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# ***Brifa Maling A/S***

c/o Hempel A/S, Lundtoftegårdsvej 91, DK-2800 Kongens  
Lyngby

## **Annual Report for 2023**

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CVR No. 89 70 01 16

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 4/7 2024

Ruben Krillke  
Chairman of the  
general meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Practitioner's Extended Review Report	2
<b>Management's Review</b>	
Company information	4
Management's Review	5
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	6
Balance sheet 31 December	7
Statement of changes in equity	9
Notes to the Financial Statements	10

# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Brifa Maling A/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

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

Kongens Lyngby, 4 July 2024

## Executive Board

Jan Wilhelm Ostendorf  
Manager

## Board of Directors

Jens Wido Ostendorf  
Chairman

Frank Hannig

Jan Wilhelm Ostendorf

# Independent Practitioner's Extended Review Report

To the shareholder of Brifa Maling A/S

## Conclusion

We have performed an extended review of the Financial Statements of Brifa Maling A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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

## Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises 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 "Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Material Uncertainty Related to Going Concern

We draw your attention to note 1 in the financial statements stating that the Company's ability to continue as a going concern depends on the collectability of the receivables from group enterprises, J.W. Ostendorf & Co. KG. As stated in note 1 to the financial statements, material uncertainty exists that may cast considerable doubts about the Company's ability to continue as a going concern.

We have not modified our conclusion in this respect.

## Emphasis of Matter

As mentioned in note 2 of the financial statements, there is material uncertainty related to the measurement of the receivables from group enterprise, J.W. Ostendorf & Co. KG, recognized at DKK 36.8 million, given the financial condition and expected change of ownership of J.W. Ostendorf & Co. KG.

We have not modified our conclusion in this respect.

## 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 as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

# Independent Practitioner's Extended Review Report

## Practitioner'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 in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Copenhagen, 4 July 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Kristian Pedersen  
State Authorised Public Accountant  
mne35412

André Nielsen  
State Authorised Public Accountant  
mne46624

## Company information

<b>The Company</b>	Brifa Maling A/S c/o Hempel A/S Lundtoftegårdsvej 91 2800 Kongens Lyngby  Telephone: 55 36 09 72  CVR No: 89 70 01 16 Financial period: 1 January - 31 December Incorporated: 1 October 1979 Financial year: 44th financial year Municipality of reg. office: Lyngby-Taarbæk
<b>Board of Directors</b>	Jens Wido Ostendorf, chairman Frank Hannig Jan Wilhelm Ostendorf
<b>Executive Board</b>	Jan Wilhelm Ostendorf
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

# Management's review

## Key activities

The company's main activity consists of trading of paint and related goods.

## Development in the year

The income statement of the Company for 2023 shows a profit of DKK 1,088,719, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 28,880,366.

## Uncertainty relating to recognition and measurement

Receivables from group enterprises are from the immediate parent company, J.W. Ostendorf & Co. KG (JWO) owned by Hempel A/S. End of December 2023, JWO had negative equity after several years with losses.

Given the intention from Hempel A/S to divest JWO, announced in the press release 6 May 2024, uncertainty regarding the value of the receivable exists as the commitment to fulfill the obligation to repay the receivable from JWO is out of the control of Hempel A/S following the expected closing of the divestment in the beginning of July 2024. Refer to note 2 for further details.

## Uncertainty regarding going concern

In late 2023, it was decided by J.W. Ostendorf GmbH & Co KG to terminate Brifa Maling A/S as distributor. The termination was initiated in December 2023 and was fully completed 1 April 2024, whereafter the activity in Brifa Maling A/S is limited. Due to the uncertainty related to the receivables as mentioned above and in note 2, material uncertainty exists that may cast considerable doubts about the Company's ability to continue as a going concern.

## Subsequent events

Hempel A/S has, after the balance sheet date, announced its intention to divest the immediate parent company, J.W. Ostendorf & Co. KG (JWO) owned by Hempel A/S. Refer to note 2 for further information.

## Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
<b>Gross profit</b>		<b>1,346,930</b>	<b>1,376,442</b>
Staff expenses	3	0	-5,000
Depreciation and impairment losses of property, plant and equipment		0	-5,100
<b>Profit/loss before financial income and expenses</b>		<b>1,346,930</b>	<b>1,366,342</b>
Financial income	4	352,712	227,542
Financial expenses	5	-253,061	-115,792
<b>Profit/loss before tax</b>		<b>1,446,581</b>	<b>1,478,092</b>
Tax on profit/loss for the year	6	-357,862	-236,574
<b>Net profit/loss for the year</b>		<b>1,088,719</b>	<b>1,241,518</b>
 <b>Distribution of profit</b>			
		2023	2022
		DKK	DKK
<b>Proposed distribution of profit</b>			
Retained earnings		1,088,719	1,241,518
		<b>1,088,719</b>	<b>1,241,518</b>



