

BOSTIK A/S

Naverland 2
Postboks 1480
2600 Glostrup

CVR-nr. 62 69 96 12

Annual Report 2022

The annual report has been presented and approved
at the company's annual general meeting

June 28, 2023

Chairman Vincent Imbos

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Bostik A/S
Annual Report 2022
CVR-nr. 62 69 96 12

Statement by the Board of Directors and the Executive Board

The Board and Management have today discussed and approved the annual report for the financial year 1 January - 31 December 2022 for Bostik A/S.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and the results of the company's operations for the 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.

Helsingborg, 28 June 2023

Executive Board:

Vincent Imbos

Board of Directors:

Xavier Jean Joseph
Durand-Delacre
Chairman

Vincent Imbos

Jean-Marie Tisseuil

Sophie Marie Françoise
Fouillat



Independent auditor's report

To the shareholders of Bostik A/S

Opinion

We have audited the financial statements of Bostik A/S for the financial year 1 January – 31 December 2022, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 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 opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

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

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



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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

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

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



Independent auditor's report

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.

Copenhagen, 28 June 2023

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Malene Haaber Glahn Christiansen
State Authorised
Public Accountant
mne47773

Bostik A/S
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Management Report

Company information

BOSTIK A/S
Naverland 2
Postboks 1480
2600 Glostrup

Phone: 44 84 15 00
Fax: 44 85 04 19

CVR-no.: 62 69 96 12
Established: 7. September 1961
Registered office: Glostrup
Financial year: 1. januar – 31. december

Executive Board

Vincent Imbos

Board of Directors

Xavier Jean Joseph Durand-Delacre, Chairman

Vincent Imbos

Jean-Marie Tisseuil

Sophie Marie Françoise Fouillat

Auditor

KPMG
Statsautiriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Annual General Meeting

The annual general meeting held 28 June 2023 via teleconference.

Management's review

Operating review

Principal activities

BOSTIK A/S sells and distributes products from other BOSTIK factories, mainly from the parent company BOSTIK AB in Helsingborg. The products are mainly BOSTIK and sealing compounds and fillers for the construction industry.

Significant changes in the Company's activities and financial position

In an environment that is still uncertain, especially in terms of macroeconomic and geopolitical developments, the operating result has developed satisfactorily. Additional global commodity markets remain highly volatile and prices are therefore rising rapidly.

As an integrated company within the Arkema Group, BOSTIK A/S is in a good position to secure the supply to its customers, even if it is in a challenging environment.

The result for the year compared with expected development

The company's result, cash flows and liquidity have essentially developed as expected. In addition to price and cost control, our policy continues to focus on continuously improving our sales and profitability, further improving our organization and our internal controls.

Gross profit has decreased by 25.3% to DKK 4,202 thousand.

The company realized a positive result of DKK 18,282 thousand in the financial year 2022.

In 2022, Denmark has also been characterized by COVID-19. However, BOSTIK A/S has not been significantly financially affected by this.

The company's equity is per 31 December 2022 DKK 157,510 thousand, of which the share capital amounts to DKK 40,641 thousand.

The company's expected development

Based on the plans, the Board of Directors expects to realize an operating profit in the coming year, which will be on a par with the current year.

Considering the market situation, revenue in 2023 is assumed to be at the same level as 2022.

Events after the balance sheet date

No events have occurred after the end of the financial year that could significantly affect the company's financial position.

Financial statements 1 January to 31 December

Income statement

DKK'000	Note	2022	2021
Gross profit		4.202	5.624
Distribution costs	2	-6.283	-4.200
Administrative expenses		-2.634	-1.766
Loss before financial income and expenses		-4.715	-342
Income from investments in subsidiaries		30.000	20.000
Financial income		99	8
Financial expenses	3	-10.404	-10.791
Profit before tax		14.980	8.875
Tax on profit for the year	4	3.302	2.446
Profit for the year		<u>18.282</u>	<u>11.321</u>
 Proposed distribution of profit			
Retained earnings		<u>18.282</u>	<u>11.321</u>

