingselskabet af 18. september 2020 ApS	Denmark	100	O
Holdingselskabet af 22. april 2021 ApS	Denmark	100	O
Local HoldCo Italy S.r.l.	Italy	100	S
Local AcqCo Peru S.A.C. [2]	Peru	100	S
Local HoldCo Brazil Ltda.	Brazil	100	O
Aurora Local HoldCo US, LLC	USA	100	S
Aurora Local AcqCo US, LLC	USA	100	S
Local AcqCo France SAS Bureau de liaison	Algeria	100	S
Beijing Branch of Shanghai Local AcqCo Trading Co., Ltd. [2]	China	100	S
Aurora International OpCo ApS, Indonesian Representative Office	Indonesia	100	S
Aurora International OpCo ApS, representative office	Thailand	100	S
The representative office of Chr. Hansen Natural Colors A/S in Ho Chi Minh City	Vietnam	100	S
Oterra Colors Spain S.L.	Spain	100	O
Secna Natural Ingredients Group S.L.	Spain	100	S
Sociedad Española de Colorantes Naturales y Afines, S.A.U.	Spain	100	S
Vitivinícola Ramírez S.L. [1]	Spain	50	S
Società Italiana Coloranti Naturalied Affini S.r.l	Italy	100	S
EG Industriale S.r.l.	Italy	100	S
Secna Natural Ingredients Group SL Stabile Organizzazione	Italy	100	S
Erkon Konsantre Sanayi ve Ticaret A.Ş. [1]	Turkey	50	S
NCD Brasil indústria e comércio de corantes naturais ltda.	Brazil	100	S

The "Consolidated ownership" column shows the portion of the income/(loss) of the entity which is attributable to the shareholders of Spring TopCo DK ApS in the consolidated financial statements.

P - Production
S - Sales
O - Other

1) The governance structure provides Spring TopCo DK ApS with the power to govern the financial and operating policies of this group company. Consequently, the company is consolidated as a subsidiary with no noncontrolling interest.

2) The group company's financial reporting period (January-December) deviates from that of the Group.

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Annual Report March 15 – August 31, 2021

(Parent Company)

Income statement
March 15 – August 31

EUR thousands	Note	2021
Revenue		-
Gross income/(loss)		**-**
Administrative expenses	2.1	(3)
Operating income/(loss) before special items		**(3)**
Special items		(9)
Operating income/(loss) (EBIT)		**(12)**
Financial expenses	2.2	(3,472)
Income/(loss) before tax		**(3,484)**
Income taxes	2.3	-
Income/(loss) for the year		**(3,484)**

Statement of comprehensive income
March 15 – August 31

EUR thousands	2021
Income/(loss) for the year	(3,484)
Items that will be reclassified subsequently to the income statement when specific conditions are met	
Currency translation to presentation currency	14
Other comprehensive income for the year	**14**
Total comprehensive income for the year	**(3,470)**

Balance sheet
at August 31

EUR thousands	Note	2021
ASSETS		
Non-current assets		
Investments in group companies	3.1	726,086
Total non-current assets		**726,086**
Current assets		
Cash at bank		72
Total current assets		**72**
Total assets		**726,158**
EQUITY AND LIABILITIES		
Equity		
Share capital	4.1	134
Reserves		622,784
Total equity		**622,918**
Non-current liabilities		
Borrowings	4.2	99,905
Other payables		3,335
Total non-current liabilities		**103,240**
Total current liabilities		**0**
Total liabilities		**103,240**
Total equity and liabilities		**726,158**

Cash flow statement
March 15 – August 31

EUR thousands	Note	2021
Operating income/(loss) before special items		(3)
Special items		(9)
Non-cash adjustments	5.1	(3,331)
Change in working capital		3,334
Net cash flow from operating activities		**(9)**
Payment for acquisition of entities, net of cash acquired		(726,086)
Cash flow from investing activities		**(726,086)**

EUR thousands	Note	2021
Proceeds from issues of shares and other equity securities		626,388
Proceeds from borrowings		99,779
Cash flow from financing activities		**726,167**
Cash and cash equivalents at the beginning of the financial year		0
Net cash flow for the year		72
Cash and cash equivalents at August 31		**72**

Statement of changes in equity
March 15 – August 31

EUR thousands	Share capital	Retained earnings	Total
2021			
Equity at March 15	5		**5**
Capital increase	129	626,254	**626,383**
Total comprehensive income for the year, see the statement of comprehensive income		14	**14**
Income/(loss) for the year		(3,484)	**(3,484)**
Equity at August 31	**134**	**622,784**	**622,918**

The Board of Directors has decided not to propose any ordinary dividend for the financial year March 15 – August 31, 2021.

Note 1.1

Accounting policies

The parent company financial statements of Spring TopCo DK ApS (the Parent Company) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements of the Danish Financial Statements Act.

