

Solae Denmark ApS

Edwin Rahrsvej, 8220 Brabrand

CVR no. 16316792

Annual report 2023

Approved at the Company's annual general meeting on 4 December 2024

Chairman: Philip Johnson

Philip Johnson

Signed: 12/4/2024

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Solae Denmark ApS

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Solae Denmark ApS

Company information

Entity

Solae Denmark ApS
Edwin Rahrsvej 38
8220 Brabrand

Company CVR: 16316792

Financial year: 2023-01-01 - 2023-12-31

Executive Board

Charlotte Bornhaupt
Niels Bøgesvang Riis
Lisbeth Sørensen

Auditors

PriceWaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK2900 Hellerup
Denmark

Telephone number: 3945 3945

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Management's review summary report

Today, the Executive Board have discussed and approved the annual report of Solae Denmark ApS for the financial year 1 January 2023 - 31 December 2023.

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

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

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

4 December 2024

Executive Board:

Lisbeth Sørensen

Niels Bøgesvang Riis

Charlotte Bornhaupt

**Independent auditor's report
To the shareholders of Solae Denmark 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 Solae Denmark ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, 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.

Emphasis of matter

With effect as from the current financial year, the Company has become subject to an audit obligation. Please note that the comparative figures stated in the Financial Statements have not been audited, which also appears from the Financial Statements.

Without qualifying our opinion, we point to note 6 in the annual report in which management describes material uncertainty relating to a claim made by the Danish Tax Authorities.

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 form of 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.

Independent auditor's report (continued)
To the shareholders of Solae Denmark ApS

Statement on the Management's review (continued)

Based on the work we have performed, in our view, Management's review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

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 judgment 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report (continued)
To the shareholders of Solae Denmark ApS

Auditor's responsibilities for the audit of the financial statements (continued)

- 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 conclusion is 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.

4 December 2024

PriceWaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33771231

Henrik Trangeled Kristensen
State Authorised Public Accountant
mne23333

Company

Management commentary

Business review

The activity of the Company has been closed, and the Company is continuing as a dormant entity.

Financial review

The Company made a loss of DKK 55,406,903 compared to a loss of DKK 562,946 in 2022.

The result is below expectations, due to a provision of DKK 54 million related to tax and interest recognized in 2023.

There are no employees in the Company, and the Executive Board have not received any remuneration.

A provision for tax and related interest of total DKK 54 million has been recognized in 2023. We refer to note 6 for further details.

Outlook

The Company is expected to continue as a dormant company.

Recognition and measurement uncertainties

The Danish tax authorities have issued a claim to increase the taxable income for 2003, Solae Denmark ApS disagrees to this increase. The dispute is ongoing and is currently appealed to Aarhus District Court. To stop interest Solae Denmark ApS made a payment in 2015 of the tax and interest related to the claim, which is recognized as corporation tax receivables. During 2023 management has estimated that there is a risk that the ruling will not be in full favour of Solae Denmark ApS, therefore a provision of DKK 54 million has been incorporated in the 2023 Annual report of which DKK 41 million corresponding to corporate income taxes and DKK 13 million to interests

The provision has been incorporated on the basis of management's best estimate and is therefore subject to material uncertainty.

We refer to note 6 for further details

Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Statement of profit or loss

	31 December 2023	31 December 2022 (Non Audited)
	DKK	DKK
Gross margin	0	0
Administrative expenses	(1,744,094)	(521,140)
Operating loss	(1,744,094)	(521,140)
Loss before net financials	(1,744,094)	(521,140)
Financial income	20,324	218
Finance expenses	(12,487,015)	(12,774)
Loss from continuing operations before tax	(14,210,785)	(533,696)
Tax on continuing operations	(41,196,118)	(29,251)
Loss for the year from continuing operations	(55,406,904)	(562,946)
Loss for the year	(55,406,904)	(562,946)

Note

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Statement of financial position

	Note	31 December 2023 DKK	31 December 2022 (Non Audited) DKK
ASSETS			
Receivables			
Receivables from group enterprises		543,462	483,053
Other receivables		1,963,333	411,060
Corporation tax receivable	6	105,470,962	159,197,995
Joint taxation contribution receivable		64,773	176,307
		<u>108,042,530</u>	<u>160,268,414</u>
Cash		5,712	964,711
Total current assets		<u>108,048,242</u>	<u>161,233,125</u>
TOTAL ASSETS		<u>108,048,242</u>	<u>161,233,125</u>
Equity and liabilities			
Equity			
Share capital	7	167,000,000	167,000,000
Profit and loss account		(61,182,293)	(5,775,388)
Equity holders' share of equity		<u>105,817,708</u>	<u>161,224,612</u>
Total equity		<u>105,817,708</u>	<u>161,224,612</u>
Current liabilities			
Trade payables		816,238	4,823
Payables to group enterprises		1,414,296	3,689
Total current liabilities		<u>2,230,535</u>	<u>8,513</u>
Total liabilities		<u>2,230,535</u>	<u>8,513</u>
Total equity and liabilities		<u>108,048,242</u>	<u>161,233,125</u>

Notes to the financial statements

1. Accounting policies

The annual report of Solae Denmark ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities with selected options from reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The Annual Report presented in DKK, unless otherwise stated.

A material misstatement of prior years has been identified during 2023, and the comparison numbers have been restated to reflect the correct balances. The misstatement relates to an increase in taxable income accepted by the company in 2015. The financial impact was a total tax and interest expense of DKK 16,846,465. The expense was mistakenly not recognized as an expense, but as a corporation tax receivable in the balance sheet.