Financial statements 1 January to 31 December

Balance

DKK'000	Note	2022	2021
ASSETS			
Fixed assets			
Property, plant and equipment			
Fixtures and fittings, tools and equipment		835	1.111
Total property, plant and equipment		<u>835</u>	<u>1.111</u>
Investments			
Investments in affiliated companies	5	600.783	600.783
Total Investments		<u>600.783</u>	<u>600.783</u>
Total fixed assets		<u>601.618</u>	<u>601.894</u>
Current assets			
Receivables			
Trade receivables		5.209	4.644
Receivables from affiliated companies		17.966	2.603
Other receivables		13.655	6.170
Deferred tax asset		466	466
Total receivables		<u>37.296</u>	<u>13.883</u>
Cash at bank and in hand		<u>929</u>	<u>2.003</u>
Total current assets		<u>38.225</u>	<u>15.886</u>
TOTAL ASSETS		<u><u>639.843</u></u>	<u><u>617.780</u></u>

Financial statements 1 January to 31 December

Balance

DKK'000	Note	2022	2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		40.641	40.641
Retained earnings		116.869	98.587
Total equity	6	<u>157.510</u>	<u>139.228</u>
Liabilities			
Long-term liabilities			
Payables to Arkema	7	<u>469.000</u>	<u>469.000</u>
Total longterm liabilities		<u>469.000</u>	<u>469.000</u>
Short-term liabilities			
Trade payables		0	74
Payables to affiliated companies		11.316	7.549
Other payables, including taxes payable		<u>2.017</u>	<u>1.929</u>
Total short-term liabilities		<u>13.333</u>	<u>9.552</u>
Total liabilities		<u>482.333</u>	<u>478.552</u>
TOTAL LIABILITIES		<u>639.843</u>	<u>617.780</u>
Contractual obligations, contingencies, etc.	8		
Related parties	9		

Financial statements 1 January to 31 December

Statement of changes in equity

	Contributed capital	Retained earnings	Total
Balance at 1 January 2022	40.641	98.587	139.228
Transferred over distribution of profit	0	18.282	18.282
Equity at 31 December 2022	40.641	116.869	157.510

Financial statements 1 January to 31 December

Notes

1 Accounting policies

The annual report for BOSTIK A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act for class B companies.

The financial statements have been prepared in accordance with the same accounting policies as last year.

Pursuant to section 112, subsection 1, consolidated financial statements have not been prepared. The financial statements of BOSTIK A/S and associated companies are included in the consolidated financial statements of Arkema S.A., 420 Rue d'Estienne d'Ovres, 92705 Colombes Cedex, France. The consolidated financial statements of Arkema S.A. are available at www.Arkema.com.

General information on recognition and measurement

Income is recognized in the income statement as it is earned. All costs are also recognized in the income statement.

Assets are recognized 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 measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the liability can be measured reliably.

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

Recognition and measurement take into account foreseeable losses and risks that arise before the annual report is presented and which confirm or refute conditions that existed on the balance sheet date.

Foreign currency conversion

Transactions in foreign currencies are translated on initial recognition at the exchange rate on the transaction date. Exchange rate differences that arise between the exchange rate on the transaction date and the exchange rate on the payment date are recognized in the income statement as a financial item.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time the receivable or liability arises or is recognized in the most recent annual accounts is recognized in the income statement under financial income and expenses.

Financial statements 1 January to 31 December

Notes

1 Accounting policies (continued)

Income statement

Revenue

Income from the sale of goods and merchandise and finished goods is recognized in net sales when delivery and transfer of risk to the buyer has taken place, the income can be calculated reliably and payment is expected to be received. The timing of the transition of the most significant benefits and risks is based on standardized delivery terms based on Incoterms ® 2010.

Net revenue is measured at the fair value of the agreed remuneration excl. VAT and taxes charged on behalf of third parties. All types of discounts deducted are in net sales.

Production costs

Production costs include costs, including depreciation and salaries, incurred to achieve net sales for the year. The trading companies recognize consumption of goods that is incurred to achieve the net revenue for the year. This includes direct and indirect costs for raw materials and consumables, wages and salaries as well as rent and leasing.