The accounting policies applied by the Parent Company are the same as apply to the Oterra Group, see the notes to the consolidated financial statements, with the exception of the following.

Investments in group companies

The accounting policies for investments in group companies and related transactions are presented in note 3.2.

Note 1.2

Key accounting estimates and judgements

In preparing the parent company financial statements, Management makes various accounting estimates and assumptions that form the basis of the recognition and measurement of the Parent Company's assets and liabilities.

In applying the Group's accounting policies, Management makes judgements that may significantly influence the amounts recognized in the financial statements. The key accounting estimates and judgements for the Oterra Group are presented in the notes to the consolidated financial statements.

Assumptions about the future and estimation uncertainty at the balance sheet date are described in the notes where there is a significant risk of changes that could result in material adjustments to the carrying amount of assets or liabilities within the next financial year.

Note 2.1

Fees to auditors

EUR thousands	2021 Mar-Aug
EY	
Statutory audit	(3)
Total	**(3)**

Note 2.2

Financial expenses

EUR thousands	2021 Mar-Aug
Financial expenses	
Interest expenses	(3,458)
Foreign exchange losses	(14)
Total	**(3,472)**

Note 2.3

Income taxes and deferred tax

EUR thousands	2021 Mar-Aug
Income taxes	
Current tax for the year	0
Change in deferred tax concerning the income/(loss) for the year	0
Tax on the income/(loss) for the year	**0**
Tax in the income statement	**0**
Tax on other comprehensive income	**0**

EUR thousands	2021 Mar-Aug
Reconciliation of tax rate	
Danish tax rate	22%
Non-taxable income and non-deductible expenses	(19%)
Valuation allowance of deferred tax assets	(3%)
Effective tax rate	**0%**
Tax for the year	**0**

EUR thousands	2021
Deferred tax	
Deferred tax at March 15	0
Change in deferred tax – recognized in the income statement	0
Deferred tax at August 31	**0**
Deferred tax assets	0
Deferred tax liabilities	0
Deferred tax at August 31	**0**
Specification of deferred tax	
Tax loss carry-forwards	(104)
Valuation allowance of deferred tax assets	104
Total deferred tax at August 31	**0**
Amounts due after 12 months, estimated	**0**

Note 3.1

Investments in group companies

EUR thousands	2021 Mar-Aug
Cost at March 15, 2021	-
Currency translation	-
Additions	726,086
Disposals	-
Cost at August 31	**726,086**

There were no indications of impairment of the investments in 2021.

See note 5.6 to the consolidated financial statements for a list of group companies.

ACCOUNTING POLICIES

Dividends from group companies are recognized as income in the income statement of the Parent Company in the financial year in which the dividend is declared. If the carrying amount of an investment in a subsidiary exceeds the carrying amount of the net assets in the subsidiary's financial statements, or if the dividend exceeds the total comprehensive income of the subsidiary in the period in which the dividend is declared, the carrying amount of the subsidiary is tested for impairment.

Investments in group companies are measured at cost. If the cost exceeds the recoverable amount, it is written down.

Note 3.2

Commitments and contingent liabilities

Please refer to note 3.8 to the consolidated financial statements.

EUR thousands	2021
Individual assets directly pledged	-
Equity investment in Spring MidCo DK ApS	726,086
Carrying amount of pledged individual assets	**726,086**

JOINT TAXATION

The Parent Company and its Danish subsidiaries are jointly taxed with the Danish companies in the Oterra Group. The joint taxation arrangement also covers withholding taxes in the form of dividend tax, royalty tax, and interest tax. The Danish companies are jointly and individually liable for the joint taxation payments. Any subsequent adjustments to income taxes and withholding taxes may lead to a higher liability. The taxes for the individual companies are allocated in full on the basis of the expected taxable income.

Note 4.1

Share capital

Number of shares	2021 Mar-Aug
Share capital at March 15	40,000
Additions	114,261,713
Share capital at August 31	**114,301,713**

The Parent Company's share capital has a nominal value of DKK 1,143,017 (equivalent to EUR 134 thousand), divided into 105,157,576 class A shares of DKK 0.01 each and 9,144,137 class B shares of DKK 0.01 each. The share capital is fully paid up.

Note 4.2

Financial assets and liabilities

Please refer to note 4.2 to the consolidated financial statements. The Parent Company is the borrower of the second-lien borrowings.

Note 5.1

Non-cash adjustments

EUR thousands	2021 Mar-Aug
Interest accrued	(3,331)
Exchange rate adjustment	0
Total	**(3,331)**

Note 5.2

Related parties

Please refer to note 5.4 to the consolidated financial statements

Note 5.3

Events after the balance sheet date

Please refer to note 5.5 to the consolidated financial statements.