

TESA A/S


Enholm Parkvej 8
DK-3450 Allerød

CVR no. 27 22 54 46

Annual report 2023

The annual report was presented and approved at
the Company's annual general meeting on

1 July 2024


Thomas Kloppenborg
Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of TESA A/S for the financial year 1 January – 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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.

Allerød 1 July 2024

Executive Board:



Tine Hovland Diemer
CEO

Board of Directors:



Stephan Herbert Frischmuth
Chairman



Tine Hovland Diemer



Thomas Kloppenborg

Independent auditor's report

To the shareholders of TESA A/S

Opinion

We have audited the financial statements of TESA A/S for the financial year 1 January – 31 December 2023 comprising 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 Company's assets, liabilities and financial position 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 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 responsibility 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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the company 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.

Independent auditor's report

- 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 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 Statements Act. We did not identify any material misstatement of the Management's review.

Frederiksberg, 1 July 2024

EY

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Allan Nørgaard
State Authorised
Public Accountant
mne35501

TESA A/S
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Management's review

Company details

TESA A/S
Engholm Parkvej 8
DK-3450 Allerød

CVR no.: 27 22 54 46
Registered office: Allerød
Financial year: 1 January – 31 December

Board of Directors

Stephan Herbert Frischmuth, Chairman
Tine Hovland Diemer
Thomas Kloppenborg

Executive Board

Tine Hovland Diemer, CEO

Auditor

EY
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg

Management's review

Operating review

Principal activities

The Company's activities comprise sale and marketing of self-adhesive tape under the trademark Tesa. The Company sells its products on the Danish market, within a wide range of segments. The Company serves as headquarters for the Nordic countries.

Development in activities and financial position

The Company's income statement for 2023 shows a profit of DKK 2,804 thousand as against DKK 2,494 thousand in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK 35,407 thousand as against DKK 32,603 thousand at 31 December 2022.

The company is structured as a commissionaire business selling tesa products on the Danish market on behalf of its parent tesa SE.

The financial year was in line with forecast, and results for the year are considered satisfactory.

Subsequent events

There are no events after the balance sheet date that affect the present Annual Report or the company's overall forecast for 2023.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2023	2022
Gross profit		35,519	31,879
Staff costs	2	-30,356	-26,873
Depreciation		<u>-2,288</u>	<u>-2,003</u>
Profit before financial income and expenses		2,875	3,003
Financial income	3	639	196
Financial expenses	4	<u>-53</u>	<u>-273</u>
Profit before tax		3,461	2,926
Tax on profit for the year	5	<u>-657</u>	<u>-432</u>
Profit for the year		<u>2,804</u>	<u>2,494</u>
Proposed profit appropriation			
Proposed dividends for the year		5,400	0
Retained earnings		<u>-2,596</u>	<u>2,494</u>
		<u>2,804</u>	<u>2,494</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Property, plant and equipment			
Fixtures and fittings, tools and equipment	6	<u>2,591</u>	<u>4,477</u>
Total fixed assets		<u>2,591</u>	<u>4,477</u>
Current assets			
Receivables			
Trade receivables		23,922	26,104
Receivables from group entities		13,275	18,253
Other receivables		356	327
Deferred tax asset		36	0
Corporation tax		2,415	2,486
Prepayments		<u>668</u>	<u>147</u>
		<u>40,672</u>	<u>47,317</u>
Cash at bank and in hand		<u>16,249</u>	<u>8,837</u>
Total current assets		<u>56,921</u>	<u>56,154</u>
TOTAL ASSETS		<u><u>59,512</u></u>	<u><u>60,631</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		30,000	30,000
Retained earnings		7	2,603
Proposed dividends for the financial year		5,400	0
Total equity		35,407	32,603
Provisions			
Provisions for deferred tax		0	23
Total provisions		0	23
Liabilities other than provisions			
Non-current liabilities other than provisions			
Lease obligations	8	837	2,281
Current liabilities other than provisions			
Lease obligations	8	1,732	1,934
Trade payables		1,465	536
Payables to group entities		16,547	20,487
Other payables		3,524	2,767
		23,268	25,724
Total liabilities other than provisions		24,105	28,005
TOTAL EQUITY AND LIABILITIES		59,512	60,631
Contractual obligations, contingencies, etc.	9		
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Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2023	30,000	2,603	0	32,603
Transferred over the profit appropriation	0	-2,596	5,400	2,804
Equity at 31 December 2023	30,000	7	5,400	35,407

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of TESA A/S for 2023 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

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

The financial statements for 2023 are presented in DKK'thousand.

