HEMPEL INVEST A/S

Amaliegade 8, DK-1256 Copenhagen

Annual Report for 2023

CVR No. 32 05 82 05

The Annual Report was presented and adopted at the Annual General Meeting of the company on 2/5 2024

Ulrik Thougaard Jensen
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of HEMPEL INVEST 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 at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Copenhagen, 2 May 2024

Executive Board

Anders Holm
Manager

Board of Directors

Richard Rudolf Sand Chairman	Leif Jensen Vice chairman	Kim Allan Dam-Johansen
Birgitte Hagemann Snabe	Lars Aaen	Britt Meelby Jensen
Tine Gundersen Employee representative	Claus Juul Petersen Employee representative	Lone Borre Employee representative

Independent Auditor's report

To the shareholder of HEMPEL INVEST A/S

Opinion

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

We have audited the Financial Statements of HEMPEL INVEST 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 a summary of significant accounting policies (”the Financial Statements”).

Basis for Opinion

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

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.

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, in our view, Management’s Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management’s Review.

Management’s responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor’s responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company´s internal control.

- 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.

Hellerup, 2 May 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Anders Stig Lauritsen	Nikolaj Erik Johnsen
State Authorised Public Accountant	State Authorised Public Accountant
mne32800	mne35806

Company information

The Company	HEMPEL INVEST A/S Amaliegade 8 1256 Copenhagen CVR No: 32 05 82 05 Financial period: 1 January - 31 December Incorporated: 29 January 2009 Financial year: 15th financial year Municipality of reg. office: Copenhagen
Board of Directors	Richard Rudolf Sand, chairman Leif Jensen, vice chairman Kim Allan Dam-Johansen Birgitte Hagemann Snabe Lars Aaen Britt Meelby Jensen Tine Gundersen, employee representative Claus Juul Petersen, employee representative Lone Borre, employee representative
Executive Board	Anders Holm
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's review

Key activities

The purpose of the company is to own shares in the company, Hempel A/S, CVR no. 59 94 60 13. Furthermore, to acquire and manage real estate, to operate investment and financing activities or otherwise to exercise or be interested in any other activity that, according to the board's discretion is related to the aforementioned purposes.

Development in the year

The income statement of the Company for 2023 shows a loss of EUR 15, and at 31 December 2023 the balance sheet of the Company shows a positive equity of MEUR 498.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2023	2022
		Mio. EUR	Mio. EUR
Revenue		3	1
Gross profit		**3**	**1**
Administrative expenses	1	-2	-2
Profit/loss before financial income and expenses		**1**	**-1**
Income from investments in subsidiaries	2	-21	-10
Financial income	3	15	3
Financial expenses	4	-10	-11
Profit/loss before tax		**-15**	**-19**
Tax on profit/loss for the year	5	0	2
Net profit/loss for the year		**-15**	**-17**

Distribution of profit

	2023	2022
	Mio. EUR	Mio. EUR
Proposed distribution of profit		
Extraordinary dividend paid	0	54
Proposed dividend for the year	7	0
Reserve for net revaluation under the equity method	-20	-10
Retained earnings	-2	-61
	-15	**-17**

Balance sheet 31 December

Assets

	Note	2023	2022
		Mio. EUR	Mio. EUR
Land and buildings		0	52
Other fixtures and fittings, tools and equipment		0	1
Property, plant and equipment	6	**0**	**53**
Investments in subsidiaries	7	339	424
Other investments	8, 9	92	89
Fixed asset investments		**431**	**513**
Fixed assets		**431**	**566**
Receivables from group enterprises		61	66
Deferred tax asset	10	1	2
Receivables		**62**	**68**
Cash at bank and in hand		**7**	**1**
Current assets		**69**	**69**
Assets		**500**	**635**

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		Mio. EUR	Mio. EUR
Share capital		15	15
Reserve for net revaluation under the equity method		121	206
Retained earnings		355	331
Proposed dividend for the year		7	0
Equity		**498**	**552**
Credit institutions		0	30
Convertible and profit-yielding instruments of debt		2	50
Long-term debt	11	**2**	**80**
Credit institutions	11	0	1
Other payables		0	2
Short-term debt		**0**	**3**
Debt		**2**	**83**
Liabilities and equity		**500**	**635**
Contingent assets, liabilities and other financial obligations	12		
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Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	Mio. EUR	Mio. EUR	Mio. EUR	Mio. EUR	Mio. EUR
Equity at 1 January	15	206	331	0	552
Exchange adjustments	0	-38	38	0	0
Dividend from group enterprises	0	-27	-12	0	-39
Net profit/loss for the year	0	-20	-2	7	-15
Equity at 31 December	**15**	**121**	**355**	**7**	**498**

Notes to the Financial Statements

	2023	2022
	Mil.EUR	Mil.EUR
1. Staff		
	0	**0**
Average number of employees	**1**	**1**

Remuneration to the Board of Directors amounts to EUR 228k (2022: EUR 228k).