Distribution costs

Distribution costs include costs incurred for the distribution of goods sold during the year and for the year's sales campaigns, etc. This includes re-costs for sales staff, advertising and exhibition costs as well as depreciation.

Administrative costs

Administrative expenses include costs incurred during the year for the management and administration of the company, including costs for the administrative staff, management, office space and office costs as well as depreciation.

Income from investments in subsidiaries

Dividends from investments in subsidiaries are recognized as income in the financial year in which the dividend is declared. In the event of divestments, any profit is recognized when the economic rights associated with the sold shares are transferred, however, at the earliest when the profit has been realized or is considered realizable. In addition, realized losses in addition to write-downs are included when such must be established.

Financial statements 1 January to 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses include interest, capital gains and losses relating to debt and transactions in foreign currencies, amortization of financial assets and liabilities as well as supplements and reimbursements under the tax prepayment scheme, etc.

Income tax expense

The company is covered by the Danish rules on compulsory joint taxation of the Arkema Group's Danish companies. The companies are included in the joint taxation from the time when they are included in the consolidation in the consolidated financial statements until the time when they are removed from the consolidation.

BOSTIK A/S is the administration company for the joint taxation and as a result settles all payments of corporation tax with the tax authorities.

The current Danish corporation tax is distributed by settling joint taxation contributions between the jointly taxed companies in relation to their taxable income. In connection with this, companies with a tax loss receive joint taxation contributions from companies that have been able to use this loss to reduce their own taxable profits.

The tax for the year, which consists of the current corporation tax for the year and a change in deferred tax - including as a result of a change in tax rate - is recognized in the income statement with the part attributable to the profit for the year and directly in equity with the part attributable for entries directly in equity.

Financial statements 1 January to 31 December

Notes

1 Accounting policies (continued)

Balance

Tangible fixed assets

Other plant, equipment and fixtures and fittings are measured at cost less accumulated amortization and impairment losses.

The cost price includes the acquisition price and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost price of a total asset is divided into separate components, which are depreciated separately if the useful life of the individual components is different.

The depreciation basis is calculated as the cost price less any expected residual value after the end of the useful life. The depreciation basis is distributed linearly over the expected useful life, which is estimated as follows:

Other fixtures and fittings	3-8 years
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The useful life and residual value are reassessed annually. A change is treated as an accounting estimate, and the impact on depreciation is recognized in the future.

Gains and losses on the sale of property, plant and equipment are calculated as the difference between the sale price less costs to sell and the carrying amount at the time of sale. Gains or losses are recognized in the income statement under other operating income and other operating expenses, respectively.

Impairment of fixed assets

The carrying amount of property, plant and equipment is assessed annually for indications of impairment, in addition to what is expressed by depreciation.

If there are indications of impairment, an impairment test is performed on each individual asset or group of related assets. A write-down is made to the recoverable amount if this is lower than the carrying amount.

Financial statements 1 January to 31 December

Notes

1 Accounting policies (continued)

Financial assets

Investments in associated companies are measured at cost. In the event of an indication of impairment, an impairment test is performed. In cases where the cost price exceeds the recoverable amount, it is written down to this lower value.

Other receivables and deposits are recognized at amortized cost.

Receivables

Receivables are measured at amortized cost.

Write-downs are made to cover losses, where it is assessed that an objective indication has occurred that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, an impairment loss is recognized at individual level.

Impairment losses are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows.

Equity

Dividend

Dividends expected to be paid for the year are shown as a separate item under equity.

Financial statements 1 January to 31 December

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax liabilities and current tax receivables are recognized in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax adjustments relating to the taxable income of previous years and for taxes paid on account.

The company is jointly taxed with group-affiliated Danish companies. The current corporation tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement of tax losses. The jointly taxed company is included in the on-account tax scheme. Due and receivable joint taxation contributions are recognized in the balance sheet as "Receivable corporation tax" or "Due corporation tax". Annual accounts 1 January - 31 December

Deferred tax is measured using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, calculated on the basis of the planned use of the asset or settlement of the liability. However, deferred tax is not recognized on temporary differences relating to non-depreciable office properties for tax purposes as well as other items where temporary differences have arisen at the time of acquisition without having an effect on profit or taxable income.

