

# Bang & Bonsomer A/S

Rugmarken 40, 3520 Farum

Company reg. no. 24 05 64 14

## Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 15 June 2023.

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Seppo Hynnä  
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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## **Management's statement**

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Today, the Board of Directors and the Managing Director have approved the annual report of Bang & Bonsomer A/S for the financial year 1 January - 31 December 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Farum, 15 June 2023

### **Managing Director**

Seppo Hynnä

### **Board of directors**

Mikko Olavi Teittinen

Inga Evans

Seppo Hynnä

## **Independent auditor's report**

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### **To the Shareholders of Bang & Bonsomer A/S**

#### **Opinion**

We have audited the financial statements of Bang & Bonsomer A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

#### **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.

## Independent auditor's report

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As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- 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.

### Statement on Management's Review

Management is responsible for Management's Review.

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

## **Independent auditor's report**

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In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 of Management's Review.

Alleroed, 15 June 2023

### **Piaster Revisorerne**

Statsautoriseret Revisionsaktieselskab  
Company reg. no. 25 16 00 37

**Niels Kristian Tordrup Mørk**

State Authorised Public Accountant  
mne35462

## Company information

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<b>The company</b>	Bang & Bonsomer A/S Rugmarken 40 3520 Farum  Company reg. no. 24 05 64 14 Established: 13 October 1975 Domicile: Furesø Financial year: 1 January - 31 December
<b>Board of directors</b>	Mikko Olavi Teittinen Inga Evans Seppo Hynnä
<b>Managing Director</b>	Seppo Hynnä
<b>Auditors</b>	Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab Engholm Parkvej 8 3450 Allerød
<b>Parent company</b>	Bang & Bonsomer Group Ab
<b>Subsidiaries</b>	Eurogum A/S, Hvidovre Costech Chemicals ApS, Egedal

## Financial highlights

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DKK in thousands.	<u>2022</u>	<u>2021</u>
<b>Income statement:</b>		
Gross profit	7.011	7.111
Profit from operating activities	998	-221
Net financials	16.708	2.735
Net profit or loss for the year	18.017	2.481
<b>Statement of financial position:</b>		
Balance sheet total	123.183	96.571
Investments in property, plant and equipment	0	546
Equity	112.785	8.152
<b>Employees:</b>		
Average number of full-time employees	10	9
<b>Key figures in %:</b>		
Acid test ratio	226,9	96,3
Solvency ratio	91,6	8,4
Return on equity	29,8	35,9

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

$$\text{Acid test ratio} = \frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$$

$$\text{Solvency ratio} = \frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

$$\text{Return on equity} = \frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$



## Management's review

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### Description of key activities of the company

Like previous years, the key activity is to sell ingredients for the food industry primarily in Denmark.

### Uncertainties connected with recognition or measurement

There are raised claims from customers for tDKK 3.054. The claim has been pushed towards a supplier. The management are convinced that the claims will be covered by the supplier and/or the insurance company.

### Development in activities and financial matters

The gross profit for the year totals DKK 7.011.000 against DKK 7.111.000 last year. Income or loss from ordinary activities after tax totals DKK 18.017.000 against DKK 2.481.000 last year. The figures are not directly comparable because last years income statement comprised a 15 month income period. The operating activities of the company has been slightly improved from prior year. The subsidiaries performance is better than expected and has provided a significant return in the year.

During the year the Company has received a Capital Contribution from Group of 86 million DKK and thereby clearing all group debt in order to handle a merger between the company and the subsidiary Eurogum.

### Expected developments

The new merged company is expecting operation profit of 14 million DKK.

### Knowledge resources

The knowledge resources are based on our processes and logistics, our employees' expertise and our long term relationships with key customers, we support the growth strategy for the group.

### Environmental issues

As a part of the Bang & Bonsomer Group, Bang & Bonsomer A/S is deeply committed to sustainable development and environmental responsibility. Group comprehensive approach is reflected in a local environmental policy, which tackles a range of issues, including but not limited to, optimizing energy consumption, reducing food waste in production, and recycling cardboard packaging.

Group newly defined strategy includes broader goals: maintaining a sustainable presence in society and the market, achieving carbon neutrality, improving the communication of their carbon footprint, enhancing the management of chemicals, and providing opportunities for their staff to participate in environmental projects. These goals are monitored with KPI indicators, helping to track and achieve their targeted improvements.

Bang & Bonsomer A/S strives to ensure responsible operation within both society and the environment, in alignment with the broader Group's values. As an integral member of the Bang & Bonsomer Group, the company steadfastly adheres to the Responsible Care environmental program in all its operations. This commitment demonstrates the group's shared dedication to environmental stewardship.

