

**Esti Chem A/S**  
Erhvervsparken 16  
4621 Gadstrup  
Central Business Registration No  
11992099

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 23.04.2019

### **Chairman of the General Meeting**

---

Name: Thomas Mathiesen

# Contents

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2018	7
Balance sheet at 31.12.2018	8
Statement of changes in equity for 2018	10
Notes	11
Accounting policies	14

## Entity details

### Entity

Esti Chem A/S  
Erhvervsparken 16  
4621 Gadstrup

Central Business Registration No: 11992099  
Registered in: Roskilde  
Financial year: 01.01.2018 - 31.12.2018

### Board of Directors

Jan Christiansen  
Johann-Detloff Ehregott von Cossel  
Anita Margareta Mathiesen

### Executive Board

Thomas Mathiesen, Chief Executive Officer  
Michael Johann Terfehr, Director

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
PO Box 1600  
0900 Copenhagen C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Esti Chem A/S for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Gadstrup, 23.04.2019

### Executive Board

Thomas Mathiesen  
Chief Executive Officer

Michael Johann Terfehr  
Director

### Board of Directors

Jan Christiansen

Johann-Detloff Ehregott von  
Cossel

Anita Margareta Mathiesen

# Independent auditor's report

## To the shareholders of Esti Chem A/S

### Opinion

We have audited the financial statements of Esti Chem A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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:

## Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

## Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen, 23.04.2019

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Søren Strandby

State Authorised Public Accountant

Identification number (MNE) mne24684

## Management commentary

### Primary activities

The Company develops and produces organic chemicals and provides consultancy services within its business area. The products are sold through the Company's own sales organisation and abroad by associates and third parties.

### Development in activities and finances

The Company's income statement shows a profit of DKK 718 thousand, which Management considers less satisfactory.

### Outlook

Management expects that profit for 2019 will be improved compared to 2018.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



## Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
<b>Gross profit</b>		<b>15.238.476</b>	<b>17.638</b>
Staff costs	1	(12.099.198)	(12.264)
Depreciation, amortisation and impairment losses		<u>(1.918.673)</u>	<u>(1.879)</u>
<b>Operating profit/loss</b>		<b>1.220.605</b>	<b>3.495</b>
Income from investments in associates		235.818	157
Other financial expenses	2	<u>(632.153)</u>	<u>(703)</u>
<b>Profit/loss before tax</b>		<b>824.270</b>	<b>2.949</b>
Tax on profit/loss for the year	3	<u>(106.451)</u>	<u>(623)</u>
<b>Profit/loss for the year</b>		<b><u>717.819</u></b>	<b><u>2.326</u></b>
<b>Proposed distribution of profit/loss</b>			
Ordinary dividend for the financial year		574.254	1.861
Retained earnings		<u>143.565</u>	<u>465</u>
		<b><u>717.819</u></b>	<b><u>2.326</u></b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Land and buildings		20.717.769	22.053
Plant and machinery		798.415	367
Other fixtures and fittings, tools and equipment		705.018	980
<b>Property, plant and equipment</b>	4	<b><u>22.221.202</u></b>	<b><u>23.400</u></b>
Investments in associates		89.540	90
<b>Fixed asset investments</b>	5	<b><u>89.540</u></b>	<b><u>90</u></b>
<b>Fixed assets</b>		<b><u>22.310.742</u></b>	<b><u>23.490</u></b>
Raw materials and consumables		11.909.389	12.264
<b>Inventories</b>		<b><u>11.909.389</u></b>	<b><u>12.264</u></b>
Trade receivables		5.583.575	6.255
Other receivables		163.320	180
<b>Receivables</b>		<b><u>5.746.895</u></b>	<b><u>6.435</u></b>
<b>Cash</b>		<b><u>41.651</u></b>	<b><u>4</u></b>
<b>Current assets</b>		<b><u>17.697.935</u></b>	<b><u>18.703</u></b>
<b>Assets</b>		<b><u>40.008.677</u></b>	<b><u>42.193</u></b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Contributed capital	6	3.600.000	3.600
Retained earnings		10.356.493	10.213
Proposed dividend		574.254	1.861
<b>Equity</b>		<b>14.530.747</b>	<b>15.674</b>
Deferred tax		557.451	577
<b>Provisions</b>		<b>557.451</b>	<b>577</b>
Bank loans		1.107.048	1.877
Debt to other credit institutions		5.466.925	6.165
<b>Non-current liabilities other than provisions</b>	7	<b>6.573.973</b>	<b>8.042</b>
Current portion of long-term liabilities other than provisions	7	1.490.212	1.452
Bank loans		7.646.478	7.763
Trade payables		4.741.749	4.647
Payables to associates		1.994.664	1.195
Income tax payable		125.773	593
Other payables		2.347.630	2.250
<b>Current liabilities other than provisions</b>		<b>18.346.506</b>	<b>17.900</b>
<b>Liabilities other than provisions</b>		<b>24.920.479</b>	<b>25.942</b>
<b>Equity and liabilities</b>		<b>40.008.677</b>	<b>42.193</b>
Unrecognised rental and lease commitments	8		
Mortgages and securities	9		

