# Bang & Bonsomer A/S

Rugmarken 40, 3520 Farum

CVR no. 24 05 64 14

## Annual report
for the year 1 January - 31 December 2023

Approved at the Company's annual general meeting on 17 May 2024

Chairman of the meeting:

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Mikko Olavi Teittinen

## Contents

## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Bang & Bonsomer A/S 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 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.

Further, in our opinion, the Management's review gives a 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, 17 May 2024
Executive Board:

Seppo Hynnä

Board of Directors:

| | | |
|---|---|---|
| Mikko Olavi Teittinen<br>Chairman | Inga Evans | Seppo Hynnä |

## Independent auditor's report

**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 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 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.

### 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 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 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.

### 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 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 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 the 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 note 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 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.

Based on the work we have performed, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 17 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Birgit Morville Schrøder
State Authorised Public Accountant
mne21337

## Management's review

### Company details

| | |
|---|---|
| Name | Bang & Bonsomer A/S |
| Address, Postal code, City | Rugmarken 40, 3520 Farum |
| CVR no. | 24 05 64 14 |
| Established | 13 October 1975 |
| Registered office | Farum |
| Financial year | 1 January - 31 December |
| Website | www.adresse |
| E-mail | mail@adresse |
| Telephone | +45 te le fo on |
| Board of Directors | Mikko Olavi Teittinen, Chairman<br>Inga Evans<br>Seppo Hynnä |
| Executive Board | Seppo Hynnä |
| Auditors | EY Godkendt Revisionspartnerselskab<br>Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark |

# Management's review

## Financial highlights

| DKK'000 | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| **Key figures** | | | | | |
| Gross profit | 25,853 | 42,221 | 7,111 | 8,583 | 6,951 |
| Operating profit/loss | 7,162 | 28,131 | -221 | 3,474 | 1,270 |
| Net financials | -4,039 | -4,708 | 2,735 | -544 | -210 |
| Profit for the year | 2,281 | 18,016 | 2,481 | 2,281 | 822 |
| Total assets | 171,229 | 263,407 | 96,570 | 29,976 | 31,356 |
| Investments in property, plant and equipment | 394 | 394 | 546 | 0 | 19,141 |
| Equity | 115,066 | 112,785 | 8,152 | 5,672 | 3,391 |
| **Financial ratios** | | | | | |
| Equity ratio | 67.2% | 42.8% | 8.4% | 18.9% | 10.8% |
| Return on equity | 2.0% | 29.8% | 35.9% | 50.3% | 24.2% |
| Average number of full-time employees | **25** | **21** | **9** | **9** | **10** |

For terms and definitions, please see the accounting policies.

The Company has merged with the subsidiary, Eurogum A/S, with effect of January 1, 2023. Eurogum A/S was acquired in 2021 and therefore it is not possible to present highlights from the merged entity for the years 2019-2021.

## Management's review

### Business review

The core activities of Bang & Bonsomer A/S are centered around the development, production, and distribution of a diverse range of food ingredients. These ingredients are crafted to meet the highest standards of quality, functionality, and nutritional value, aligning with the dynamic demands of the food industry. Product development strategy is driven by a deep understanding of current and emerging consumer trends, notably the shift towards clean-label, organic, and plant-based products. The company operates by serving customers within Denmark as well as internationally.

### Financial review

The income statement for 2023 shows a profit of DKK 2,281 thousand against a profit of DKK 18,016 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 115,066 thousand. In the annual report for 2022, Management expected an operating profit of app. DKK 14 million and have realised DKK 7 million. The decrease is due to decreased sales and reduced margin. These results should be viewed in the context of the 2023 merger between Bang & Bonsomer A/S and Eurogum A/S, which has influenced direct comparisons. The merger has reshaped our operational landscape amidst a global economic downturn, impacting demand across Europe and worldwide. Notably, the cost of raw materials for texture blends decreased in 2023, prompting cautious purchasing behaviors among our clients. Conversely, an increase in spice blend raw material costs resulted in diminished consumption.

Throughout 2023, our conservative approach to material procurement contributed to a positive cash flow. Additionally, our subsidiary's performance exceeded expectations, yielding significant returns.