## **Management's review**

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### **Research and development activities**

The company has no research activities. The development activities carried out, is ongoing in the company, in line with customer requirements.

### **Financial risks**

**Risk Control:** Active assessment and management of risks plays a central role in the Group's goal of ensuring stable earnings. Management seeks to identify, assess and control the risks to which the Group is exposed through policies and the establishment of internal procedures.

**Price risks:** In the past years, prices of products for the food industry increased compared to previous years. We expect higher purchase prices and sales prices in 2023. However, this is not considered a serious threat to the future outcome, as the company is geared to the challenge.

Activities in foreign countries entails earnings, cash flows and equity are affected by exchange rate developments in US dollar, Euro and the Polish Zloty. Shortly after the acquirement from Bang & Bonsomer, all sales are done in USD, EUR or DKK. In addition to this, all currencies are adjusted monthly in stead of annually. This will lead to lower regulation of currency in the annual report.

### **Events occurring after the end of the financial year**

After year end a merger between Bang & Bonsomer and Eurogum will be finalized.

No other circumstances have occurred after the balance sheet date that have a material impact on the assessment of the annual report. Bang & Bonsomer A/S has currently no commercial activities in Russia, Belarus or Ukraine.

**Income statement**

All amounts in DKK.

<u>Note</u>	1/1 2022 - 31/12 2022	1/10 2020 - 31/12 2021
<b>Gross profit</b>	<b>7.011.411</b>	<b>7.110.612</b>
1 Staff costs	-5.261.680	-6.394.995
Depreciation and impairment of property, land, and equipment	-746.753	-936.752
Other operating expenses	-5.032	0
<b>Operating profit</b>	<b>997.946</b>	<b>-221.135</b>
Income from investments in group enterprises	19.293.018	4.250.206
Other financial income	1.868	48.965
2 Other financial expenses	-2.586.698	-1.564.576
<b>Pre-tax net profit or loss</b>	<b>17.706.134</b>	<b>2.513.460</b>
3 Tax on net profit or loss for the year	310.453	-32.704
<b>4 Net profit or loss for the year</b>	<b>18.016.587</b>	<b>2.480.756</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2022</u>	<u>2021</u>
<b>Non-current assets</b>			
5	Land and buildings	16.264.480	16.662.924
6	Plant and machinery	1.511.140	1.770.980
7	Other fixtures, fittings, tools and equipment	452.653	546.153
	Total property, plant, and equipment	<u>18.228.273</u>	<u>18.980.057</u>
8	Investments in group enterprises	82.097.753	62.659.205
	Total investments	<u>82.097.753</u>	<u>62.659.205</u>
	<b>Total non-current assets</b>	<b><u>100.326.026</u></b>	<b><u>81.639.262</u></b>
<b>Current assets</b>			
	Manufactured goods and goods for resale	<u>5.725.295</u>	<u>4.361.451</u>
	Total inventories	<u>5.725.295</u>	<u>4.361.451</u>
	Trade receivables	7.864.362	8.001.817
	Receivables from group enterprises	2.700.972	1.170.923
	Income tax receivables	462.838	0
	Tax receivables from group enterprises	5.719.120	1.257.476
	Other receivables	218.306	0
9	Prepayments	<u>165.056</u>	<u>138.912</u>
	Total receivables	<u>17.130.654</u>	<u>10.569.128</u>
	Cash and cash equivalents	<u>1.475</u>	<u>791</u>
	<b>Total current assets</b>	<b><u>22.857.424</u></b>	<b><u>14.931.370</u></b>
	<b>Total assets</b>	<b><u>123.183.450</u></b>	<b><u>96.570.632</u></b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Equity</b>		
Contributed capital	500.000	500.000
Reserve for net revaluation according to the equity method	23.543.224	4.250.206
Retained earnings	88.741.466	3.402.165
<b>Total equity</b>	<b>112.784.690</b>	<b>8.152.371</b>
<b>Provisions</b>		
10 Provisions for deferred tax	323.914	277.514
<b>Total provisions</b>	<b>323.914</b>	<b>277.514</b>
<b>Liabilities other than provisions</b>		
Payables to group enterprises	0	72.171.232
Other payables	0	460.793
Total long term liabilities other than provisions	0	72.632.025
Current portion of long term liabilities	0	7.067.743
Trade payables	3.670.084	2.184.625
Payables to group enterprises	2.537.094	0
Income tax payable	22.836	1.264.098
Income tax payable to group enterprises	29.269	0
Other payables	3.815.563	4.992.256
Total short term liabilities other than provisions	10.074.846	15.508.722
<b>Total liabilities other than provisions</b>	<b>10.074.846</b>	<b>88.140.747</b>
<b>Total equity and liabilities</b>	<b>123.183.450</b>	<b>96.570.632</b>
<b>11 Charges and security</b>		
<b>12 Contingencies</b>		
<b>13 Related parties</b>		

**Statement of changes in equity**

All amounts in DKK.

