



Esti Chem A/S

Erhvervsparken 16
4621 Gadstrup
CVR No. 11992099

Annual report 2021

The Annual General Meeting adopted the
annual report on 01.04.2022

Thomas Mathiesen

Chairman of the General Meeting

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Entity details

Entity

Esti Chem A/S

Erhvervsparken 16

4621 Gadstrup

Business Registration No.: 11992099

Registered office: Roskilde

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Johannes Christian von Cossel

Anita Margareta Mathiesen

Jan Christiansen

Executive Board

Thomas Mathiesen, CEO

Michael Johann Terfehr

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

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 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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, 01.04.2022

Executive Board

Thomas Mathiesen
CEO

Michael Johann Terfehr

Board of Directors

Johannes Christian von Cossel

Anita Margareta Mathiesen

Jan Christiansen

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 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 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 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:

- 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.

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, 01.04.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Søren Strandby

State Authorised Public Accountant
Identification No (MNE) mne24684

Frederik Juhl Hestbæk

State Authorised Public Accountant
Identification No (MNE) mne47807

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.

The Company's income statement shows a profit of DKK 3,315 thousand, which Management considers satisfactory.

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 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		18,867,840	15,416,044
Staff costs	1	(13,373,965)	(12,472,138)
Depreciation, amortisation and impairment losses		(1,080,813)	(1,076,945)
Operating profit/loss		4,413,062	1,866,961
Income from investments in associates		141,498	204,137
Other financial income		40,352	7,050
Other financial expenses	2	(380,104)	(362,237)
Profit/loss before tax		4,214,808	1,715,911
Tax on profit/loss for the year	3	(899,349)	(342,372)
Profit/loss for the year		3,315,459	1,373,539
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		1,815,459	1,098,831
Retained earnings		1,500,000	274,708
Proposed distribution of profit and loss		3,315,459	1,373,539

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Land and buildings		18,416,082	19,162,389
Plant and machinery		361,334	507,028
Other fixtures and fittings, tools and equipment		384,089	264,184
Property, plant and equipment in progress		130,500	0
Property, plant and equipment	4	19,292,005	19,933,601
Investments in associates		89,540	89,540
Financial assets	5	89,540	89,540
Fixed assets		19,381,545	20,023,141
Raw materials and consumables		21,238,956	14,485,045
Inventories		21,238,956	14,485,045
Trade receivables		7,422,818	4,717,963
Receivables from group enterprises		791,913	360,412
Receivables from associates		1,585,730	1,342,393
Other receivables		361,972	121,084
Receivables		10,162,433	6,541,852
Cash		14,642	17,667
Current assets		31,416,031	21,044,564
Assets		50,797,576	41,067,705

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital	6	3,600,000	3,600,000
Retained earnings		12,590,721	11,090,721
Proposed dividend		1,815,459	1,098,831
Equity		18,006,180	15,789,552
Deferred tax		725,878	651,840
Provisions		725,878	651,840
Debt to other credit institutions		7,363,221	7,808,865
Other payables		978,374	956,332
Non-current liabilities other than provisions	7	8,341,595	8,765,197
Current portion of non-current liabilities other than provisions	7	447,814	448,104
Bank loans		6,638,378	6,012,095
Trade payables		9,786,412	4,944,065
Payables to group enterprises		0	1,860,300
Payables to associates		2,119,766	0
Income tax payable		825,311	264,531
Other payables		3,906,242	2,332,021
Current liabilities other than provisions		23,723,923	15,861,116
Liabilities other than provisions		32,065,518	24,626,313
Equity and liabilities		50,797,576	41,067,705
Unrecognised rental and lease commitments	8		
Assets charged and collateral	9		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	3,600,000	11,090,721	1,098,831	15,789,552
Ordinary dividend paid	0	0	(1,098,831)	(1,098,831)
Profit/loss for the year	0	1,500,000	1,815,459	3,315,459
Equity end of year	3,600,000	12,590,721	1,815,459	18,006,180

Notes

1 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	11,961,917	11,213,324
Pension costs	899,948	916,634
Other staff costs	512,100	342,180
	13,373,965	12,472,138
Average number of full-time employees	20	19

2 Other financial expenses

	2021	2020
	DKK	DKK
Financial expenses from group enterprises	28,508	2,480
Other interest expenses	276,681	280,686
Other financial expenses	74,915	79,071
	380,104	362,237

3 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Current tax	825,311	264,531
Change in deferred tax	74,038	77,857
Adjustment concerning previous years	0	(16)
	899,349	342,372

4 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Property, plant and equipment in progress DKK
Cost beginning of year	29,014,878	5,556,007	3,313,497	0
Additions	0	0	308,717	130,500
Disposals	0	0	(77,996)	0
Cost end of year	29,014,878	5,556,007	3,544,218	130,500
Depreciation and impairment losses beginning of year	(9,852,489)	(5,048,979)	(3,049,313)	0
Depreciation for the year	(746,307)	(145,694)	(188,812)	0
Reversal regarding disposals	0	0	77,996	0
Depreciation and impairment losses end of year	(10,598,796)	(5,194,673)	(3,160,129)	0
Carrying amount end of year	18,416,082	361,334	384,089	130,500

5 Financial assets

	Investments in associates DKK
Cost beginning of year	89,540
Cost end of year	89,540
Carrying amount end of year	89,540

Investments in associates	Registered in	Equity interest %	Equity DKK	Profit/loss DKK
Sparks AS	Norway	20	3,037,076	1,619,808

6 Share capital

	Number	Par value DKK	Nominal value DKK
Ordinary shares	3,600,000	1	3,600,000
	3,600,000		3,600,000

7 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Debt to other credit institutions	447,814	448,104	7,363,221	5,676,641
Other payables	0	0	978,374	0
	447,814	448,104	8,341,595	5,676,641

8 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	445,248	230,997

9 Assets charged and collateral

The Company's bank debt is secured by way of an all-moneys mortgage on real property of DKK 5.6 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 a few 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.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation 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 and 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 income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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, and 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.

Investments in associates

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

Investments in associates fall within the definitions of both participating interests and associates, yet in the financial statements they have been presented as investments in associates because this designation reflects more accurately the Company's involvement in the relevant entities.

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 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.

Tax receivable or payable

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