

# Burnblock ApS

Wilders Plads 15C, 1403 København K

CVR no. 33 58 11 73

## Annual report 2022

Approved at the Company's annual general meeting on

Chair of the meeting:

.....

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## 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 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:

.....  
Hroar Bay-Smidt

Board of Directors:

.....  
Henrik Lyngbye Pedersen  
Chairman

.....  
Stig Wolfgang Jensen

.....  
Mark Joseph Renouf

.....  
Annette Otto

.....  
Torben Kjær

## Independent auditor's report

To the shareholder of Burnblock ApS

### Conclusion

We have conducted an extended review of the financial statements of Burnblock 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 ApS
Address, Postal code, City	Wilders Plads 15C, 1403 København K
CVR no.	33 58 11 73
Established	10 February 2011
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 Stig Wolfgang Jensen Mark Joseph Renouf Annette Otto Torben Kjær
Executive Board	Hroar Bay-Smidt
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Business review

The Company has developed and markets a unique sustainable, natural, non-toxic, economic, and industrially adapted solution working as a fire retardant - based on targeted research, systematic documentation, and continuous innovation.

There will continuously be a demand for further development and certifications, which will support and grow the potential business: However, the certifications achieved so far are providing a strong foothold for further growth in turnover. The company is in addition focusing on increasing its commercial focus.

### Financial review

The income statement for 2022 shows a loss of DKK 1,601,400 against a profit of DKK 1,481,857 last year, and the balance sheet at 31 December 2022 shows equity of DKK 1,352,851.

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 capital resources is considered adequate and it is expected that the share capital will be re-established from future profits.

Management considers the Company's financial performance in the year unsatisfactory. That been said the consequences of the situation in Ukraine has in more ways had a very negative impact on Burnblock's business throughout 2022.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end. That being said, the situation in Ukraine will, in multiple ways, influence Burnblock's business, and there is a high degree of uncertainty of the outcome of the situation and its consequences.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	<u>2022</u>	<u>2021</u>
	<b>Gross profit</b>	4,017,327	6,945,511
2	Staff costs	-5,475,421	-5,408,770
	Depreciation and impairment of property, plant and equipment	-73,074	-16,102
	<b>Profit/loss before net financials</b>	-1,531,168	1,520,639
3	Financial income	48,691	46,232
4	Financial expenses	-118,923	-85,014
	<b>Profit/loss for the year</b>	<u>-1,601,400</u>	<u>1,481,857</u>
	<b>Recommended appropriation of profit/loss</b>		
	Retained earnings/accumulated loss	-1,601,400	1,481,857
		<u>-1,601,400</u>	<u>1,481,857</u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2022</u>	<u>2021</u>
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
5	<b>Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	438,304	178,039
		<u>438,304</u>	<u>178,039</u>
	<b>Total fixed assets</b>	<u>438,304</u>	<u>178,039</u>
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Raw materials and consumables	9,606	538,278
		<u>9,606</u>	<u>538,278</u>
	<b>Receivables</b>		
	Trade receivables	3,533,580	3,208,044
	Receivables from group entities	1,693,495	1,662,511
	Other receivables	86,850	230,035
	Deferred income	53,727	123,290
		<u>5,367,652</u>	<u>5,223,880</u>
	<b>Cash</b>	58,943	1,324,352
	<b>Total non-fixed assets</b>	<u>5,436,201</u>	<u>7,086,510</u>
	<b>TOTAL ASSETS</b>	<u><u>5,874,505</u></u>	<u><u>7,264,549</u></u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2022</u>	<u>2021</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
6	Share capital	10,000,000	10,000,000
	Retained earnings	-8,647,149	-7,045,749
	<b>Total equity</b>	<u>1,352,851</u>	<u>2,954,251</u>
	<b>Liabilities other than provisions</b>		
	<b>Non-current liabilities other than provisions</b>		
	Other payables	0	345,569
		<u>0</u>	<u>345,569</u>
	<b>Current liabilities other than provisions</b>		
	Bank debt	780,211	0
	Trade payables	3,083,323	2,268,562
	Payables to group entities	211,452	0
	Other payables	446,668	1,696,167
		<u>4,521,654</u>	<u>3,964,729</u>
	<b>Total liabilities other than provisions</b>	<u>4,521,654</u>	<u>4,310,298</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>5,874,505</u></u>	<u><u>7,264,549</u></u>

- 1 Accounting policies
- 7 Contractual obligations and contingencies, etc.
- 8 Collateral
- 9 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	10,000,000	-7,045,749	2,954,251
Transfer through appropriation of loss	0	-1,601,400	-1,601,400
Equity at 31 December 2022	<u>10,000,000</u>	<u>-8,647,149</u>	<u>1,352,851</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

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

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 gain, 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).

