

# Burnblock Holding ApS

Wilders Plads 15 C, 1403 København K

CVR no. 33 58 10 76

## Annual report 2022

Approved at the Company's annual general meeting on

Chair of the meeting:

.....

## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

## 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 Burnblock Holding ApS for the financial year 1 January - 31 December 2022.

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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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

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

Copenhagen,  
Executive Board:

.....  
Jan Sørensen

Board of Directors:

.....  
Henrik Lyngbye Pedersen  
Chairman

.....  
Jan Sørensen

.....  
Hroar Bay-Smidt

## Independent auditor's report

To the shareholders of Burnblock Holding ApS

### Conclusion

We have conducted an extended review of the financial statements of Burnblock Holding ApS for the financial year 1 January - 31 December 2022, 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.

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

### Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for Small entities and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### 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 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

An extended review comprises procedures that primarily consist of making enquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

### Statement on the Management's review

Management is responsible for the Management's review.

Our conclusion 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 extended review 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 extended review, or otherwise appears to be materially misstated.

## Independent auditor's report

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,  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Morten Weinreich Larsen  
State Authorised Public Accountant  
mne42791

## Management's review

### Company details

Name	Burnblock Holding ApS
Address, Postal code, City	Wilders Plads 15 C, 1403 København K
CVR no.	33 58 10 76
Established	10 February 2011
Registered office	Copenhagen
Financial year	1 January - 31 December
Website	<a href="http://www.burnblock.com">www.burnblock.com</a>
E-mail	<a href="mailto:info@burnblock.com">info@burnblock.com</a>
Telephone	+45 70 23 20 53
Board of Directors	Henrik Lyngbye Pedersen, Chairman Jan Sørensen Hroar Bay-Smidt
Executive Board	Jan Sørensen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Business review

The Company's business objectives comprise holding shares in other companies and related activities.

### Financial review

The income statement for 2022 shows a loss of DKK 2,909,005 against a loss of DKK 125,491 last year, and the balance sheet at 31 December 2022 shows a negative equity of DKK 39,338,700.

The Company has lost more than half of the share capital and is subject to the provisions on re-establishment of the share capital under the Danish Companies Act. The Company has completed its discussions with Bregnerød Investeringselskab ApS and has obtained a commitment for the necessary financing of the operations up to and including 31 December 2023. Reference is made to note 2.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2022	2021
	Other operating income	112,920	270,996
	Other external expenses	-236,660	-416,741
	<b>Gross profit</b>	-123,740	-145,745
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	0	-300,000
	<b>Profit/loss before net financials</b>	-123,740	-445,745
	Income from investments in group entities	-1,601,400	1,481,857
3	Financial expenses	-1,201,120	-1,164,006
	<b>Profit/loss before tax</b>	-2,926,260	-127,894
4	Tax for the year	17,255	2,403
	<b>Profit/loss for the year</b>	-2,909,005	-125,491
	 <b>Recommended appropriation of profit/loss</b>		
	Retained earnings/accumulated loss	-2,909,005	-125,491
		-2,909,005	-125,491



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2022	2021
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
5	<b>Financial assets</b>		
	Investments in group entities, net asset value	1,352,851	2,954,251
		<u>1,352,851</u>	<u>2,954,251</u>
	<b>Total non-current assets</b>	<u>1,352,851</u>	<u>2,954,251</u>
	<b>Current assets</b>		
	<b>Receivables</b>		
	Receivables from group entities	3,149	437
	Other receivables	18,120	30,627
		<u>21,269</u>	<u>31,064</u>
	<b>Cash</b>	<u>4,104</u>	<u>72,438</u>
	<b>Total current assets</b>	<u>25,373</u>	<u>103,502</u>
	<b>TOTAL ASSETS</b>	<u><u>1,378,224</u></u>	<u><u>3,057,753</u></u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
6	Share capital	100,000	100,000
	Retained earnings	-39,438,700	-36,529,695
	<b>Total equity</b>	<u>-39,338,700</u>	<u>-36,429,695</u>
	<b>Liabilities</b>		
7	<b>Non-current liabilities</b>		
	Payables to group entities	40,618,751	39,438,520
	<b>Total non-current liabilities</b>	<u>40,618,751</u>	<u>39,438,520</u>
	<b>Current liabilities</b>		
	Trade payables	58,973	48,928
	Other payables	39,200	0
	<b>Total current liabilities</b>	<u>98,173</u>	<u>48,928</u>
	<b>Total liabilities</b>	<u>40,716,924</u>	<u>39,487,448</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,378,224</u></u>	<u><u>3,057,753</u></u>

- 1 Accounting policies
- 2 Capital and financing
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral
- 10 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	100,000	-36,529,695	-36,429,695
Transfer through appropriation of loss	0	-2,909,005	-2,909,005
Equity at 31 December 2022	<u>100,000</u>	<u>-39,438,700</u>	<u>-39,338,700</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Burnblock Holding ApS for 2022 has been presented in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

In accordance with 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.