## Balance sheet 31 December

### Assets

	Note	2023	2022
		DKK	DKK
Trade receivables		385,242	4,359,075
Receivables from group enterprises		36,784,922	30,213,481
Other receivables		179,523	64,323
Prepayments		0	3,239
<b>Receivables</b>		<b>37,349,687</b>	<b>34,640,118</b>
Cash at bank and in hand		1,954,963	4,468,847
<b>Current assets</b>		<b>39,304,650</b>	<b>39,108,965</b>
<b>Assets</b>		<b>39,304,650</b>	<b>39,108,965</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		11,200,000	11,200,000
Retained earnings		17,680,366	16,591,647
<b>Equity</b>		<b>28,880,366</b>	<b>27,791,647</b>
Trade payables		866,377	2,831,009
Payables to group enterprises		7,042,627	5,548,124
Corporation tax		321,311	238,206
Other payables		2,193,969	2,699,979
<b>Short-term debt</b>		<b>10,424,284</b>	<b>11,317,318</b>
<b>Debt</b>		<b>10,424,284</b>	<b>11,317,318</b>
<b>Liabilities and equity</b>		<b>39,304,650</b>	<b>39,108,965</b>
Uncertainty regarding going concern	1		
Uncertainty relating to recognition and measurement	2		
Contingent assets, liabilities and other financial obligations	7		
Related parties	8		
Subsequent events	9		
Accounting Policies	10		

## Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	11,200,000	16,591,647	27,791,647
Net profit/loss for the year	0	1,088,719	1,088,719
<b>Equity at 31 December</b>	<b>11,200,000</b>	<b>17,680,366</b>	<b>28,880,366</b>

# Notes to the Financial Statements

## 1. Uncertainty regarding going concern

In late 2023, it was decided by J.W. Ostendorf GmbH & Co KG to terminate Brifa Maling A/S as distributor. The termination was initiated in December 2023 and was fully completed 1 April 2024, whereafter the activity in Brifa Maling A/S is limited. Due to the uncertainty related to the receivables as mentioned in note 2, material uncertainty exists that may cast considerable doubts about the Company's ability to continue as a going concern.

## 2. Uncertainty relating to recognition and measurement

### Uncertainty regarding measurement of Receivables from group enterprises

Receivables from group enterprises are from the immediate parent company, J.W. Ostendorf & Co. KG (JWO) owned by Hempel A/S. End of December 2023, JWO had negative equity after several years with losses.

Given the intention from Hempel A/S to divest JWO, announced in the press release 6 May 2024, uncertainty regarding the value of the receivable exists as the commitment to fulfill the obligation to repay the receivable from JWO is out of the control of Hempel A/S following the expected closing of the divestment in the beginning of July 2024.

For the remainder of the ownership period, Hempel A/S will support JWO in fulfilling its obligations towards Brifa Maling A/S should this be needed. Management expects that the new owner will, and have the ability to, continue this support.

Based on this, Management has assessed that no impairment is needed, however material uncertainty exists.

## 3. Staff Expenses

Wages and salaries

Average number of employees

	2023	2022
	DKK	DKK
	0	5,000
	<u>0</u>	<u>5,000</u>
	0	0

## 4. Financial income

Interest received from group enterprises

Exchange gains

	2023	2022
	DKK	DKK
	323,646	195,491
	29,066	32,051
	<u>352,712</u>	<u>227,542</u>

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>5. Financial expenses</b>		
Interest paid to group enterprises	168,505	0
Other financial expenses	0	48,511
Exchange loss	84,556	67,281
	<u>253,061</u>	<u>115,792</u>

	2023	2022
	DKK	DKK
<b>6. Income tax expense</b>		
Current tax for the year	357,862	236,574
	<u>357,862</u>	<u>236,574</u>

## 7. Contingent assets, liabilities and other financial obligations

### Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Hempel Invest A/S, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

A mortgage ban regarding receivables from the sale of goods and services has been registered with the company.

## 8. Related parties and disclosure of consolidated financial statements

### Consolidated Financial Statements

The Company is owned by the J.W. Ostendorf GmbH & CO KG and it is included in the Group Annual Report of Hempel Foundation.

Name	Place of registered office
J.W. Ostendorf GmbH & CO. KG	Rottkamp 2, DE-48 653 Coesfeld
Hempel Foundation	Amaliegade 8 1256 København

# Notes to the Financial Statements

## 9. Subsequent events

Hempel A/S has, after the balance sheet date, announced its intention to divest the immediate parent company, J.W. Ostendorf & Co. KG (JWO) owned by Hempel A/S. Refer to note 2 for further details.

# Notes to the Financial Statements

## 10. Accounting policies

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

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

### Recognition and measurement

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

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

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

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

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income statement

### Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

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

# Notes to the Financial Statements

## Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the consumables consumed to achieve revenue for the year.

## Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

## Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

## Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

## Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

## Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

## Financial income and expenses

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

## Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

## Balance sheet

### Property, plant and equipment

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

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

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

Other fixtures and fittings, tools and equipment	3-8 years
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The fixed assets' residual values are determined at nil.



# Notes to the Financial Statements

Depreciation period and residual value are reassessed annually.

## **Impairment of fixed assets**

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

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

## **Receivables**

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

## **Prepayments**

Prepayments comprise prepaid expenses concerning subscriptions.

## **Current tax receivables and liabilities**

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

## **Financial liabilities**

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