### 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.

### Financial risks and use of financial instruments

Currency and price risks

In addressing the challenges of price and currency volatility, our risk management efforts last year have been particularly focused. The procurement of raw materials, predominantly from Asia, exposes us to significant price fluctuations, particularly when purchasing at market highs before a downturn. Moreover, conducting these transactions in USD introduces currency risk due to exchange rate fluctuations. Our response to these risks includes a strategic alignment of our buying and selling activities in USD, effectively creating a natural hedge against currency risk.
To further mitigate these risks, we have diversified our supplier base, adjusted our inventory levels to reflect market conditions, and utilised financial instruments, such as long-term contracts and relation with suppliers, to stabilize procurement costs. Continuous market monitoring and supplier analysis enable us to remain agile and responsive. These measures form the core of our strategy to manage financial risks, ensuring operational resilience and the sustained financial wellbeing of our company in a volatile market environment.

Interest rate risks

The company's risk management framework includes measures to mitigate interest rate risks associated with short-term Euribor rates. Despite the potential for fluctuations in these rates, the impact on the company's financial position is currently assessed as minimal due to its profitability and financial solidity.Euribor rates are forecasted to decrease starting mid-2024, which is expected to positively influence the company's financing costs. The company employs debt management strategies and monitors interest rates to manage this risk effectively, ensuring financial stability and resilience in changing market conditions.

### Impact on the external environment

## Management's review

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 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.

**Outlook**

In the upcoming year 2024, our focus is on improving profitability, with expectations aligned with the projected gradual recovery of the global economy and the stabilization of raw material prices. These factors are anticipated to provide a more stable operating environment for our business. Additionally, we are looking to expand our market presence beyond Europe, recognizing the importance of geographic diversification in sustaining our growth.

To support this expansion and drive an improvement in sales, we plan to invest in new production technologies. These investments are targeted to yield results by late 2024, with an aim to enhance production efficiency and expand our product portfolio.

Our financial strategy for 2024 includes a continued emphasis on conservative purchasing policies to manage inventory levels effectively. This approach is intended to improve our cash flow by reducing inventory that is not directly contributing to revenue generation. Based on this profit before tax is expected to be DKK 3-4 million.

Another strategic action planned for the year is the acquisition of the remaining shares in our subsidiary, Costech Chemicals ApS. This move, expected to be completed by the end of 2024, is aimed at simplifying our corporate structure and potentially improving operational synergies.

# Financial statements 1 January - 31 December

## Income statement

| Note | DKK'000 | 2023 | 2022 |
|---|---|---|---|
| | **Gross profit** | 25,853 | 42,221 |
| 3 | Staff costs | -17,004 | -12,463 |
| 4 | Amortisation/depreciation of intangible assets and property, plant and equipment | -1,687 | -1,628 |
| | Other operating expenses | 0 | -5 |
| | **Profit before net financials** | 7,162 | 28,125 |
| | Income from investments in group entity | 867 | -131 |
| 5 | Financial expenses | -4,906 | -4,577 |
| | **Profit before tax** | 3,123 | 23,417 |
| 6 | Tax for the year | -842 | -5,401 |
| | **Profit for the year** | 2,281 | 18,016 |

# Financial statements 1 January - 31 December

## Balance sheet

| Note | DKK'000 | 2023 | 2022 |
|---|---|---|---|
| | **ASSETS** | | |
| | **Fixed assets** | | |
| 7 | **Intangible assets** | | |
| | Goodwill | 5,738 | 6,529 |
| | | 5,738 | 6,529 |
| 8 | **Property, plant and equipment** | | |
| | Land and buildings | 15,880 | 16,265 |
| | Plant and machinery | 1,445 | 1,587 |
| | Fixtures and fittings, other plant and equipment | 871 | 846 |
| | | 18,196 | 18,698 |
| 9 | **Investments** | | |
| | Investments in group entity | 3,235 | 2,368 |
| | | 3,235 | 2,368 |
| | **Total fixed assets** | 27,169 | 27,595 |
| | **Non-fixed assets** | | |
| | **Inventories** | | |
| | Raw materials and consumables | 111,267 | 140,543 |
| | Finished goods and goods for resale | 9,280 | 16,336 |
| | Prepayments for goods | 3,224 | 19,266 |
| | | 123,771 | 176,145 |
| | **Receivables** | | |
| | Trade receivables | 14,963 | 44,767 |
| | Receivables from group enterprises | 2,519 | 5,065 |
| | Corporation tax receivable | 0 | 463 |
| | Other receivables | 2,517 | 8,679 |
| | Prepayments | 290 | 688 |
| | | 20,289 | 59,662 |
| | **Cash** | 0 | 5 |
| | **Total non-fixed assets** | 144,060 | 235,812 |
| | **TOTAL ASSETS** | 171,229 | 263,407 |

