



Esti Chem A/S

Erhvervsparken 16
4621 Gadstrup
CVR No. 11992099

Annual report 2020

The Annual General Meeting adopted the
annual report on 22.04.2021

Thomas Mathiesen

Chairman of the General Meeting

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Entity details

Entity

Esti Chem A/S

Erhvervsparken 16

4621 Gadstrup

CVR No.: 11992099

Registered office: Roskilde

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Anita Margareta Mathiesen

Jan Christiansen

Johannes Christian von Cossel

Executive Board

Thomas Mathiesen, Chief Executive Officer

Michael Johann Terfehr, Director

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 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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, 22.04.2021

Executive Board

Thomas Mathiesen
Chief Executive Officer

Michael Johann Terfehr
Director

Board of Directors

Anita Margareta Mathiesen

Jan Christiansen

Johannes Christian von Cossel

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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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:

- 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, 22.04.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Søren Strandby

State Authorised Public Accountant
Identification No (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 1,374 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 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		15,416,044	16,596,003
Staff costs	1	(12,472,138)	(11,917,832)
Depreciation, amortisation and impairment losses		(1,076,945)	(1,417,923)
Operating profit/loss		1,866,961	3,260,248
Income from investments in associates		204,137	153,380
Other financial income		7,050	0
Other financial expenses	2	(362,237)	(498,850)
Profit/loss before tax		1,715,911	2,914,778
Tax on profit/loss for the year	3	(342,372)	(617,180)
Profit/loss for the year		1,373,539	2,297,598
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		1,098,831	1,838,078
Retained earnings		274,708	459,520
Proposed distribution of profit and loss		1,373,539	2,297,598

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Land and buildings		19,162,389	19,909,530
Plant and machinery		507,028	652,721
Other fixtures and fittings, tools and equipment		264,184	272,349
Property, plant and equipment	4	19,933,601	20,834,600
Investments in associates		89,540	89,540
Financial assets	5	89,540	89,540
Fixed assets		20,023,141	20,924,140
Raw materials and consumables		14,485,045	12,877,171
Inventories		14,485,045	12,877,171
Trade receivables		4,717,963	3,887,282
Receivables from group enterprises		360,412	460,730
Receivables from associates		1,342,393	1,861,847
Other receivables		121,084	209,155
Receivables		6,541,852	6,419,014
Cash		17,667	1,301
Current assets		21,044,564	19,297,486
Assets		41,067,705	40,221,626

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital	6	3,600,000	3,600,000
Retained earnings		11,090,721	10,816,013
Proposed dividend		1,098,831	1,838,078
Equity		15,789,552	16,254,091
Deferred tax		651,840	573,983
Provisions		651,840	573,983
Bank loans		0	301,588
Debt to other credit institutions		7,808,865	4,744,724
Other payables		956,332	344,200
Non-current liabilities other than provisions	7	8,765,197	5,390,512
Current portion of non-current liabilities other than provisions	7	448,104	1,528,430
Bank loans		6,012,095	6,873,267
Trade payables		4,944,065	4,822,982
Payables to group enterprises		1,860,300	0
Payables to associates		0	1,994,664
Income tax payable		264,531	600,660
Other payables		2,332,021	2,183,037
Current liabilities other than provisions		15,861,116	18,003,040
Liabilities other than provisions		24,626,313	23,393,552
Equity and liabilities		41,067,705	40,221,626
Unrecognised rental and lease commitments	8		
Assets charged and collateral	9		

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	3,600,000	10,816,013	1,838,078	16,254,091
Ordinary dividend paid	0	0	(1,838,078)	(1,838,078)
Profit/loss for the year	0	274,708	1,098,831	1,373,539
Equity end of year	3,600,000	11,090,721	1,098,831	15,789,552

Notes

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	11,213,324	10,548,480
Pension costs	916,634	844,578
Other staff costs	342,180	524,774
	12,472,138	11,917,832
Average number of full-time employees	19	18

2 Other financial expenses

	2020	2019
	DKK	DKK
Financial expenses from group enterprises	2,480	0
Other interest expenses	280,687	377,273
Exchange rate adjustments	0	35,289
Other financial expenses	79,070	86,288
	362,237	498,850

3 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	264,531	600,648
Change in deferred tax	77,857	16,532
Adjustment concerning previous years	(16)	0
	342,372	617,180

4 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	29,014,878	5,572,003	3,376,111
Additions	0	0	182,447
Disposals	0	(15,996)	(245,061)
Cost end of year	29,014,878	5,556,007	3,313,497
Depreciation and impairment losses beginning of year	(9,105,348)	(4,919,282)	(3,103,762)
Depreciation for the year	(747,141)	(145,693)	(185,611)
Reversal regarding disposals	0	15,996	240,060
Depreciation and impairment losses end of year	(9,852,489)	(5,048,979)	(3,049,313)
Carrying amount end of year	19,162,389	507,028	264,184

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	2,398,075	869,308

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 2020 DKK	Due within 12 months 2019 DKK	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Bank loans	0	805,816	0	0
Debt to other credit institutions	448,104	722,614	7,808,865	6,118,843
Other payables	0	0	956,332	0
	448,104	1,528,430	8,765,197	6,118,843

8 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Liabilities under rental or lease agreements until maturity in total	230,997	278,118

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 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.

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, subsuppliers 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.

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.