#### Basis of recognition and measurement

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost, implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortisation of any difference between cost and nominal amount.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate last year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

#### Reporting currency

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

#### Income statement

##### Other operating income

Other operating income comprises items of a secondary nature relative to the Company's core activities, including costs for patent protection invoiced to Burnblock ApS.

##### Other external expenses

Other external costs comprise costs for patent protection, auditors, attorneys, etc.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Amortisation

The item comprises amortisation of intangible assets.

##### Profit/loss from investments in subsidiaries

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

##### Financial expenses

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

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Investments in subsidiaries

Investments in subsidiaries are initially recognised at cost and subsequently measured using the equity method at the Parent Company's proportionate share of such entities' equity plus goodwill on consolidation and intra-group losses and less intra-group gains and negative goodwill, if any. Investments in entities, whose net asset value is negative, are measured at DKK 0. The entity's proportionate share of a loss on equity, if any, is set off against receivables from the investment, if the loss is irrecoverable. Amounts in excess thereof are recognised under "Provisions", if the Parent Company has a legal or constructive obligation to cover the loss.

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 subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

## 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, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

##### Cash

Cash comprises cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Equity

###### *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.

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.

##### Liabilities

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

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Capital and financing

The Company has lost more than half of its share capital and is, therefore, subject to the provisions applying to capital loss under the Danish Companies Act.

The Company has completed its discussions with Bregnerød Investeringsselskab ApS and has obtained a commitment for the necessary financing of operations up to and including 31 December 2023.

As a part of the discussions, it has been agreed upon that the outstanding payables to the group entities of DKK 40,619 thousand will not be procured during the year 2023.

#### 3 Financial expenses

Interest expenses, group entities	1,197,468	1,160,381
Other financial expenses	<u>3,652</u>	<u>3,625</u>
	<u>1,201,120</u>	<u>1,164,006</u>

#### 4 Tax for the year

Refund in joint taxation	<u>-17,255</u>	<u>-2,403</u>
	<u>-17,255</u>	<u>-2,403</u>

#### 5 Financial assets

DKK	<u>Investments in group entities, net asset value</u>
Cost at 1 January 2022	35,267,794
Cost at 31 December 2022	<u>35,267,794</u>
Value adjustments at 1 January 2022	-32,313,543
Share of the profit/loss for the year	<u>-1,601,400</u>
Value adjustments at 31 December 2022	<u>-33,914,943</u>
<b>Carrying amount at 31 December 2022</b>	<u>1,352,851</u>

#### Subsidiaries

<u>Name</u>	<u>Domicile</u>	<u>Interest</u>	<u>Equity DKK</u>	<u>Profit/loss DKK</u>
Burnblock ApS	Denmark	100.00%	1,352,851	-1,601,400

#### 6 Share capital

The Company's share capital has remained DKK 100,000 over the past 5 years.

#### 7 Non-current liabilities

Of the long-term liabilities, DKK 0 falls due for payment after more than five years after the balance sheet date. Reference is made to note 2, where the company has obtained confirmation from the group entities that group payables will not be collected during 2023, and thus are presented as non-current liabilities.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 8 Contractual obligations and contingencies, etc.

##### Contingent liabilities

The Company is jointly taxed with its ultimate parent, Bregnerød Investeringsselskab ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes.

Burnblock Holding ApS has issued a letter of support to the subsidiary Burnblock ApS. Burnblock Holding ApS declares through any necessary supplements to guarantee the Company's obligations, thereby ensuring Burnblock ApS' continued operation up to and including 31 December 2023.

#### 9 Collateral

On behalf of subsidiary Burnblock ApS, the company has provided a payment guarantee totaling DKK 1,000 thousand for the payment of the beneficiant Brenntag Nardic A/S and additionally security for MasterCards issued to the company's employees, which as of 31 December 2022 amounts to DKK 320 thousand.

#### 10 Related parties

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>
Bregnerød Investeringsselskab ApS	Vassingerødvej 147, 3540 Lynge, Denmark

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Bregnerød Investeringsselskab ApS	Vassingerødvej 147, 3540 Lynge, Denmark
JSE Consulting & Management Holding ApS	Jægersborg Alle 23, 1. th 2920 Charlottenlund, Denmark
Hroar Bay-Smidt	Skovbogaards Allé 9 2500 Valby, Denmark

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## Henrik Lyngbye Pedersen

### Client Signer

På vegne af: Burnblock Holding ApS

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## Jan Sørensen

### Client Signer

På vegne af: Burnblock Holding ApS

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## Jan Sørensen

### Client Signer

På vegne af: Burnblock Holding ApS

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## Jan Sørensen

### Client Signer

På vegne af: Burnblock Holding ApS

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IP: 152.115.xxx.xxx

2023-05-16 07:30:22 UTC



## Hroar Bay-Smidt

### Client Signer

På vegne af: Burnblock Holding ApS

Serienummer: 6422e157-a0bb-4d60-aaea-8999a0dacc24

IP: 152.115.xxx.xxx

2023-05-16 10:13:32 UTC



## Morten Weinreich Larsen

### EY Signer

På vegne af: EY Godkendt Revisionspartnerselskab

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