Brenntag Nordic A/S

Borupvang 5 B, 2750 Ballerup

Company reg. no. 24 99 45 89

Annual report

2024

The annual report was submitted and approved by the general meeting on the 21 May 2025.

Marianne Phillip
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Brenntag Nordic A/S for the financial year 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

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

We recommend that the annual report be approved at the Annual General Meeting.

Ballerup, 21 May 2025

Managing Director

René Fleischer

Board of directors

Russel Ian Argo Chairman	Marianne Philip	Jan Hoffmann Sørensen
Jonny Rønnov Christoffersen	Trine Kjær	

Independent auditor's report

To the Shareholder of Brenntag Nordic A/S

Opinion

We have audited the financial statements of Brenntag Nordic A/S for the financial year 1 January - 31 December 2024, comprising income statement, balance sheet, statement of changes in equity, notes and accounting policies, for the Company. 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 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 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 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 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 judgment 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.

- 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.

Statement on the Management’s review

Management is responsible for 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.

Independent auditor's report

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, 21 May 2025

Deloitte
State Authorised Public Accountants
Company reg. no. 33 96 35 56

Christian Sanderhage
State Authorised Public Accountant
mne23347

Company information

The company	Brenntag Nordic A/S Borupvang 5 B 2750 Ballerup	
	Phone	43292800
	Fax	43292700
	Web site	www.brenntag.com/en-dk/
	E mail	main@brenntag-nordic.com
	Company reg. no.	24 99 45 89
	Domicile:	Ballerup
	Financial year:	1 January - 31 December
Board of directors	Russel Ian Argo, Chairman Marianne Philip Jan Hoffmann Sørensen Jonny Rønnov Christoffersen Trine Kjær	
Managing Director	René Fleischer	
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S	
Bankers	Danske Bank Holmens Kanal Afdeling Holmens Kanal 2 1090 København K	
Lawyer	Kromann Reumert Sundkrogsgade 5 2100 København Ø	
Parent company	Brenntag AG, Essen, Germany	
Subsidiary	Aktieselskabet af 1. januar 1987, Ballerup	

Financial highlights

DKK in thousands.	2024	2023	2022	2021	2020
Income statement:					
Net turnover	1.107.506	1.272.994	1.406.312	943.780	1.039.932
Profit from operating activities	113.965	145.453	150.731	77.459	122.034
Net financials	26.350	21.772	4.168	4.031	8.305
Net profit or loss for the year	109.396	131.063	116.067	62.224	103.960
Statement of financial position:					
Balance sheet total	1.099.966	1.051.014	1.090.753	919.699	956.279
Investments in property, plant and equipment	19.876	7.874	12.569	13.703	15.089
Equity	911.122	868.726	814.226	753.159	742.935
Employees:					
Average number of full-time employees	133	127	125	128	127
Key figures in %:					
Profit margin (EBIT-margin)	10,3	11,4	10,7	8,2	11,7
Solvency ratio	82,8	82,7	74,6	81,9	77,7
Return on equity	12,3	15,6	14,8	8,3	14,5
Return on assets	10,4	13,8	13,5	8,4	12,8

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

The comparative figures for 2020-2021 have not been corrected related to the change in the presentation of the income statement from functional classification to the natural classification.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Profit margin (EBIT margin)
$$\frac{\text{Operating profit or loss (EBIT) x 100}}{\text{Revenue}}$$

Solvency ratio
$$\frac{\text{Equity, closing balance x 100}}{\text{Total assets, closing balance}}$$

Return on equity
$$\frac{\text{Net profit or loss for the year x 100}}{\text{Average equity}}$$

Return on asssets
$$\frac{\text{Results from primary activities (EBIT) x 100}}{\text{Assets in total}}$$

Description of key activities of the company

In the Danish market Brenntag Nordic A / S buys, manufactures and sells chemicals and ingredients, etc. primarily for the B2B market.

The product range covers industrial commodities as well as special products and specific customer solutions.

The largest part of revenue is in Denmark. Sales outside Denmark are primarily made up of sister companies in the Nordic region. In addition, there are direct sales to a number of large customers in the Nordic region within some selected product areas.

Development in activities and financial matters

The Company's activities have decreased compared to 2023 due to the changes in the market conditions and falling prices in the chemistry market due to lower cost prices on chemicals, due to lower energy costs and higher volumes in the Market. Despite these changes - the company have managed to keep a good GP/t based on efficient purchase and price management, but the Net GP is lower than 2023.

We have seen higher costs on staff due to investments in more salespeople within Specialties, transport and other operating costs in Denmark due to change in the supply chain and higher cost levels.