	<b>Contributed capital</b>	<b>Reserve for net revaluation according to the equity method</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 October 2020	500.000	0	5.171.615	5.671.615
Share of profit or loss	0	4.250.206	-1.769.450	2.480.756
Equity 1 January 2022	500.000	4.250.206	3.402.165	8.152.371
Share of profit or loss	0	19.293.018	-1.276.431	18.016.587
Capital contribution	0	0	86.615.732	86.615.732
	<b>500.000</b>	<b>23.543.224</b>	<b>88.741.466</b>	<b>112.784.690</b>

## Notes

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All amounts in DKK.

	1/1 2022 - 31/12 2022	1/10 2020 - 31/12 2021
	<u>                    </u>	<u>                    </u>
<b>1. Staff costs</b>		
Salaries and wages	4.659.160	5.658.766
Pension costs	524.585	654.364
Other costs for social security	77.935	81.865
	<u><b>5.261.680</b></u>	<u><b>6.394.995</b></u>
 Executive board and board of directors	 <u>0</u>	 <u>0</u>
 Average number of employees	 <u>10</u>	 <u>9</u>
<b>2. Other financial expenses</b>		
Financial costs, group enterprises	2.464.725	1.672.619
Other financial costs	121.973	-108.043
	<u><b>2.586.698</b></u>	<u><b>1.564.576</b></u>
<b>3. Tax on net profit or loss for the year</b>		
Tax on net profit or loss for the year	-356.853	6.622
Adjustment of deferred tax for the year	46.400	22.275
Adjustment of tax for previous years	0	3.807
	<u><b>-310.453</b></u>	<u><b>32.704</b></u>
<b>4. Proposed distribution of net profit</b>		
Reserves for net revaluation according to the equity method	19.293.018	4.250.206
Allocated from retained earnings	-1.276.431	-1.769.450
<b>Total allocations and transfers</b>	<u><b>18.016.587</b></u>	<u><b>2.480.756</b></u>

## Notes

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All amounts in DKK.

### 5. Land and buildings

Cost 1 January 2022	17.620.555	17.620.555
<b>Cost 31 December 2022</b>	<b>17.620.555</b>	<b>17.620.555</b>
Depreciation and write-down 1 January 2022	-957.631	-459.575
Amortisation and depreciation for the year	-398.444	-498.056
<b>Depreciation and write-down 31 December 2022</b>	<b>-1.356.075</b>	<b>-957.631</b>
<b>Carrying amount, 31 December 2022</b>	<b>16.264.480</b>	<b>16.662.924</b>

### 6. Plant and machinery

Cost 1 January 2022	8.042.532	7.971.106
Additions during the year	0	71.426
<b>Cost 31 December 2022</b>	<b>8.042.532</b>	<b>8.042.532</b>
Depreciation and write-down 1 January 2022	-6.271.552	-5.904.207
Amortisation and depreciation for the year	-259.840	-367.345
<b>Depreciation and write-down 31 December 2022</b>	<b>-6.531.392</b>	<b>-6.271.552</b>
<b>Carrying amount, 31 December 2022</b>	<b>1.511.140</b>	<b>1.770.980</b>

### 7. Other fixtures, fittings, tools and equipment

Cost 1 January 2022	1.021.722	546.770
Additions during the year	0	474.952
Disposals during the year	-20.125	0
<b>Cost 31 December 2022</b>	<b>1.001.597</b>	<b>1.021.722</b>
Depreciation and write-down 1 January 2022	-475.569	-404.185
Amortisation and depreciation for the year	-88.468	-71.384
Reversal of depreciation, amortisation and impairment loss, assets disposed of	15.093	0
<b>Depreciation and write-down 31 December 2022</b>	<b>-548.944</b>	<b>-475.569</b>
<b>Carrying amount, 31 December 2022</b>	<b>452.653</b>	<b>546.153</b>



## Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>8. Investments in group enterprises</b>		
Cost 1 January 2022	58.408.999	0
Additions during the year	<u>145.530</u>	<u>58.408.999</u>
<b>Cost 31 December 2022</b>	<b><u>58.554.529</u></b>	<b><u>58.408.999</u></b>
Revaluations, opening balance 1 January 2022	4.843.786	0
Net profit or loss for the year before amortisation of goodwill	<u>20.084.459</u>	<u>4.843.786</u>
<b>Revaluation 31 December 2022</b>	<b><u>24.928.245</u></b>	<b><u>4.843.786</u></b>
Amortisation of goodwill, opening balance 1 January 2022	-593.580	0
Amortisation of goodwill for the year	<u>-791.441</u>	<u>-593.580</u>
<b>Depreciation on goodwill 31 December 2022</b>	<b><u>-1.385.021</u></b>	<b><u>-593.580</u></b>
<b>Carrying amount, 31 December 2022</b>	<b><u>82.097.753</u></b>	<b><u>62.659.205</u></b>
The item includes goodwill with an amount of	<u>6.529.386</u>	<u>7.320.827</u>
Goodwill is recognised under the item "Additions during the year" with an amount of	<u>0</u>	<u>7.914.407</u>

### Financial highlights for the enterprises according to the latest approved annual reports

	<b>Equity interest</b>	<b>Equity</b>	<b>Results for the year</b>	<b>Carrying amount, Bang &amp; Bonsomer A/S</b>
Eurogum A/S, Hvidovre	100 %	73.200.076	20.215.049	79.729.462
Costech Chemicals ApS, Egedal	51 %	<u>4.643.710</u>	<u>843.710</u>	<u>2.368.291</u>
		<b><u>77.843.786</u></b>	<b><u>21.058.759</u></b>	<b><u>82.097.753</u></b>

## 9. Prepayments

Prepaid insurance and property tax	<u>165.056</u>	<u>138.912</u>
	<b><u>165.056</u></b>	<b><u>138.912</u></b>

## Notes

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All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>10. Provisions for deferred tax</b>		
Provisions for deferred tax 1 January 2022	277.514	0
Deferred tax relating to the net profit or loss for the year	<u>46.400</u>	<u>277.514</u>
	<b><u>323.914</u></b>	<b><u>277.514</u></b>

### 11. Charges and security

The company has pledged its shares in a subsidiary, booked value tDKK 79.729 as security for the groups cashpool.

### 12. Contingencies

#### Contingent liabilities

The company has entered into operational leases with an average annual lease payment of tDKK 102. The leases have 40 months to maturity and total outstanding lease payments total tDKK 342.

There are raised claims from customers for tDKK 3.054. The claim has been pushed towards a supplier. The management are convinced that the claims will be covered by the supplier and/or the insurance company.

#### Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

### 13. Related parties

#### Controlling interest

Bang & Bonsomer Group Ab, Itälahdenkatu 18 A, Helsinki, Finland, reg. Majority shareholder  
no. 0103570-7

## Notes

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All amounts in DKK.

### **Transactions**

In 2022 the company has had related party transactions with Eurogum A/S, Costech Chemicals ApS, Bang & Bonsomer Eesti OÜ, Bang & Bonsomer Group Oy. The transactions were made on market terms.

### **Consolidated financial statements**

The company is included in the consolidated financial statements of Bang & Bonsomer Group Ab, Itälahdenkatu 18 A, Helsinki, Finland, reg. no. 0103570-7. The financial statements can be acquired at the Finnish Patent and Registration Office, Virre.

## Accounting policies

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The annual report for Bang & Bonsomer A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from the previous year, and the annual report is presented in DKK. The movement from class B to class C has no effect on the figures. The accounting period was changed in the financial year before last and, consequently, the comparative figures in the income statement comprise the period 1 October 2020 – 31 December 2021.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Bang & Bonsomer A/S and its group enterprises are included in the consolidated financial statements for Bang & Bonsomer Group Ab, Helsinki, Finland, reg. no. 0103570-7.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Bang & Bonsomer Group Ab, Helsinki, Finland.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

## Accounting policies

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### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

### Income statement

#### Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

#### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

#### Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

## Accounting policies

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### Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual entities are recognised in the income statement as a proportional share of the entities' post-tax profit or loss.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Statement of financial position

### Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

## Accounting policies

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The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	33,3 years	0 %
Plant and machinery	5-10 years	0 %
Other fixtures and fittings, tools and equipment	5-10 years	0 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

### Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

## Accounting policies

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All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### Investments

#### Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 10 years. The depreciation period is determined on the basis that the expected useful life could not be determined.

In relation to material assets and liabilities recognised in group enterprises but are not represented in the parent, the following accounting policies have been applied.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

#### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.



## Accounting policies

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If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

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

## Accounting policies

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### Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

### Equity

#### Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

#### Income tax and deferred tax

As administration company, Bang & Bonsomer A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

## **Accounting policies**

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Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

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