#### 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)

##### Income statement

###### Revenue

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

Income from the sale of goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received.

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

###### Gross profit

The items revenue, cost of sales, other operating income 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.

###### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets and compensation from public authorities.

###### Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

###### Cost of sales

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

###### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

###### 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.

###### Depreciation

The item comprises depreciation of property, plant and equipment.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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

Other fixtures and fittings, tools and equipment	3-5 years
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## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial income and 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 Company and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

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

##### 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.

##### Leases

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

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

##### Inventories

Inventories are measured at the lower of cost, measured by reference to the FIFO-method, and net realisable value.

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

## 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.

##### Prepayments

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

##### Cash

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

##### 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

DKK	2022	2021
<b>2 Staff costs</b>		
Wages/salaries	4,931,672	4,882,826
Pensions	304,464	289,053
Other social security costs	75,963	76,153
Other staff costs	163,322	160,738
	<u>5,475,421</u>	<u>5,408,770</u>
Average number of full-time employees	<u>8</u>	<u>8</u>
<b>3 Financial income</b>		
Interest income, group entities	48,468	46,232
Other financial income	223	0
	<u>48,691</u>	<u>46,232</u>
<b>4 Financial expenses</b>		
Other financial expenses	118,923	85,014
	<u>118,923</u>	<u>85,014</u>
<b>5 Property, plant and equipment</b>		
DKK		<b>Other fixtures and fittings, tools and equipment</b>
Cost at 1 January 2022		219,066
Additions in the year		333,339
Cost at 31 December 2022		<u>552,405</u>
Impairment losses and depreciation at 1 January 2022		41,027
Amortisation/depreciation in the year		73,074
Impairment losses and depreciation at 31 December 2022		<u>114,101</u>
<b>Carrying amount at 31 December 2022</b>		<u>438,304</u>
<b>6 Share capital</b>		
The Company's share capital has remained DKK 10,000,000 over the past 5 years.		



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 7 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.

##### Other financial obligations

At 31 December 2022, the rent obligation against the related party, Bregnerød Investeringsselskab ApS, amounted to DKK 368 thousand (2021: DKK 165 thousand against external part).

#### 8 Collateral

The company has provided a payment guarantee totaling DKK 1,000 thousand for the payment of the beneficiary Brenntag Nordic A/S.

The company provides additional security for MasterCards issued to the company's employees, which as of 31 December 2022 amounts to DKK 320 thousand.

#### 9 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>
Burnblock Holding ApS	Wilders Plads 15C, 1403 Copenhagen, Denmark

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## Henrik Lyngbye Pedersen

### Client Signer

På vegne af: Burnblock ApS

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2023-05-16 07:14:05 UTC



## Mark Joseph Renouf

### Client Signer

På vegne af: Burnblock ApS

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IP: 2.105.xxx.xxx

2023-05-16 07:25:10 UTC



## Jan Sørensen

### Client Signer

På vegne af: Burnblock ApS

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IP: 152.115.xxx.xxx

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## Stig Wolfgang Jensen

### Client Signer

På vegne af: Burnblock ApS

Serienummer: 031cf029-04dc-45cc-a900-0db0f70cf77a

IP: 2.108.xxx.xxx

2023-05-16 07:25:58 UTC



## Torben Kjær

### Client Signer

På vegne af: Burnblock ApS

Serienummer: 35486042-6929-4adb-b507-17bc6006f1a6

IP: 195.249.xxx.xxx

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## Hroar Bay-Smidt

### Client Signer

På vegne af: Burnblock ApS

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## Annette Otto

### Client Signer

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## Morten Weinreich Larsen

### EY Signer

På vegne af: EY Godkendt Revisionspartnerselskab

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