Results before tax have decreased compared to 2023 and amounted to DKK 140 million for 2024. Net profit for the year amounted to DKK 109 million. The reason is higher interest on financial loan to the Brenntag Group due higher interest rates and higher IC loan during 2024.

Result before financials shows a profit of DKK 114 million (2023: DKK 145 million). Equity has increased due to the good result for 2024 in total DKK 42 million minus Proposed dividend for 2024 of DKK 500 million and payout dividend for 2023 of DKK 67 million.

Investment in new production equipment at sites in Vejle, Høsten and Copenhagen amount to net DKK 10 million (2023: DKK 8 million).

Financial risks and the use of financial instruments

Market risks

The company is constantly influenced by the competitive and market situation - including customers' expectations for the future and hence the demand for the products it offers. The market is characterized by a strong price competition from a number of players.

Currency risks

The business activities involve a number of risks that may affect the company's financial position.
Including currency fluctuations in the purchase and sale of goods, etc. Continuous work is being carried out with the control and matching of currency flows in critical currencies.

Interest risks
The company's interest rate risk is primarily related to the financial loan to the parent company, where the interest rate is agreed on a quarterly basis. Interest rates to other credit institutions are fixed-rate, in addition, there is a limited risk of a few financial leasing agreements.

Credit risks
The company's credit risks relate exclusively to our customers. Internal control systems based on strict credit management and rating system including the use of external credit information mean that the company does not have significant risks with regard to individual customers or collaborators. Historically, the company has not recorded significant losses on trade receivables.

Strategy and Objectives
The company's strategy is to grow through organic growth and expand our current logistics and production capacity. By offering our customers value for them and their business, the company also continuously evaluates the possibilities for acquiring activities that may fit into the current set-up.

Objectives and Expectations for the coming year
We expect the operating result for 2025 to be lower than 2024 in the range of DKK 95-100 million due to the change in market conditions – i.e., lower volumes in some areas, lower cost prices and sales prices, which will reduce the GP/t, but lower costs due already implemented costs savings projects.

We expect the financial income to be better than the level from 2024 based on the higher interest rates and higher IC loans during 2025 due to positive cash flow.

External Environment
Brenntag continuously works to limit the impact of the external environment around our sites and warehouses according to the current rules, which are regularly reviewed by Norsk Veritas as part of our quality system. In addition, Brenntag Nordic A/S has focused on our environmental impacts in Denmark for a number of years and have increased measures such as water, gas, electricity and wastewater to reduce our environmental impact including investments in projects to reduce the Co2 impact link to our local business – solar panels etc.

The Brenntag Group also imposes a large number of additional requirements/reporting for the company's handling of the external environment. Brenntag have continue a No of projects to reuse chemicals and work to together with a number of players within chemical market in Denmark to create circular economy solutions under the Danish Environmental Agency and continue to work for more sustainable solutions in order to reduce the Co2 impact related to importing, supply chain incl production/warehouses setc, and selling chemistry into the Danish Market.

Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act

Brenntag works with social responsibility through our quality system based on various ISO standards, etc., which means that we continuously work with deviations and improvements in safety, environment, working conditions, etc., as well as the Brenntag Group's internal guidelines for good business and safety.

Brenntag Nordic A/S wants to comply with the laws and regulations of the countries and communities in which it operates. In this context, Brenntag Nordic A/S has introduced a CSR policy that in addition to the already established ISO standards and Responsible Care, will ensure that this happens**.**

The CSR declaration can be obtained at the following Internet address:
https://corporate.brenntag.com/en/sustainability/

Brenntag will continue to work on CSR policies in 2025 and focus on supplier evaluations to ensure that we live up to our CSR policy. We expect this process to continue in the coming years.

Brenntag work in the B2B business segment and the risk not to be compliant with Anti-Trust and Corruption rules/laws exist for example via Price agreements, Market sharing etc., However Brenntag work to be compliant with Anti-Trust and Corruption via all our commercial agreements and cooperation with our customers.

All staff within the commercial areas as well as management need to pass a test on Anti-Trust and Corruption rules/laws via yearly E-learning program, data protection etc. and HR secure that all have passed this test.
We also via our legal departments secure that all our commercial agreements are compliant before signing.