Change in comparative figures

Referring to the true and fair view set out in the Danish Financial Statements Act, the Company has reclassified individual items in the income statement and balance sheet. The reclassifications have affected the items other external costs and staff costs but have not affected results before tax, results for the year or equity. Comparative figures have been restated accordingly.

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 rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are measured at the exchange rates at the transaction date.

Income statement

Revenue

The company has chosen IFRS 15 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods as well as sales commissions is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

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

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

Other external costs

Other external costs comprise distribution costs and costs related to sales, administration, office premises, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc. to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, 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.

Tax on profit for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to current rates applicable to interest allowances, and jointly taxed companies having paid insufficient tax are, as a maximum, to pay a surcharge to the management company according to the current rates applicable to interest surcharges.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

As basis for interpretation regarding recognition and measurement of leasing, the Company has applied IFRS 16.

For lease contracts, the cost is calculated at the lower of fair value and the present value of the future lease payments. When the present value is calculated, the lease agreement's internal interest rate is used as the discount factor or the lessee's alternative borrowing rate.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	2-5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

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

Impairment of fixed assets

The carrying amount of property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

As interpretation for impairment of financial assets, the company has applied IAS 39.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast 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 comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash and cash equivalents comprise cash at bank. Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group enterprises".

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

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1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2023</u>	<u>2022</u>
2 Staff costs		
Wages and salaries	27,650	24,251
Pensions	2,506	2,340
Other social security costs	<u>200</u>	<u>282</u>
	<u>30,356</u>	<u>26,873</u>
Average number of full-time employees	<u>35</u>	<u>37</u>
3 Financial income		
Interest income from group entities	273	0
Other financial income	<u>366</u>	<u>196</u>
	<u>639</u>	<u>196</u>
4 Financial expenses		
Interest expense to group entities	1	60
Other financial costs	<u>52</u>	<u>213</u>
	<u>53</u>	<u>273</u>
5 Tax on profit for the year		
Current tax for the year	807	680
Deferred tax for the year	-40	-32
Adjustment of tax concerning previous years	-91	-235
Adjustment of deferred tax concerning previous years	<u>-19</u>	<u>19</u>
	<u>657</u>	<u>432</u>

Financial statements 1 January – 31 December

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6 Property, plant and equipment

DKK'000	<u>Fixtures and fittings, tools and equipment</u>
Cost at 1 January 2023	13,495
Additions for the year	402
Disposals for the year	<u>-5,200</u>
Cost at 31 December 2023	<u>8,697</u>
Depreciation and impairment losses at 1 January 2023	-9,018
Depreciation for the year	-2,288
Reversed depreciation and impairment losses on assets sold	<u>5,200</u>
Depreciation and impairment losses at 31 December 2023	<u>-6,106</u>
Carrying amount at 31 December 2023	<u><u>2,591</u></u>
Assets held under finance leases	<u><u>4,175</u></u>

7 Receivables from group entities

The Company's accounts in the cash pool scheme, which are recognized under receivables from group enterprises, amounts to TDKK 9.438 (2022: TDKK 15.414).

8 Non-current liabilities other than provisions

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

Liabilities other than provisions can be specified as follows:

DKK'000	<u>31/12 2023</u>	<u>31/12 2022</u>
Lease obligations:		
0-1 years	1,732	1,934
1-5 years	<u>837</u>	<u>2,281</u>
	<u><u>2,569</u></u>	<u><u>4,215</u></u>

9 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with its affiliate, Beiersdorf A/S. The Company has joint and several unlimited liability with Beierdorf A/S for payment of Danish income taxes.

Financial statements 1 January – 31 December

Notes

10 Related party disclosures

TESA A/S' related parties comprise the following:

Control

Tesa SE, Norderstedt, Schleswig-Holstein, Germany.

Tesa SE holds the majority of the contributed capital in the Company.

TESA A/S is part of the consolidated financial statements of Tesa SE, Germany, and the consolidated financial statements of Tesa SE, Germany, in which the Company is included as a subsidiary.

The Group Annual Report of Tesa SE can be obtained by contacting the companies at the addresses above or at the following address:

http://www.tesa.com/company/investor_relations