

# **Solae Denmark ApS**

**CVR-nr. 16 31 67 92**

## **Annual Report for the period 1 January 2020 - 31 December 2020**

The Annual Report has been presented and adopted at the Annual General Meeting of the Company on 28. June 2021

**Chairman**  
Lisbeth Sørensen

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## **Management's Statement on the Annual Report**

The Executive Board has today considered and adopted the Annual Report of Solae Denmark ApS for the financial year 1 January – 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

The Executive Board continues to consider the criteria for waiving audit to be fulfilled.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 28 June 2021

### **Executive Board**

Carsten Schrøder Nielsen

Flemming Jørgensen

Lisbeth Sørensen

## **Review**

### **Primary activity**

The activity of the Company has been closed, and the company is continuing as a dormant entity.

### **Development in activities and finances**

2020 showed a profit before tax of -1,206,629 DKK. Management finds the result satisfactory, and in accordance with expectations.

The Danish tax authorities have at the end of April 2009 with a subsequent correction in December 2009 made a claim to significantly increase the taxable income for 2003. Solae Denmark ApS disagreed to this claim, and consequently appealed to the Danish National Tax Tribunal, which in October 2015 issued its decision. Despite in its decision the Danish National Tax Tribunal reduced the amount of the claim of the Danish tax authorities, Solae Denmark ApS still disagrees with this decision considering that important facts have still not been taken into consideration. Consequently, Solae Denmark ApS has appealed to the Aarhus District Court in January 2016, the appeal procedure which includes several phases of submission of additional information and answers from the two Parties is still ongoing.

### **Outlook**

The company is expected to continue as a dormant company.

### **Events after the balance sheet date**

No other major events have occurred that could considerably influence the economic position of the Company at 31 December 2020.

## **Accounting Policies**

### **Basis of Preparation**

The Annual Report of Solae Denmark ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to middle-sized enterprises of reporting class B.

The given accounting policies are unchanged compared to last year.

The Annual Report presented in DKK.

### **Recognition and measurement**

All revenues are recognised in the income statement as earned based on the following criteria:

- delivery has been made before year-end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received at the time of sale or may with reasonable certainty be expected to be received.

Based on the above, revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### **Translation policies**

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

## **Accounting Policies**

### **Corporation tax and deferred tax**

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity. Any share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year.

Current tax liabilities and current tax receivable are recognised in the balance sheet.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes or other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, are measured at the value at which the asset is expected to be realised.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish Group Companies. The tax effect of the joint taxation is allocated to Danish enterprises showing profits or losses in proportion to their taxable income.

## **Accounting Policies**

### **Income Statement**

#### **Administrative expenses**

Administrative expenses include expenses for, administrative cost, external advice, etc.

#### **Financial income and expenses**

Financial income and expenses include interest, realised and unrealised exchange adjustments.

### **Balance Sheet**

#### **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

#### **Equity**

#### **Provisions**

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation. Provisions are measured at amortized cost, substantially corresponding to nominal value.

#### **Other payables**

Other payables is measured to amortized costprice, which practically is the same as nominal value.

## Income Statement 1 January - 31 December

	Note	2020	2019
		DKK	DKK
Administrative expenses		-927 732	-542 039
<b>Operating profit/loss</b>		<b>-927 732</b>	<b>-542 039</b>
Exchange gain		14 388	813
<b>Financial income</b>		<b>14 388</b>	<b>813</b>
Exchange loss		-2 284	0
Interest expenses to group enterprises		-379 187	0
Other financial expenses		-28 097	-459
<b>Financial expenses</b>		<b>-409 568</b>	<b>- 459</b>
<b>Profit/loss before tax</b>		<b>-1 322 912</b>	<b>-541 685</b>
Tax on profit/loss for the year		116 283	52 323
<b>Net profit/loss for the year</b>		<b>-1 206 629</b>	<b>-489 362</b>
 <b>Distribution of profit</b>			
<b>Proposed distribution of profit</b>			
Dividend proposed for the year		0	138 000 000
Transferred to reserves under equity		-1 206 629	-138 489 362
		<b>-1 206 629</b>	<b>-489 362</b>

## Balance Sheet 31 December

### Assets

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		DKK	DKK
Joint taxation contribution receivable		116 283	52 323
Other receivables		647 463	1 625 296
Corporation tax		<u>176 044 460</u>	<u>176 044 460</u>
<b>Receivables</b>		<b><u>176 808 206</u></b>	<b><u>177 722 079</u></b>
<b>Cash at bank and in hand</b>		<b><u>974 055</u></b>	<b><u>5 297 304</u></b>
<b>Current assets</b>		<b><u>177 782 261</u></b>	<b><u>183 019 383</u></b>
<b>Assets</b>		<b><u>177 782 261</u></b>	<b><u>183 019 383</u></b>

## Balance Sheet 31 December

### Liabilities and equity

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Share capital	1	31 000 000	31 000 000
Retained earnings		12 681 034	13 887 663
Proposed dividend for the year		0	138 000 000
<b>Equity</b>		<b><u>43 681 034</u></b>	<b><u>182 887 663</u></b>
Payable to shareholder		<u>132 500 000</u>	<u>0</u>
<b>Non current liabilities</b>		<b><u>132 500 000</u></b>	<b><u>0</u></b>
Trade payables		1 306	900
Payables to group enterprises		123 506	130 820
Credit institutions		<u>1 476 415</u>	<u>0</u>
<b>Current liabilities</b>		<b><u>1 601 227</u></b>	<b><u>131 720</u></b>
<b>Total liabilities</b>		<b><u>134 101 227</u></b>	<b><u>131 720</u></b>
<b>Liabilities and equity</b>		<b><u>177 782 261</u></b>	<b><u>183 019 383</u></b>
Contingent liabilities	2		
Related parties	3		

## **Notes to the Annual Report**

### **1 Share capital**

The share capital consists of 31,000 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There has been no changes in the Company's share capital in the past 5 years.

### **2 Contingent liabilities**

The Danish companies in the DuPont Group are jointly taxed and jointly liable for the total tax of the Group. The net payable tax is included in the annual report of Dupont Denmark Holding ApS, which is the administration company for the group taxation. Any later corrections of the taxable income may increase the total liable amount.

The Danish tax authorities have at the end of April 2009 with a subsequent correction in December 2009 made a claim to significantly increase the taxable income for 2003. Solae Denmark ApS disagreed to this claim, and consequently appealed to the Danish National Tax Tribunal, which in October 2015 issued its decision. Despite in its decision the Danish National Tax Tribunal reduced the amount of the claim of the Danish tax authorities, Solae Denmark ApS still disagrees with this decision considering that important facts have still not been taken into consideration. Consequently, Solae Denmark ApS has appealed to the Aarhus District Court in January 2016, the appeal procedure which includes several phases of submission of additional information and answers from the two Parties is still ongoing. Due to the nature of the situation it is not possible to assess the monetary implication or the time of completion.

### **3 Related parties**

DuPont de Nemours Inc. prepares consolidated accounts for the largest group. The Group Annual Report may be obtained at [www.DuPont.com](http://www.DuPont.com).