Further reference is made to the consolidated financial statements of Brenntag SE for a description of the Group's CSR policy:
https://brenntagprod-media.e-spirit.cloud/06432017-be1f-41ce-8d1d-564e2a66d213/documents/corporate/investor-relations/2024/annual-report-2024/brenntag_annual-report-2024_en.pdf

Report on gender composition in management according to section 99 b of the Danish Financial Statements Act

Overview of the status of target figures for the underrepresented gender

	2024	2023
Board of Directors		
Total number of members of board of Directors, excluding employee-elected members	4	4
Underrepresented gender in board of Directors	25 %	25 %
Target figure of underrepresented gender in board of Directors	33 %	33 %
Year of expected fulfillment	2026	2025
Other management levels		
Total number of other management levels	21	18
Underrepresented gender at other management levels	33 %	39 %
Target figure of underrepresented gender at other management levels	40 %	40 %
Year of expected fulfillment	2028	2025

In view of the structure of the Board today (3 men, 1 woman), we have achieved an equal split.

Policy and goal

It is our policy to increase the number of women in other management levels and we will strive for a more positive attitude towards promoting/hiring women.

Actions

Our employee turnover is very low, and thereby also the turnover of leaders. What counts is the qualifications, and we always treat our candidates regardless of gender.

In 2024, we have encouraged potential future female leaders to take on further responsibility in current position and to get further relevant education for which the company holds the expense.

Report on the company’s policy on data ethics according to section 99 d of the Danish Financial Statements Act

Use of data is fundamental for Brenntag business model, and we have defined clear rules/Guidelines.

The guidelines includes handling, storage, and use of data regardless of the data belongs to Customer, supplier or employees.

We handle the data with trust and have different guidelines about the use of data and secure that data is used correctly for it purpose and not shared with not relevant partners/employees etc.

We do also respect GDPR incl training of employees in data handling and Code of Conduct. Hereby secure that the company don’t take any legal or financial risks due to wrong use of data.

Income statement 1 January - 31 December

DKK thousand.

Note		2024	2023
1	Net turnover	1.107.506	1.272.994
	Other operating income	43.006	25.704
	Cost of sales	-769.946	-898.242
	Other external expenses	-93.641	-105.390
	Gross profit	**286.925**	**295.066**
3	Staff costs	-120.208	-98.872
	Depreciation and writedown relating to fixed assets	-14.303	-15.689
	Other operating costs	-38.449	-35.052
	Operating profit	**113.965**	**145.453**
	Income from equity investments in group enterprises	1.646	1.638
	Other financial income from group enterprises	26.689	21.104
	Other financial income	2.768	2.299
	Other financial costs	-4.753	-3.269
	Pre-tax net profit or loss	**140.315**	**167.225**
4	Tax on ordinary results	-30.919	-36.162
5	**Net profit or loss for the year**	**109.396**	**131.063**

Balance sheet at 31 December

DKK thousand.

Note	Assets	2024	2023
	Non-current assets		
6	Software	1.487	1.496
	Total intangible assets	1.487	1.496
7	Land and property	43.541	47.844
8	Production plant and machinery	43.835	43.189
9	Other fixtures, fittings, tools and equipment	2.246	1.705
10	Leasehold improvements	94	160
	Total property, plant, and equipment	89.716	92.898
11	Investments in group enterprises	9.721	8.075
12	Other receivables	1.739	1.693
	Total investments	11.460	9.768
	Total non-current assets	**102.663**	**104.162**
	Current assets		
	Raw materials and consumables	7.074	6.078
	Work in progress	459	345
	Manufactured goods and trade goods	65.158	73.317
	Total inventories	72.691	79.740
	Trade receivables	179.076	170.814
	Amounts owed by group enterprises	727.265	670.915
13	Deferred tax assets	3.188	3.081
	Other receivables	214	230
14	Prepayments and accrued income	630	538
	Total receivables	910.373	845.578
	Cash and cash equivalents	14.239	21.534
	Total current assets	**997.303**	**946.852**
	Total assets	**1.099.966**	**1.051.014**

Balance sheet at 31 December

DKK thousand.

Equity and liabilities

Note		2024	2023
	Equity		
15	Contributed capital	6.206	6.206
	Reserve for net revaluation according to the equity method	8.390	6.744
	Result brought forward	396.526	788.776
	Proposed dividend for the financial year	500.000	67.000
	Total equity	**911.122**	**868.726**
	Provisions		
16	Other provisions	49.164	48.576
	Total provisions	**49.164**	**48.576**
	Liabilities other than provisions		
	Bank debts	4	0
	Trade payables	77.540	74.020
	Debt to group enterprises	24.780	23.675
	Corporate tax	34	1.939
	Other payables	24.899	22.526
17	Other short-term provision	12.423	11.552
	Total short term liabilities other than provisions	139.680	133.712
	Total liabilities other than provisions	**139.680**	**133.712**
	Total equity and liabilities	**1.099.966**	**1.051.014**

2 Fees, auditor
18 Contingencies
19 Related parties

Statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2023	6.206	26.670	726.350	55.000	814.226
Dividend for the financial year	0	0	0	-55.000	-55.000
Result for the year	0	1.637	62.426	67.000	131.063
Other regulation in subsidiary	0	-21.563	0	0	-21.563
Equity 1 January 2024	6.206	6.744	788.776	67.000	868.726
Dividend for the financial year	0	0	0	-67.000	-67.000
Result for the year	0	1.646	-392.250	500.000	109.396
	6.206	**8.390**	**396.526**	**500.000**	**911.122**

DKK thousand.

