Aktieselskabet af 1. januar 1987

Borupvang 5B, 2750 Ballerup

Company reg. no. 14 76 26 12

Annual report

2021

The annual report was submitted and approved by the general meeting on the 19 May 2022.

Marianne Philip
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

The board of directors and the managing director have today presented the annual report of Aktieselskabet af 1. januar 1987 for the financial year 1 January to 31 December 2021.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2021 and of the company's results of its activities in the financial year 1 January to 31 December 2021.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

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

Ballerup, 19 May 2022

Managing Director

René Fleischer

Board of directors

Russel Ian Argo Chairman	Jan Hoffmann Sørensen	Marianne Philip

Independent auditor's report

To the shareholders of Aktieselskabet af 1. januar 1987

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January to 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Aktieselskabet af 1. januar 1987 for the financial year 1 January to 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

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 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 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 the internal control that we identify during our audit.

Hellerup, 19 May 2022

PricewaterhouseCoopers
State Authorised Public Accountants
Company reg. no. 33 77 12 31

Ulrik Ræbild State Authorised Public Accountant mne33262	Daniel Nielsen State Authorised Public Accountant mne45105

Company information

The company	Aktieselskabet af 1. januar 1987 Borupvang 5B 2750 Ballerup	
	Phone	43 29 28 00
	Fax	43 29 27 00
	Web site	www.brenntag-nordic.com
	E mail	main@brenntag-nordic.com
	Company reg. no.	14 76 26 12
	Domicile:	Ballerup
	Financial year:	1 January - 31 December
Board of directors	Russel Ian Argo, Chairman Jan Hoffmann Sørensen Marianne Philip	
Managing Director	René Fleischer	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup	
Lawyer	Kromann Reumert Sundkrogsgade 5 2100 København Ø	
Parent company	Brenntag Nordic A/S Borupvang 5 B 2750 Ballerup	
Participating interest	Borup Kemi I/S, Borup, Denmark	

The principal activities of the company

Like previous years, the activities are to engage in trade and industry, investment and financing activities, advisory activities in connection with this and other related activities.

Development in activities and financial matters

The results from ordinary activities after tax are TDKK 2.023, and at 31 December 2021 the balance sheet of the Company shows equity of TDKK 25.948.

Events occurring after the end of the financial year

No events materially affecting the assessment of Annual Report have occured after the balance sheet date.

Income statement 1 January - 31 December

DKK thousand.

Note		2021	2020
	Other external expenses	-68	-64
	Gross profit	**-68**	**-64**
	Income from investment in participating interest	2.831	7.022
	Other financial income	22	0
	Other financial expenses	0	-9
	Pre-tax net profit or loss	**2.785**	**6.949**
1	Tax on net profit or loss for the year	-762	-1.652
	Net profit or loss for the year	**2.023**	**5.297**
	Proposed appropriation of net profit:		
	Reserves for net revaluation according to the equity method	1.830	3.023
	Transferred to retained earnings	193	2.274
	Total allocations and transfers	**2.023**	**5.297**

Balance sheet at 31 December

DKK thousand.

Note	Assets	2021	2020
	Non-current assets		
2	Equity investment in participating interest	25.102	23.272
	Total investments	25.102	23.272
	Total non-current assets	**25.102**	**23.272**
	Current assets		
	Amounts owed by group enterprises	1.494	2.218
	Total receivables	1.494	2.218
	Total current assets	**1.494**	**2.218**
	Total assets	**26.596**	**25.490**

Balance sheet at 31 December

DKK thousand.

Note	**Equity and liabilities**	2021	2020
	Equity		
3	Contributed capital	1.000	1.000
	Reserve for net revaluation according to the equity method	21.153	19.323
	Results brought forward	3.795	3.602
	Total equity	**25.948**	**23.925**
	Long term labilities other than provisions		
	Trade payables	35	36
	Corporate tax	613	1.529
	Total short term liabilities other than provisions	648	1.565
	Total liabilities other than provisions	**648**	**1.565**
	Total equity and liabilities	**26.596**	**25.490**

4 Contingencies

5 Related parties

Statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Results brought forward	Total
Equity 1 January 2020	1.000	16.300	1.328	18.628
Share of results	0	3.023	2.274	5.297
Equity 1 January 2021	1.000	19.323	3.602	23.925
Share of results	0	1.830	193	2.023
	1.000	**21.153**	**3.795**	**25.948**

DKK thousand.

		2021	2020
1.	**Tax on net profit or loss for the year**		
	Tax of the results for the year, parent company	613	1.529
	Adjustment of tax for previous years	149	123
		762	**1.652**

		31/12 2021	31/12 2020
2.	**Equity investment in participating interest**		
	Cost 1 January	3.949	3.949
	Cost 31 December	**3.949**	**3.949**
	Revaluations, opening balance 1 January	19.323	16.300
	Results for the year	2.830	7.023
	Dividend	-1.000	-4.000
	Revaluation 31 December	**21.153**	**19.323**
	Carrying amount, 31 December	**25.102**	**23.272**

Participating interest:

	Domicile	Equity interest
Borup Kemi I/S	Borup, Denmark	33,33 %

3. Contributed capital

The share capital consists of 100 shares, each with a nominal value of DKK 1.000. No shares hold particular rights.

DKK thousand.

4. Contingencies

Contingent liabilities

The company is jointly and severally liable together with other stakeholders towards the creditors of Borup Kemi I/S. At 31 December 2021, the liabilities of Borup Kemi I/S amount to DKK 35 million compared to DKK 38 million in 2020.

Joint taxation

With Brenntag Nordic A/S, company reg. no 24 99 45 89 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

5. Related parties

Controlling interest

Brenntag Nordic A/S, Ballerup	Majority shareholder

Transactions

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

Consolidated financial statements

The company is included in the Consolidated Financial Statements og Brenntag AG, Essen, Germany.
The Consolidated Financial Statement may be obtained at:
https://corporate.brenntag.com/en/investor-relations/publications-and-events

The annual report for Aktieselskabet af 1. januar 1987 has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

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

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.

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

Other external costs

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

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.

Results from participating interest

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the investment in the participating interest is recognised in the income statement as a proportional share of the participating interests' post-tax profit or loss.

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 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

Investments

Participating interest

Participating interest is recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Participating interest is recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprises, associates and equity interests but are not represented in the parent, the following accounting policies have been applied.

Participating interest with a negative equity value is measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of participating interest transferred to the reserve under equity for net revaluation according to the equity method. The reserve is adjusted by other equity movements in participating interest.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

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.

Income tax and deferred tax

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 ”Income tax receivable” or “Income tax payable”.

According to the rules of joint taxation, Aktieselskabet af 1. januar 1987 is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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.

Liabilities other than provisions

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