The impact of the restatement is shown below:

Corporation Tax Receivable 2022 before restatement	:176,044,460
Corporation Tax Receivable 2022 after restatement	:159,197,995
Retained Earnings Opening Balance 2022 before restatement:	11,071,077
Retained Earnings Opening Balance 2022 after restatement	: (5,775,388)

1.1 Financial statements

(a) Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

1.2 Income statement

(a) Administrative expenses

Administrative expenses comprise costs incurred in the year to manage and administer the Company, including expenses related to administrative staff, management, office premises, office expenses and amortisation/depreciation.

Notes to the financial statements (continued)

1. Accounting policies (continued)

(b) Financial income and expenses

Financial income and expenses comprise interest income and expenses, charges in respect of finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

(c) Tax for the year

The Company is jointly taxed with Danish Group Companies.

International N&H Denmark ApS acts as management Company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

The tax expense for the year, which comprises the year's current tax charge, joint taxation contributions and changes in the deferred tax charge - including changes arising from changes in tax rates - is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

1.3 Balance sheet

(a) Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

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

(b) Equity

(i) Dividend

Dividend proposed for the year is recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

(c) Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

The Company is jointly taxed with Danish Group Companies. The tax effect of the joint taxation is allocated to Danish enterprises showing profits or losses in proportion to their taxable income.

Notes to the financial statements (continued)**1. Accounting policies (continued)****(d) Liabilities**

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

2. Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

3. Financial income

	31 December 2023	31 December 2022 (Non Audited)
	DKK	DKK
Foreign exchange gains	889	218
Bank interest income	19,435	0
	<u>20,324</u>	<u>218</u>

4. Financial expenses

	31 December 2023	31 December 2022 (Non Audited)
	DKK	DKK
Foreign exchange losses	(2,720)	(9,090)
Other interest expenses	(12,484,295)	(3,684)
	<u>(12,487,015)</u>	<u>(12,774)</u>

Notes to the financial statements (continued)**5. Appropriation of profit/loss**

	31 December 2023	31 December 2022 (Non Audited)
	DKK	DKK
<i>Recommended appropriation of profit/loss</i>		
Transferred to reserves under equity	(55,406,904)	(562,946)
	<u>(55,406,904)</u>	<u>(562,946)</u>

6. Corporate Income Tax Receivable

The Danish tax authorities have at the end of April 2009 with a subsequent correction in December 2009 made a claim to increase the taxable income for 2003 with DKK 420 million. Solae Denmark ApS disagreed to this claim, and consequently appealed the decision to the Danish National Tax Tribunal, which in October 2015 issued its decision and reduced the claim to increase the taxable income with DKK 277 million. Solae Denmark ApS accepted part of the increase to the taxable income of DKK 27 million and have recognised the tax effect incl interest of this increase as a tax expense of DKK 17 million in previous years.

Solae Denmark ApS strongly disagrees with this decision made by the Danish National Tax Tribunal considering that we believe important facts have still not been taken into consideration. Consequently, Solae Denmark ApS appealed the claim to increase the taxable income with DKK 250 million to the Aarhus District Court in January 2016. The appeal procedure which includes several phases of submission of additional information and answers from the two Parties is still ongoing.

To stop the accrual of interest on the tax liability Solae Denmark ApS decided to make a payment of the tax liability including interest in 2015 based on the ruling from the Danish National Tax Tribunal even though Solae Denmark ApS appealed the case and strongly disagreed with the decision.

Based on the latest available information Management considers that it is probable that the ruling in the Aarhus District Court is not in full favour of the Company. Therefore management has booked a tax provision as a reduction of the tax receivable booked in 2015 of DKK 54 million representing the most likely amount including interest that Solae Denmark ApS risks to pay. Management draws the attention to that there is significant uncertainty about the timing and financial outcome of the ruling.

7. Share capital

The Company capital comprises 167,000 shares of 1,000 DKK, no shares carry any special rights.

Notes to the financial statements (continued)

8. Related parties

8.1 Parties exercising control

The ultimate parent Company of the group in which the Company is included as a subsidiary is IFF Inc, New York, USA. These companies and its subsidiaries are considered related parties through the ownership of the Company.

In accordance with section 98c (7) of the Danish Financial Statements Act, all transactions with related parties have been conducted at arm's length.









9. Contractual obligations and contingencies, etc.

9.1 Contingent liabilities

The Danish companies in the IFF Group are jointly taxed and jointly liable for the total tax of the Group. The net payable tax is included in the annual report of International N&H Denmark ApS, which is the administration Company for the group taxation. Any later corrections of the taxable income may increase the total liable amount.

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  Charlotte Bornhaupt 7fb5f4b3-b8b2-46df-8462-50291a4894c7 2024-12-04 16:29:03Z	  Henrik Trangeled Kristensen State Authorised Public Accountant 6b055f1a-5f0f-4273-a628-153baed02e75 PRICEWATERHOUSECOOPERS STATSATORISE... 2024-12-04 16:39:26Z

Dokumenter i transaktionen

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For
Name
Title

Philip Johnson

Signed on 2024-12-04 17:29:18 GMT

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DocumentID: 02yQs6z2txwftR26tJBEHU
SigningID: 02yQs6z2bpnv2Pp6yeSPjP
Signing date: 12/4/2024
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