		2024	2023
1.	**Net turnover**		
	Denmark	1.014.153	1.146.828
	Scandinavia	64.652	76.495
	Europe	23.662	24.073
	Other	5.040	25.598
	Total geographical segments	1.107.507	1.272.994
	Agency sales	81	204
	Direct sales	251.167	233.022
	Warehouse sales	856.259	1.039.768
	Total business segments	1.107.507	1.272.994

2. Fees, auditor

Please refer to the note the consolidated financial statement for the parent company, Brenntag SE.

		2024	2023
3.	**Staff costs**		
	Salaries and wages	108.862	89.327
	Pension costs	9.765	8.090
	Other costs for social security	1.581	1.455
		120.208	**98.872**
	Average number of employees	133	127
4.	**Tax on ordinary results**		
	Tax of the results for the year, parent company	30.078	37.553
	Adjustment for the year of deferred tax	-107	-1.121
	Adjustment of tax for previous years	948	-270
		30.919	**36.162**

DKK thousand.

		2024	2023
5.	**Proposed distribution of net profit**		
	Reserves for net revaluation according to the equity method	1.646	0
	Dividend for the financial year	500.000	67.000
	Transferred to retained earnings	0	64.063
	Allocated from retained earnings	-392.250	0
	Total allocations and transfers	**109.396**	**131.063**

		2024	2023
6.	**Software**		
	Cost 1 January	35.466	35.388
	Additions during the year	637	78
	Cost 31 December	**36.103**	**35.466**
	Amortisation and writedown 1 January	-33.970	-33.317
	Amortisation for the year	-646	-653
	Amortisation and writedown 31 December	**-34.616**	**-33.970**
	Carrying amount, 31 December	**1.487**	**1.496**

Amortised over 3-8 years

		2024	2023
7.	**Land and property**		
	Cost 1 January	123.442	122.374
	Additions during the year	783	1.068
	Cost 31 December	**124.225**	**123.442**
	Depreciation and writedown 1 January	-75.598	-70.494
	Depreciation for the year	-5.086	-5.104
	Depreciation and writedown 31 December	**-80.684**	**-75.598**
	Carrying amount, 31 December	**43.541**	**47.844**

Amortised over 30-40 years

DKK thousand.

		31/12 2024	31/12 2023
8.	**Production plant and machinery**		
	Cost 1 January	176.285	170.267
	Additions during the year	9.812	6.018
	Cost 31 December	**186.097**	**176.285**
	Depreciation and writedown 1 January	-133.096	-124.189
	Depreciation for the year	-9.166	-8.907
	Depreciation and writedown 31 December	**-142.262**	**-133.096**
	Carrying amount, 31 December	**43.835**	**43.189**
	Amortised over 4-10 years		
9.	**Other fixtures, fittings, tools and equipment**		
	Cost 1 January	17.285	23.691
	Additions during the year	9.281	652
	Disposals during the year	-17.011	-7.058
	Cost 31 December	**9.555**	**17.285**
	Amortisation and write-down 1 January	-15.580	-20.018
	Depreciation for the year	-8.740	-1.012
	Reversal of depreciation, amortisation and writedown, assets disposed of	17.011	5.450
	Amortisation and write-down 31 December	**-7.309**	**-15.580**
	Carrying amount, 31 December	**2.246**	**1.705**

DKK thousand.

		31/12 2024	31/12 2023
10.	**Leasehold improvements**		
	Cost 1 January	4.407	4.272
	Additions during the year	0	135
	Cost 31 December	**4.407**	**4.407**
	Depreciation and write-down 1 January	-4.247	-4.222
	Depreciation for the year	-66	-25
	Depreciation and write-down 31 December	**-4.313**	**-4.247**
	Carrying amount, 31 December	**94**	**160**
11.	**Investments in group enterprises**		
	Acquisition sum, opening balance 1 January	1.330	1.330
	Cost 31 December	**1.330**	**1.330**
	Revaluations, opening balance 1 January	6.745	26.670
	Result for the year	1.646	1.638
	Other regulation in subsidiary	0	-21.563
	Revaluations 31 December	**8.391**	**6.745**
	Carrying amount, 31 December	**9.721**	**8.075**

Financial highlights for the enterprises according to the latest approved annual reports

DKK in thousands	**Equity interest**	**Equity**	**Results for the year**	**Carrying amount, Brenntag Nordic A/S**
Aktieselskabet af 1. januar 1987, Ballerup	100 %	9.721	1.646	9.721
		9.721	**1.646**	**9.721**

DKK thousand.