Deferred tax assets, including the tax value of tax losses carried forward, are recognized at the value at which they are expected to be used in the foreseeable future, either by offsetting against tax on future earnings or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realizable value. Deferred tax is measured on the basis of tax rules and tax rates that, with the legislation on the balance sheet date, will apply when the deferred tax is expected to be triggered as current tax. Changes in deferred tax as a result of changes in tax rates are recognized in the income statement and equity, respectively.

Liabilities

Other liabilities are measured at amortized cost, which usually corresponds to nominal value.

Financial statements 1 January to 31 December

Notes

DKK'000	2022	2021
2 Staff costs		
Wages and salaries	2.237	2.908
Pensions	151	188
Other social security costs	19	18
Transfer Bostik SA	-1.582	-2.170
	<u>825</u>	<u>944</u>

Salaries, pensions and other social security costs are expensed under the following items.

DKK'000	2022	2021
Distribution costs	<u>825</u>	<u>944</u>
Average number of employees	<u>2</u>	<u>3</u>

Financial statements 1 January to 31 December

Notes

DKK'000	2022	2021
3 Financial expenses		
Financial expenses, affiliated companies	10.306	10.784
Other financial costs	98	7
	<u>10.404</u>	<u>10.791</u>
4 Tax on profit for the year		
Current tax of the year	0	0
Refund from joint taxation	3.302	2.599
Deferred tax of the year	0	-153
Adjustment of deferred tax, relating to previous years	0	0
	<u>3.302</u>	<u>2.446</u>
5 Investments in affiliated companies		
Cost price per. 1 January	600.783	600.783
Additions in the year	0	0
Cost price per. 31 December	<u>600.783</u>	<u>600.783</u>
Affiliated companies:		
	<u>Location</u>	<u>Owner-ship</u>
A/S LIP Bygningsartikler. Nørre Aaby	Denmark	100%

Financial statements 1 January to 31 December

Notes

DKK'000	<u>2022</u>	<u>2021</u>
6 Equity		
The share capital thus specifies:		
406.406 shares at DKK 100	<u>40.641</u>	<u>40.641</u>
	<u>40.641</u>	<u>40.641</u>
7 Long-term debt liabilities		
Liabilities are distributed as follows:		
Liabilities to associated businesses		
0 – 1 year	0	0
1 – 5 years	0	0
> 5 years	<u>469.000</u>	<u>469.000</u>
Total liabilities	<u>469.000</u>	<u>469.000</u>
The liabilities are thus recognized in the balance sheet :		
Long-term liabilities	469.000	469.000
Short-term liabilities	0	0
	<u>469.000</u>	<u>469.000</u>

Financial statements 1 January to 31 December

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8 Contractual obligations, contingencies, etc.

Operational leasing

The company has a liability regarding leasing agreements of a total of DKK 384 thousand (2021: DKK 174 thousand).

Contingent liabilities to parent company and affiliates

The company is jointly taxed with other Danish subsidiaries in the Arkema Group. The company is liable indefinitely and jointly and severally for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation circle. Any subsequent corrections in the taxable joint taxable income or withholding taxes on dividends, etc. could result in the company's liability constituting a larger amount. Annual account 1 January – 31 December.

Related parties and ownership

BOSTIK A/S' related parties include the following:

Controlling interest

BOSTIK AB, Strandbadsvägen 22, Box 903, S-251 09 Helsingborg, who is the main shareholder

Ownership

The following shareholders are listed in the company's register of shareholders as owning 100% of the votes and 100% of the share capital:

Arkema Europé S.A

Regnr 429 608 342
420 Rue Estienne d'Orves
92700 Colombes
France

The Group's top parent company is Arkema S.A., 420 Rue d'Estienne d'Ovres, 92705 Colombes Cedex, France.

The consolidated financial statements of Arkema S.A. can be found at www.Arkema.com