## Financial statements 1 January - 31 December

### Balance sheet

| Note | DKK'000 | 2023 | 2022 |
|---|---|---|---|
| | **EQUITY AND LIABILITIES** | | |
| | **Equity** | | |
| | Share capital | 500 | 500 |
| | Net revaluation reserve according to the equity method | 0 | 0 |
| | Retained earnings | 107,066 | 112,285 |
| | Dividend proposed | 7,500 | 0 |
| | **Total equity** | 115,066 | 112,785 |
| | **Provisions** | | |
| 10 | Deferred tax | 413 | 303 |
| | **Total provisions** | 413 | 303 |
| | **Liabilities other than provisions** | | |
| 11 | **Non-current liabilities other than provisions** | | |
| | Loan from Parent company | 24,843 | 0 |
| | Other payables | 0 | 435 |
| | | 24,843 | 435 |
| | **Current liabilities other than provisions** | | |
| | Trade payables | 3,575 | 23,029 |
| 12 | Payables to group enterprises | 22,582 | 108,173 |
| | Corporation tax payable | 808 | 23 |
| | Joint taxation contribution payable | 0 | 29 |
| | Other payables | 3,942 | 4,715 |
| | Deferred income | 0 | 13,915 |
| | | 30,907 | 149,884 |
| | **Total liabilities other than provisions** | 55,750 | 150,319 |
| | **TOTAL EQUITY AND LIABILITIES** | 171,229 | 263,407 |

1 Accounting policies
2 Events after the balance sheet date
13 Appropriation of profit
14 Contractual obligations and contingencies, etc.
15 Related parties

# Financial statements 1 January - 31 December

## Statement of changes in equity

| Note | DKK'000 | Share capital | Net revaluation reserve according to the equity method | Retained earnings | Dividend proposed | Total |
|---|---|---|---|---|---|---|
| | Equity at 1 January 2022 | 500 | 4,250 | 3,403 | 0 | 8,153 |
| | Capital increase | 0 | 0 | 86,616 | 0 | 86,616 |
| 13 | Transfer, see "Appropriation of profit" | 0 | -4,250 | 22,266 | 0 | 18,016 |
| | **Equity at 1 January 2023** | 500 | 0 | 112,285 | 0 | 112,785 |
| 13 | Transfer, see "Appropriation of profit" | 0 | 0 | -5,219 | 7,500 | 2,281 |
| | **Equity at 31 December 2023** | 500 | 0 | 107,066 | 7,500 | 115,066 |

## Financial statements 1 January - 31 December

### Notes to the financial statements

1 **Accounting policies**

The annual report of Bang & Bonsomer A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Pursuant to section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

**Changes in accounting estimates**

Management has changed valuation of inventory from cost according to FIFO method to cost according to weighted average prices. It has not been possible to calculate consequences of this change but it is estimated to be unsignificant to the financial statements.

**Change in the Company's activities, including effect of intra-group business combinations**

The Company has merged with the subsidiary Eurogum A/S with effect of January 1, 2023 applying the group method. Subsequently, the comparative figures have been restated as if the entities had been combined as from the earliest accounting period included in the financial statements which is from January 1, 2022.

**Omission of a cash flow statement**

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

**Reporting currency**

The financial statements are presented in Danish kroner (DKK'000).

**Intra-group business combinations**

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

For vertical and downstream intra-group mergers the group method is applied for the combination of the entities. Thereby, the entities are combined at the revaluation value recognised in the consolidated financial statements or which would have been recognised in the consolidated financial statements for the parent company included in the merger. The group method is applied as if the entities had been combined from the date when the parent company acquired the equity investments in the entities included in the merger, and therefore, the comparative figures were restated.

**Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and 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 the exchange rate at the balance sheet date. 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

## Financial statements 1 January - 31 December

### Notes to the financial statements

**1 Accounting policies (continued)**

**Derivative financial instruments**

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

### Income statement

**Revenue**

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

**Gross profit**

The items revenue, change in inventories of finished goods and work in progress and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

**Cost of sales**

Cost of sales includes the cost of goods used in generating the year's revenue.

**Staff costs**

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

**Amortisation/depreciation**

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 5 and 10 years. The amortisation period is based on expected economic life for the related business.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

| | |
|---|---|
| Goodwill | 10 years |
| Land and buildings | 33,3 years |
| Plant and machinery | 5-10 years |
| Fixtures and fittings, other plant and equipment | 5-10 years |

**Profit/loss from investments in group entities and associates**

# Financial statements 1 January - 31 December

## Notes to the financial statements

**1 Accounting policies (continued)**

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In group entities, the full elimination of internal profit and loss is carried out without regard to ownership shares. In associates, only proportional elimination of profit and loss is carried out, taking into account ownership shares.

### Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

### Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company 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.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments 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.

## Balance sheet

### Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management’s experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 5-10 years.

### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

## Financial statements 1 January - 31 December

### Notes to the financial statements

**1 Accounting policies (continued)**

**Leases**

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

**Investments in group entities and associates**

Equity investments in group entities and associates are measured according to the equity method.

On initial recognition, equity investments in group entities and associates are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in group entities and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

**Impairment of fixed assets**

The carrying amount of intangible assets, property, plant and equipment, investments in group entities and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

**Inventories**

Inventories are measured at cost in accordance with the weighted average method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

## Financial statements 1 January - 31 December

### Notes to the financial statements

1 **Accounting policies (continued)**

**Receivables**

The Company has chosen IAS 39 as interpretation for impairment write-down of financial 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.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the 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.

**Prepayments**

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

**Cash**

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

**Equity**

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

The net revaluation reserve according to the equity method includes net revaluations of investments in group entities and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

***Proposed dividends***

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

**Income taxes**

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

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

## Financial statements 1 January - 31 December

### Notes to the financial statements

**1 Accounting policies (continued)**

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the group entities' income taxes vis à vis the tax authorities as the group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

**Deferred income**

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

**Financial ratios**

The financial ratios stated under "Financial highlights" have been calculated as follows:

| | |
|---|---|
| Operating profit/loss | Profit/loss before net financials +/- Other operating income and other operating expenses |
| Equity ratio | $\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$ |
| Return on equity | $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$ |

## Financial statements 1 January - 31 December

### Notes to the financial statements

**2 Events after the balance sheet date**

There has not been events after the balance sheet day that has significantly changed the financial position of the Company.

| | DKK'000 | 2023 | 2022 |
|---|---|---|---|
| 3 | **Staff costs** | | |
| | Wages/salaries | 15,080 | 11,391 |
| | Pensions | 1,714 | 910 |
| | Other social security costs | 86 | 162 |
| | Other staff costs | 124 | 0 |
| | | 17,004 | 12,463 |
| | Average number of full-time employees | 25 | 21 |
| 4 | **Amortisation/depreciation of intangible assets and property, plant and equipment** | | |
| | Amortisation of intangible assets | 791 | 791 |
| | Depreciation of property, plant and equipment | 896 | 837 |
| | | 1,687 | 1,628 |
| 5 | **Financial expenses** | | |
| | Interest expenses, participating interests | 3,356 | 2,464 |
| | Exchange adjustments | 74 | 36 |
| | Interest surcharges and tax recognised under net financials | 400 | 54 |
| | Other financial expenses | 1,076 | 2,023 |
| | | 4,906 | 4,577 |
| 6 | **Tax for the year** | | |
| | Estimated tax charge for the year | 842 | 5,401 |
| | | 842 | 5,401 |

**7 Intangible assets**

| DKK'000 | Goodwill |
|---|---|
| Cost at 1 January 2023 | 7,914 |
| Cost at 31 December 2023 | 7,914 |
| Impairment losses and amortisation at 1 January 2023 | 1,385 |
| Amortisation for the year | 791 |
| Impairment losses and amortisation at 31 December 2023 | 2,176 |
| **Carrying amount at 31 December 2023** | 5,738 |
| Amortised over | 10 years |

## Financial statements 1 January - 31 December

### Notes to the financial statements

**8 Property, plant and equipment**

| DKK'000 | Land and buildings | Plant and machinery | Fixtures and fittings, other plant and equipment | Total |
|---|---|---|---|---|
| Cost at 1 January 2023 | 17,621 | 11,167 | 1,395 | 30,183 |
| Additions | 13 | 249 | 132 | 394 |
| Cost at 31 December 2023 | 17,634 | 11,416 | 1,527 | 30,577 |
| Impairment losses and depreciation at 1 January 2023 | 1,356 | 9,580 | 549 | 11,485 |
| Depreciation | 398 | 391 | 107 | 896 |
| Impairment losses and depreciation at 31 December 2023 | 1,754 | 9,971 | 656 | 12,381 |
| **Carrying amount at 31 December 2023** | 15,880 | 1,445 | 871 | 18,196 |
| Depreciated over | 33,3 years | 5-10 years | 5-10 years | |

**9 Investments**

| DKK'000 | Investments in group entity |
|---|---|
| Cost at 1 January 2023 | 2,368 |
| Cost at 31 December 2023 | 2,368 |
| Profit/loss for the year | 867 |
| Value adjustments at 31 December 2023 | 867 |
| **Carrying amount at 31 December 2023** | 3,235 |