		31/12 2024	31/12 2023
12.	**Other receivables**		
	Cost 1 January	1.693	1.641
	Additions during the year	46	52
	Cost 31 December	**1.739**	**1.693**
	Carrying amount, 31 December	**1.739**	**1.693**

		31/12 2024	31/12 2023
13.	**Deferred tax assets**		
	Deferred tax assets 1 January	3.081	1.960
	Deferred tax of the results for the year	107	1.121
		3.188	**3.081**

The recognised tax asset comprises timing differences relating to property, plant and equipment. In the years ahead, the Company or the group of jointly taxed enterprises expect to realise the recognised deferred tax asset; on that basis, the asset has been recognised at 31 December 2024.

		31/12 2024	31/12 2023
14.	**Prepayments and accrued income**		
	Prepaid insurance	339	0
	Other prepayments	141	402
	Prepaid rent	150	136
		630	**538**

15. Contributed capital

The Share capital consist of 62,060 shares, each with nominal value of DKK 100. No shares hold particular rights.

		31/12 2024	31/12 2023
16.	**Other provisions**		
	Reestablishment provision	39.209	39.098
	Environmental provision	9.955	9.478
		49.164	**48.576**

DKK thousand.

		31/12 2024	31/12 2023
17.	**Other short-term provision**		
	Prepayments/deferred income	12.423	11.552
		12.423	**11.552**

18. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into operational leases with an average annual lease payment of DKK 1.1 million. The leases have remaining terms to maturity of between 2-42 months with a total remaining lease payment of DKK 2.4 million.

The company has entered into rent obligation with a total obligation of DKK 9.4 million. The main lease, for which the annual rent amounts to DKK 6.0 million. The lease may be terminated at 6-12 months' notice.

Recourse guarantee commitments

The company has provided guarantees for the bank debts of the group enterprises. The guarantee is limited to EUR 20 million.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

19. Related parties

Controlling interest

Brenntag Holding B.V	Majority shareholder
Amsterdam, the Netherlands	

Other related Parties

Aktieselskabet af 1. januar 1987	Subsidiary
Borup Kemi I/S	Associate

DKK thousand.

Transactions

During the year, there have been no transactions with Board of Directors, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Consolidated financial statements

The company is included in the consolidated Financial Statements of Brenntag SE, Essen, Germany

The Consolidated Financial Statement may be obtained at:
https://annualreport.brenntag.com/en/

Accounting policies

The annual report for Brenntag Nordic A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Brenntag Nordic A/S and its group enterprises are included in the consolidated financial statements for Brenntag SE, Essen, Germany, , reg. no. .

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Brenntag SE, Essen, Germany.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems 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 statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Income statement

Revenue

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise.

Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise.

Results from investments in group enterprises

Dividend from investments in group enterprises is recognised in the financial year in which the dividend is declared.

If the dividend received exceeds the proportionate share of the year's result, this is considered an indication of impairment, which entails a requirement to prepare an impairment test.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Software

Software are measured at cost with deduction of accrued amortisation. Software are amortised on a straight-line basis over an evaluation of the expected useful life, the amortisation period is set at 3-8 years.

Tangible fixex assets

Tangible fixex assets are measured at cost with deducation of accrued depreciation and writedown.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

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

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	30-40 years
Production plants and machinery	4-10 years
Other plants, operating assets, fixtures and furniture	4-6 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Leasehold improvements

Leasehold improvements are measured at cost less accrued depreciations. Depreciation is done on a straightline basis over the estimated useful life of the asset, which is set at 6 years.

Financial fixed assets

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value. Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity. Investments in group enterprises are written down to the lower of recoverable amount and carrying amount

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Debtors

Debtors are measured at amortised cost, which usually corresponds to nominal value. In order to meet expected losses, writedown takes place at the net realisable price.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

As administration company, Brenntag Nordic A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

On the acquisition of entities, provisions for restructuring within the acquired entity are included in the acquisition cost, and thereby in the goodwill or the consolidated goodwill, to the extent that they have been recognised in the financial statements of the acquired entity in advance of the acquisition. Provisions for restructuring are included to the extent that they have been decided at the date of acquisition at the latest and that the process have been commenced.

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Christian Sanderhage
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