

Frupack Nordic ApS

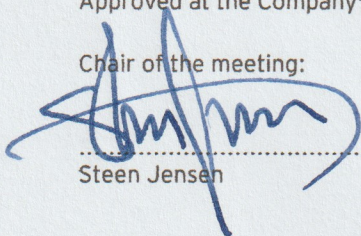
Victorias Kvarter 8, 2680 Solrød Strand

CVR no. 42 60 97 14

Annual report 2022/23

Approved at the Company's annual general meeting on 16 January 2024

Chair of the meeting:



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Steen Jensen

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Frupack Nordic ApS for the financial year 1 July 2022 - 30 June 2023.

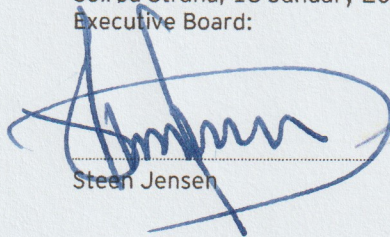
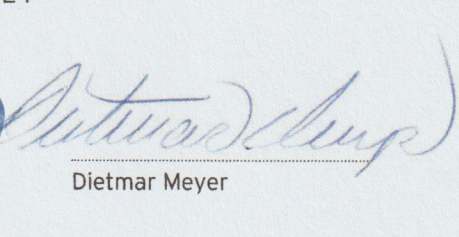
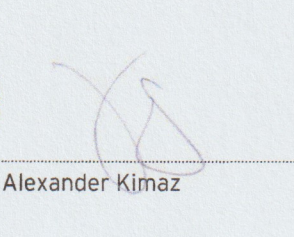
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 - 30 June 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.

Solrød Strand, 16 January 2024
Executive Board:

		
Steen Jensen	Dietmar Meyer	Alexander Kimaz

Independent auditor's report

To the shareholders of Frupack Nordic ApS

Opinion

We have audited the financial statements of Frupack Nordic ApS for the financial year 1 July 2022 - 30 June 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 - 30 June 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Vejle, 16 January 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Lene Kampfer Jørgensen
State Authorised Public Accountant
mne34456

Management's review

Company details

Name	Frupack Nordic ApS
Address, Postal code, City	Victorias Kvarter 8, 2680 Solrød Strand
CVR no.	42 60 97 14
Established	18 August 2021
Financial year	1 July 2022 - 30 June 2023
Executive Board	Steen Jensen Dietmar Meyer Alexander Kimaz
Auditors	EY Godkendt Revisionspartnerselskab Lysholt Allé 10, 7100 Vejle, Denmark

Management commentary

Business review

The Company's activities comprise wholesale, import and export of raw materials and intermediates for the chemical and the plastic industry.

Financial review

The income statement for 2022/23 shows a loss of DKK 1,281,921 against a loss of DKK 1,033,360 last year, and the balance sheet at 30 June 2023 shows equity of DKK 1,404,719. Management considers the Company's financial performance in the year unsatisfactory.

Financial statements 1 July 2022 - 30 June 2023

Income statement

Note	DKK	2022/23 12 months	2021/22 11 months
	Gross profit/loss	905,107	-78,703
2	Staff costs	-2,343,738	-929,342
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-3,515	0
	Profit/loss before net financials	-1,442,146	-1,008,045
	Financial income	31,741	2,048
3	Financial expenses	-232,573	-27,363
	Profit/loss before tax	-1,642,978	-1,033,360
4	Tax for the year	361,057	0
	Profit/loss for the year	<u>-1,281,921</u>	<u>-1,033,360</u>
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	<u>-1,281,921</u>	<u>-1,033,360</u>
		<u>-1,281,921</u>	<u>-1,033,360</u>

Financial statements 1 July 2022 - 30 June 2023

Balance sheet

Note	DKK	<u>2022/23</u>	<u>2021/22</u>
	ASSETS		
	Fixed assets		
5	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	14,561	0
		<u>14,561</u>	<u>0</u>
	Total fixed assets	<u>14,561</u>	<u>0</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	1,197,905	0
	Prepayments for goods	212,917	0
		<u>1,410,822</u>	<u>0</u>
	Receivables		
	Trade receivables	6,278,920	629,610
	Deferred tax assets	361,057	0
	Other receivables	0	39,203
	Prepayments	130,723	12,647
		<u>6,770,700</u>	<u>681,460</u>
	Cash	<u>1,663,162</u>	<u>2,526,624</u>
	Total non-fixed assets	<u>9,844,684</u>	<u>3,208,084</u>
	TOTAL ASSETS	<u><u>9,859,245</u></u>	<u><u>3,208,084</u></u>
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	1,000,000	1,000,000
	Retained earnings	404,719	1,686,640
	Total equity	<u>1,404,719</u>	<u>2,686,640</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	4,238,838	377,635
	Payables to group enterprises	946,041	32,983
	Other payables	3,269,647	110,826
		<u>8,454,526</u>	<u>521,444</u>
	Total liabilities other than provisions	<u>8,454,526</u>	<u>521,444</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>9,859,245</u></u>	<u><u>3,208,084</u></u>

1 Accounting policies

7 Contractual obligations and contingencies, etc.

8 Related parties

Financial statements 1 July 2022 - 30 June 2023

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 18 August 2021	1,000,000	2,720,000	3,720,000
Transfer through appropriation of loss	0	-1,033,360	-1,033,360
Equity at 1 July 2022	1,000,000	1,686,640	2,686,640
Transfer through appropriation of loss	0	-1,281,921	-1,281,921
Equity at 30 June 2023	1,000,000	404,719	1,404,719

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 Accounting policies

The annual report of Frupack Nordic ApS for 2022/23 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities 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.

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.

Income statement

Revenue

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

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Gross profit/loss

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

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

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.

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 Accounting policies (continued)

Depreciation

The item comprises depreciation of property, plant and equipment.

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:

Fixtures and fittings, other plant and equipment	3 years
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Financial income and expenses

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

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.

Impairment of fixed assets

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

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

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

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

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

1 Accounting policies (continued)

Inventories

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

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

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

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

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

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

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

Liabilities

The Company has chosen IAS 39 as interpretation for 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 July 2022 - 30 June 2023

Notes to the financial statements

	2022/23 12 months	2021/22 11 months
DKK		
2 Staff costs		
Wages/salaries	1,948,599	926,717
Pensions	362,400	0
Other social security costs	32,739	2,625
	<u>2,343,738</u>	<u>929,342</u>
 Average number of full-time employees	 <u>2</u>	 <u>1</u>
 3 Financial expenses		
Interest expenses, group entities	202,041	0
Other financial expenses	30,532	27,363
	<u>232,573</u>	<u>27,363</u>
 4 Tax for the year		
Deferred tax adjustments in the year	-361,057	0
	<u>-361,057</u>	<u>0</u>
 5 Property, plant and equipment		Fixtures and fittings, other plant and equipment
 DKK		
Additions		<u>18,076</u>
Cost at 30 June 2023		<u>18,076</u>
Depreciation		<u>3,515</u>
Impairment losses and depreciation at 30 June 2023		<u>3,515</u>
Carrying amount at 30 June 2023		<u>14,561</u>
 6 Share capital		
The Company's share capital has remained DKK 1,000,000 in the past year.		
 7 Contractual obligations and contingencies, etc.		
Other financial obligations		
Other lease liabilities:		
DKK	<u>2022/23</u>	<u>2021/22</u>
Lease liabilities	<u>105,570</u>	<u>0</u>

Financial statements 1 July 2022 - 30 June 2023

Notes to the financial statements

8 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>
MLHolding GmbH	Germany