	2023	2022
	Mil.EUR	Mil.EUR
2. Income from investments in subsidiaries		
Share of profits	-21	-10
	-21	**-10**

	2023	2022
	Mil.EUR	Mil.EUR
3. Financial income		
Interest received from group enterprises	3	2
Other financial income	2	1
Exchange adjustments	3	0
Exchange gains	7	0
	15	**3**

	2023	2022
	Mil.EUR	Mil.EUR
4. Financial expenses		
Interest paid to group enterprises	3	1
Other financial expenses	1	0
Exchange adjustments, expenses	6	10
	10	**11**

5. Income tax expense

	2023	2022
	Mil.EUR	Mil.EUR
Deferred tax for the year	0	-2
	0	**-2**

6. Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment
	Mio. EUR	Mio. EUR
Cost at 1 January	54	1
Disposals for the year	-54	-1
Cost at 31 December	0	0
Impairment losses and depreciation at 1 January	2	0
Depreciation for the year	1	0
Reversal of impairment and depreciation of sold assets	-3	0
Impairment losses and depreciation at 31 December	0	0
Carrying amount at 31 December	**0**	**0**

	2023 Mil.EUR	2022 Mil.EUR

7. Investments in subsidiaries

	2023	2022
Cost at 1 January	218	218
Additions for the year	25	0
Disposals for the year	-25	0
Cost at 31 December	218	218
Value adjustments at 1 January	206	285
Exchange adjustment	-38	-36
Net profit/loss for the year	-20	-10
Dividend to the Parent Company	-27	-33
Value adjustments at 31 December	121	206
Carrying amount at 31 December	**339**	**424**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Hempel A/S	Copenhagen		100%
Hempel Administration A/S	Copenhagen		100%
Frontier Innovation ApS	Copenhagen		100%
Brænderupvænge ApS	Copenhagen		100%
Keldskov ApS	Copenhagen		100%
Hempel Invest II ApS	Copenhagen		100%

8. Other fixed asset investments

	Other investments
	Mio. EUR
Cost at 1 January	63
Additions for the year	7
Disposals for the year	-3
Cost at 31 December	67
Revaluations at 1 January	26
Revaluations for the year	-1
Revaluations at 31 December	25
Carrying amount at 31 December	**92**

Other investments are classified in accordance with the fair value hierarchy:
Level 1 - Fair Value can be measured using quoted market prices in an active market for identical assets and liabilities.
Level 2 - Fair Value can be measured using observable inputs other than quoted market prices.
Level 3 - Fair Value is measured using unobservable inputs.

9. Other investments at fair value

	Value adjustment, income statement	Fair value at 31 December
	Mio. EUR	Mio. EUR
1 /Shares (listed)	-3	55
2 /Shares (non-listed)	1	3
3 /Other investments (non-listed)	8	34

10. Deferred tax asset

	2023	2022
	Mil.EUR	Mil.EUR
Deferred tax asset at 1 January	2	0
Amounts recognised in the income statement for the year	0	2
Amounts recognised in equity for the year	-1	0
Deferred tax asset at 31 December	**1**	**2**

Notes to the Financial Statements

11. Long-term debt

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

The debt falls due for payment as specified below:

	2023 Mil.EUR	2022 Mil.EUR
Credit institutions		
After 5 years	0	1
Between 1 and 5 years	0	29
Long-term part	0	30
Within 1 year	0	1
	0	**31**
Convertible and profit-yielding instruments of debt		
After 5 years	0	0
Between 1 and 5 years	2	50
Long-term part	2	50
Within 1 year	0	0
	2	**50**

12. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

Hempel Invest A/S has committed a total investment in other securities of EUR 62 million (2022: EUR 28 million). As of December 31, 2023 the remaining commitment is EUR 32 million (2022: EUR 34 million).

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments, tax on unearned income and indirect taxes. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.

Notes to the Financial Statements

13. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

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

Name	Place of registered office
The Hempel Foundation cvr. 21518018	Amaliegade 8, 1256 Copenhagen K, Denmark

Notes to the Financial Statements

14. Accounting policies

The Annual Report of HEMPEL INVEST A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2023 are presented in Mio. EUR.

Changes in accounting policies

As Hempel Invest A/S uses the excempt in the Danish Financial Statements Act regarding consolidated financial statements, the annual report for 2023 has been prepared in accordance with the provisions applying to accounting class B rather than rather than accounting class C large.

This has no effect on the financial statements for 2023 nor the comparing figures.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of Hempel Fonden, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Notes to the Financial Statements

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with . The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

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

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings	30-50 years
Other buildings	10 years
Other fixtures and fittings, tools and equipment	3-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

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

Notes to the Financial Statements

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at EUR 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.