

Aktieselskabet af 1. januar 1987
Borupvang 5B, 2750 Ballerup

Company reg. no. 14 76 26 12

Annual report

2020

The annual report was submitted and approved by the general meeting on the 18 May 2021.

Marianne Philip
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management commentary	
Company information	5
Management commentary	6
Financial statements 1 January - 31 December 2020	
Income statement	7
Statement of financial position	8
Statement of changes in equity	10
Notes	11
Accounting policies	13

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of Aktieselskabet af 1. januar 1987 for the financial year 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Ballerup, 18 May 2021

Managing Director

René Fleischer

Board of directors

Torsten Walz
Chairman

Marianne Philip

Linn Frida Maria Skyvell

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 2020 and of the results of the Company's operations for the financial year 1 January to 31 December 2020 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 2020, 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' 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.

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.

Independent auditor's report

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.

Independent auditor's report

- 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.

Hellerup, 18 May 2021

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	Torsten Walz, Chairman Marianne Philip Linn Frida Maria Skyvell
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
Associated enterprise	Borup Kemi I/S, Borup, Denmark

Management commentary

The principal activities of the company

The company's main activity is 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 5.297, and at 31 December 2020 the balance sheet of the Company shows equity of TDKK 23.925.

Income statement 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Other external costs	-64	-47
Profit before net financials	-64	-47
Income from equity investments in associated enterprises	7.022	500
2 Other financial costs	-9	-11
Pre-tax net profit or loss	6.949	442
3 Tax on net profit or loss for the year	-1.652	-157
Net profit or loss for the year	5.297	285
Proposed appropriation of net profit:		
Reserves for net revaluation according to the equity method	3.023	499
Transferred to retained earnings	2.274	0
Allocated from retained earnings	0	-214
Total allocations and transfers	5.297	285

Statement of financial position at 31 December

DKK thousand.

Assets			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Non-current assets			
4	Equity investments in associates	<u>23.272</u>	<u>20.249</u>
	Total investments	<u>23.272</u>	<u>20.249</u>
	Total non-current assets	<u>23.272</u>	<u>20.249</u>
Current assets			
	Amounts owed by group enterprises	<u>2.218</u>	<u>0</u>
	Total receivables	<u>2.218</u>	<u>0</u>
	Total current assets	<u>2.218</u>	<u>0</u>
	Total assets	<u>25.490</u>	<u>20.249</u>

Statement of financial position at 31 December

DKK thousand.

Equity and liabilities			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Equity			
5	Contributed capital	1.000	1.000
	Reserves for net revaluation as per the equity method	19.323	16.300
	Results brought forward	3.602	1.328
	Total equity	<u>23.925</u>	<u>18.628</u>
 Liabilities other than provisions			
	Trade creditors	36	35
	Debt to group enterprises	0	1.489
	Corporate tax	1.529	97
	Total short term liabilities other than provisions	<u>1.565</u>	<u>1.621</u>
	Total liabilities other than provisions	<u>1.565</u>	<u>1.621</u>
	Total equity and liabilities	<u>25.490</u>	<u>20.249</u>
 1 Subsequent events			
6 Contingencies			
7 Related parties			

Statement of changes in equity

DKK thousand.

	Contributed capital	Reserve for net revaluation according to the equity method	Retained earnings	Total
Equity 1 January 2019	1.000	15.753	1.542	18.295
Share of results	0	499	-214	285
Interest rate swap relating to associated enterprises	0	48	0	48
Equity 1 January 2020	1.000	16.300	1.328	18.628
Share of results	0	3.023	2.274	5.297
	1.000	19.323	3.602	23.925

Notes

DKK thousand.

1. Subsequent events

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

	<u>2020</u>	<u>2019</u>
2. Other financial costs		
Other financial costs	9	11
	<u>9</u>	<u>11</u>

3. Tax on net profit or loss for the year

Tax of the results for the year, parent company	1.529	97
Adjustment of tax for previous years	123	60
	<u>1.652</u>	<u>157</u>

	<u>31/12 2020</u>	<u>31/12 2019</u>
4. Equity investments in associates		
Acquisition sum, opening balance 1 January	3.949	3.949
Cost 31 December	<u>3.949</u>	<u>3.949</u>
Revaluation, opening balance 1 January	16.300	15.753
Results for the year	7.023	499
Dividend	-4.000	0
Interest rate swap	0	48
31 December	<u>19.323</u>	<u>16.300</u>
Carrying amount, 31 December	<u>23.272</u>	<u>20.249</u>

Associated enterprises:

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

Notes

DKK thousand.

31/12 2020

31/12 2019

5. Contributed capital

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

6. 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 2020, the liabilities of Borup Kemi I/S amount to DKK 38 million compared to DKK 54,3 million in 2019.

Joint taxation

With Brenntag Nordic A/S, company reg. no 24994589 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.

7. 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 of Brenntag AG, Essen, Germany.

The Consolidated Financial Statement may be obtained at:

<https://www.brenntag.com/corporate/en/investor-relations/publications/financial-reports/index.jsp>

Accounting policies

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.

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.

Accounting policies

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 equity investments in associates

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the equity investment in the individual associates are recognised in the income statement as a proportional share of the associate's 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

Equity in associates

Equity in associates are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Equity in associates 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.

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

Accounting policies

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".

Accounting policies

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.

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registeret, og informationerne er listet herunder.

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

René Fleischer

Adm. direktør

På vegne af: Aktieselskabet af 1. januar 1987

Serienummer: PID:9208-2002-2-587129198039

IP: 87.48.xxx.xxx

2021-05-18 06:12:43Z

NEM ID 

Torsten Walz

Bestyrelsesformand

På vegne af: Aktieselskabet af 1. januar 1987

Serienummer: PID:9208-2002-2-705776171680

IP: 2.107.xxx.xxx

2021-05-18 06:51:42Z

NEM ID 

Marianne Philip

Bestyrelsesmedlem

På vegne af: Brenntag Nordic A/S

Serienummer: PID:9208-2002-2-235349474291

IP: 91.198.xxx.xxx

2021-05-18 08:14:19Z

NEM ID 

LINN SKYVELL

Bestyrelsesmedlem

På vegne af: Brenntag Nordic A/S

Serienummer: 19760721xxxx

IP: 83.233.xxx.xxx

2021-05-18 09:46:35Z



Ulrik Ræbild

Statsautoriseret revisor

På vegne af: PwC

Serienummer: CVR:33771231-RID:18477328

IP: 83.136.xxx.xxx

2021-05-18 10:37:19Z

NEM ID 

Daniel Nielsen

Statsautoriseret revisor

På vegne af: PwC

Serienummer: CVR:33771231-RID:87688479

IP: 83.136.xxx.xxx

2021-05-18 11:59:30Z

NEM ID 

Marianne Philip

Dirigent

På vegne af: Brenntag Nordic A/S

Serienummer: PID:9208-2002-2-235349474291

IP: 91.198.xxx.xxx

2021-05-18 12:08:04Z

NEM ID 

Penneo dokumentnøgle: H252Q-3MJHC-ALCIV-NXDIZ-SNX42-GEUYU

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstempelt med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service** <penneo@penneo.com>. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validate>