
SURTEC SCANDINAVIA ApS

Rådhuspladsen 16, DK-1550 København V

Annual Report for 2023

CVR No. 13 82 95 78

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 11/6 2024

Dieter Siegfried Alchert
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of SURTEC SCANDINAVIA ApS for the financial year 1 January - 31 December 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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

København V, 11 June 2024

Executive Board

Dieter Siegfried Aichert
Manager

Stephen James Downing
Manager

Board of Directors

Karsten Grünke

Fulvio Lamberti

Independent Auditor's report

To the shareholder of SURTEC SCANDINAVIA ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of SURTEC SCANDINAVIA ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

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

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

Independent Auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Trekantområdet, 11 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen

State Authorised Public Accountant

mne30224

Company information

The Company	SURTEC SCANDINAVIA ApS Rådhuspladsen 16 1550 København V CVR No: 13 82 95 78 Financial period: 1 January - 31 December Municipality of reg. office: København
Board of Directors	Karsten Grünke Fulvio Lamberti
Executive Board	Dieter Siegfried Aichert Stephen James Downing
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit		2,974,745	3,432,625
Staff expenses	2	-780,547	-742,545
Depreciation and impairment losses of property, plant and equipment		-707	-2,120
Profit/loss before financial income and expenses		2,193,491	2,687,960
Financial income	3	162,199	16,323
Financial expenses		-113,351	-17,423
Profit/loss before tax		2,242,339	2,686,860
Tax on profit/loss for the year	4	-493,315	-586,416
Net profit/loss for the year		1,749,024	2,100,444
 Distribution of profit			
		2023	2022
		DKK	DKK
Proposed distribution of profit			
Proposed dividend for the year		1,749,024	2,100,444
		1,749,024	2,100,444

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Other fixtures and fittings, tools and equipment		0	706
Property, plant and equipment	5	0	706
Fixed assets		0	706
Trade receivables		1,403,169	1,572,263
Receivables from group enterprises	6	2,645,346	2,483,895
Corporation tax receivable from group enterprises		4,444	12,364
Prepayments		24,425	36,681
Receivables		4,077,384	4,105,203
Current assets		4,077,384	4,105,203
Assets		4,077,384	4,105,909

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		200,000	200,000
Retained earnings		0	0
Proposed dividend for the year		1,749,024	2,100,444
Equity		1,949,024	2,300,444
Provision for deferred tax		5,374	8,225
Provisions		5,374	8,225
Trade payables		225,918	399,490
Payables to group enterprises		1,342,185	881,426
Other payables		554,883	516,324
Short-term debt		2,122,986	1,797,240
Debt		2,122,986	1,797,240
Liabilities and equity		4,077,384	4,105,909
Key activities	1		
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Statement of changes in equity

	Share capital	Proposed dividend for the year	Total
	DKK	DKK	DKK
Equity at 1 January	200,000	2,100,444	2,300,444
Ordinary dividend paid	0	-2,100,444	-2,100,444
Net profit/loss for the year	0	1,749,024	1,749,024
Equity at 31 December	200,000	1,749,024	1,949,024

Notes to the Financial Statements

1. Key activities

The activities of the Company consist in sale of chemicals and equipment, plant and spare parts used in connection with chemical and electronic surface treatment.

2. Staff Expenses

Wages and salaries

Other social security expenses

Average number of employees

	<u>2023</u>	<u>2022</u>
	DKK	DKK
	774,320	733,917
	<u>6,227</u>	<u>8,628</u>
	<u>780,547</u>	<u>742,545</u>
	<u>1</u>	<u>1</u>

3. Financial income

Interest received from group enterprises

Exchange adjustments

	<u>2023</u>	<u>2022</u>
	DKK	DKK
	71,074	12,924
	<u>91,125</u>	<u>3,399</u>
	<u>162,199</u>	<u>16,323</u>

4. Income tax expense

Current tax for the year

Deferred tax for the year

Adjustment of tax concerning previous years

	<u>2023</u>	<u>2022</u>
	DKK	DKK
	496,166	594,837
	-2,851	-3,662
	<u>0</u>	<u>-4,759</u>
	<u>493,315</u>	<u>586,416</u>

Notes to the Financial Statements

5. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	
	DKK	
Cost at 1 January		4,239
Cost at 31 December		4,239
Impairment losses and depreciation at 1 January		3,533
Depreciation for the year		706
Impairment losses and depreciation at 31 December		4,239
Carrying amount at 31 December		0

6. Receivables from group enterprises

	2023	2022
	DKK	DKK
Cash pool arrangement	2,645,346	0
Other receivables	0	2,483,895
	2,645,346	2,483,895

SurTec International GmbH has entered into a cash pool arrangement agreement with SEB AG, in which SurTec International GmbH is the account holder and SurTec Scandinavia ApS is the sub-account holder together with the Group's other affiliated companies. The terms of the cash pool scheme grant SEB AG the right to settle withdrawals and deposits with each other, whereby only the net balance of the total cash pool accounts constitute SurTec International GmbH's balance with SEB AG. SurTec Scandinavia ApS's accounts in the cash pool scheme.

7. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

	2023	2022
	DKK	DKK
Within 1 year	89,163	35,081
Between 1 and 5 years	133,745	0
	222,908	35,081

Notes to the Financial Statements

2023	2022
DKK	DKK

7. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of EAGLEBURGMANN KE A/S, which is the management company of the joint taxation purposes. 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.

8. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Freudenberg & Co. KG	Höhnerweg 2-4, 69465 Weinheim, Germany

The Group Annual Report of Freudenberg & Co. KG may be obtained at the following address:
www.freudenberg.com

Notes to the Financial Statements

9. Accounting policies

The Annual Report of SURTEC SCANDINAVIA ApS for 2023 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 2023 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

All 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

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

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.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Notes to the Financial Statements

Other external expenses

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

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

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 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 wholly owned Danish subsidiaries of the Freudenberg Group. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

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.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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 fixtures and fittings, tools and equipment	3 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

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.

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, subscriptions and interest.

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, including the tax base of tax loss carry-forwards, 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.