## Statement of changes in equity for 2018

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed dividend DKK</b>	<b>Total DKK</b>
Equity beginning of year	3.600.000	10.212.928	1.861.492	15.674.420
Ordinary dividend paid	0	0	(1.861.492)	(1.861.492)
Profit/loss for the year	0	143.565	574.254	717.819
<b>Equity end of year</b>	<b>3.600.000</b>	<b>10.356.493</b>	<b>574.254</b>	<b>14.530.747</b>

## Notes

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	10.748.494	10.880
Pension costs	857.701	811
Other staff costs	493.003	573
	<b>12.099.198</b>	<b>12.264</b>
Average number of employees	<b>19</b>	<b>19</b>
	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>2. Other financial expenses</b>		
Interest expenses	442.386	467
Exchange rate adjustments	75.569	113
Other financial expenses	114.198	123
	<b>632.153</b>	<b>703</b>
	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>3. Tax on profit/loss for the year</b>		
Tax on current year taxable income	240.736	593
Change in deferred tax for the year	(19.322)	30
Adjustment concerning previous years	(114.963)	0
	<b>106.451</b>	<b>623</b>

## Notes

	<b>Land and buildings DKK</b>	<b>Plant and machinery DKK</b>	<b>Other fixtures and fittings, tools and equipment DKK</b>	
<b>4. Property, plant and equipment</b>				
Cost beginning of year	29.082.863	4.981.057	3.144.334	
Additions	0	590.946	216.956	
Disposals	(67.985)	0	(16.500)	
<b>Cost end of year</b>	<b>29.014.878</b>	<b>5.572.003</b>	<b>3.344.790</b>	
Depreciation and impairment losses beginning of the year	(7.030.188)	(4.613.811)	(2.164.297)	
Depreciation for the year	(1.273.797)	(159.777)	(491.975)	
Reversal regarding disposals	6.876	0	16.500	
<b>Depreciation and impairment losses end of the year</b>	<b>(8.297.109)</b>	<b>(4.773.588)</b>	<b>(2.639.772)</b>	
<b>Carrying amount end of year</b>	<b>20.717.769</b>	<b>798.415</b>	<b>705.018</b>	
			<b>Investment s in associates DKK</b>	
<b>5. Fixed asset investments</b>				
Cost beginning of year			89.540	
<b>Cost end of year</b>			<b>89.540</b>	
<b>Carrying amount end of year</b>			<b>89.540</b>	
	<b>Registered in</b>	<b>Equity inte- rest %</b>	<b>Equity DKK</b>	<b>Profit/loss DKK</b>
Investments in associates comprise:				
Spark AS	Norway	20,0	2.442.449	1.009.471

## Notes

	<b>Number</b>	<b>Par value DKK</b>	<b>Nominal value DKK</b>
<b>6. Contributed capital</b>			
Ordinary shares	3.600.000	1	3.600.000
	<b>3.600.000</b>		<b>3.600.000</b>

	<b>Instalments within 12 months 2018 DKK</b>	<b>Instalments within 12 months 2017 DKK'000</b>	<b>Instalments beyond 12 months 2018 DKK</b>
<b>7. Liabilities other than provisions</b>			
Bank loans	775.433	744	1.107.048
Debt to other credit institutions	714.779	708	5.466.925
	<b>1.490.212</b>	<b>1.452</b>	<b>6.573.973</b>

	<b>2018 DKK</b>	<b>2017 DKK'000</b>
<b>8. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>345.270</b>	<b>312</b>

### 9. Mortgages and securities

The Company's bank debt is secured by way of an all-moneys mortgage on real property of DKK 5.6 million, a mortgage registered to the mortgagor on real property of DKK 1.4 million and a company charge of DKK 6 million secured on the Company's assets. Mortgage debt and bank debt are secured by way of a mortgage on real property.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress and external expenses.

#### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer.

#### Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary writedowns of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.



## Accounting policies

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### Income from investments in associates

Income from investments in associates comprises dividends etc received from the individual associates in the financial year.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

### Balance sheet

#### Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10-20 years
Plant and machinery	6-20 years
Other fixtures and fittings, tools and equipment	3-10 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

## Accounting policies

### Investments in associates

Investments in associates are measured at cost and are written down to the lower of recoverable amount and carrying amount.

### Inventories

Inventories are measured at delivery price. Obsolete and slow-moving items are written down.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Cash

Cash comprises cash in hand and bank deposits.

### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Other financial liabilities

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

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.