**Group entities**

| Name | Domicile | Interest | Equity DKK'000 | Profit/loss DKK'000 |
|---|---|---|---|---|
| Costech Chemicals ApS | 2765 Smørum | 51.00% | 6,343 | 1,700 |

**10 Deferred tax**

| | | |
|---|---|---|
| Deferred tax at 1 January | 303 | 264 |
| Change for the year | 110 | 39 |
| **Deferred tax at 31 December** | 413 | 303 |
| Deferred tax relates to: | | |
| Property, plant and equipment | 413 | 303 |
| | 413 | 303 |

## Financial statements 1 January - 31 December

### Notes to the financial statements

**11 Non-current liabilities other than provisions**

| DKK'000 | Total debt at 31/12 2023 | Short-term portion | Long-term portion | Outstanding debt after 5 years |
|---|---|---|---|---|
| Loan from Parent company | 24,843 | 0 | 24,843 | 0 |
| | 24,843 | 0 | 24,843 | 0 |

Loan from Parent Company has to be repaid in august 2026 at the latest. Short term part of the loan is DKK 12,421 thousand and is recognised in "Payables to group enterprises". Interest on the loan is 3 month euribor rate added with a margin of 3%

**12 Payables to group enterprises**

Cash pool balances of DKK 8,764 thousand (debt) are recognised as Payables to group enterprises.

**13 Appropriation of profit**

| Recommended appropriation of profit | | |
|---|---|---|
| Proposed dividend recognised under equity | 7,500 | 0 |
| Net revaluation reserve according to the equity method | 0 | -4,250 |
| Retained earnings/accumulated loss | -5,219 | 22,266 |
| | 2,281 | 18,016 |

**14 Contractual obligations and contingencies, etc.**

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes for income year 2021 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 30 September 2021.

**Other financial obligations**

Other rent liabilities:

| | | |
|---|---|---|
| Rent liabilities | 1,246 | 1,398 |

Rent and lease liabilities include a rent obligation totalling DKK 720 thousand in interminable rent agreements with remaining contract terms of 5 years. Furthermore, the Company has liabilities under operating leases for cars and IT equipment, totalling DKK 526 thousand, with remaining contract terms of 1-4 years.

**15 Related parties**

Bang & Bonsomer A/S' related parties comprise the following:

**Parties exercising control**

| Related party | Domicile | Basis for control |
|---|---|---|
| Parent company Bang & Bonsomer Group OY | Helsinki, Finland | Participating interest |

**Other related parties with whom the Company has carried out transactions**

| Related party | Domicile | Association |
|---|---|---|
| Costech Chemicals ApS | Denmark | Subsidiary |
| Bang & Bonsomer Eesti Oü | Estonia | Sister company |
| Eurogum Polska Sp.z o.o. | Poland | Sister company |
| Bang & Bonsomer UAB | Lituania | Sister company |

## Financial statements 1 January - 31 December

### Notes to the financial statements

**15 Related parties (continued)**

**Information about consolidated financial statements**

| Parent | Domicile | Requisitioning of the parent company's consolidated financial statements |
|---|---|---|
| Bang & Bonsomer Group OY | Itälahdenkatu 18 A, FI-00210 Helsinki | Finnish Patent and Registration Office, Virre |

**Related party transactions**

Bang & Bonsomer A/S was engaged in the below related party transactions:

| DKK'000 | 2023 | 2022 |
|---|---|---|
| Sale of goods to group entities | 7,041 | 7,290 |
| Purchase of raw materials | 25,852 | 1,107 |
| Interest parent company | 4,313 | 4,063 |
| | | |
| Receivables from group companies | 2,519 | 5,065 |
| Payables to group companies | 1,367 | 106,604 |
| Loan from parent company | 37,263 | 0 |
| Cash pool debt, parent company | 8,795 | 1,569 |

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*"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."*

**Seppo Sergei Hynnä**
**Direktion**
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*Serienummer:*
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**Seppo Sergei Hynnä**
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**Mikko Olavi Teittinen**
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**Mikko Olavi Teittinen**
**Bestyrelse**
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*IP: 194.188.xxx.xxx*
*2024-05-17 06:48:52 UTC*

**INGA EVANS**
**Bestyrelse**
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**Birgit Morville Schrøder**
**EY Godkendt Revisionspartnerselskab CVR: 30700228**
**Statsautoriseret revisor**
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*IP: 165.225.xxx.xxx*
*2024-05-17 08:09:12 UTC*