

# Solae Denmark ApS

Edwin Rahrsvej 38, 8220 Brabrand

CVR no. 16316792

## Annual report 2019

Approved at the Company's annual general meeting on 29 May 2020

Chairman:

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Søren Toft Bjerreskov

**COMPANY INFORMATION**

**Entity**

Solae Denmark ApS  
Edwin Rahrsvej 38  
8220 Brabrand

Company CVR: 16316792

Financial year: 2019-01-01 - 2019-12-31

**Executive Board**

Etienne Jean-Emmanuel Laurent  
Flemming Jørgensen  
Lisbeth Sørensen

## **MANAGEMENT'S REVIEW SUMMARY REPORT**

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Solae Denmark ApS for the financial year 1 January - 31 December 2019.

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Board of Directors considers the criteria for omission of audit to be met.

In our opinion, the company financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the company's operations and financial matters and the results of the company's operations and financial position.

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

26 May 2020  
Executive Board:

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Etienne Jean-Emmanuel Laurent

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Lisbeth Sørensen

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Flemming Jørgensen

The general meeting of shareholders have resolved that the financial statements for the coming financial year are not to be audited

## **MANAGEMENT'S REVIEW**

### **Management commentary**

#### **Business review**

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

#### **Financial review**

The Company made a loss before tax of DKK 541,685 compared to a loss of 956,696 DKK in 2018.

The result is satisfactory and in line with expectations.

There are no employees in the Company, and the Executive Board have not received any remuneration.

#### **Outlook**

The company is expected to continue as a dormant company.

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

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

## STATEMENT OF PROFIT OR LOSS

		31 December 2019 DKK	31 December 2018 DKK
<b>Gross margin</b>		0	0
Administrative expenses		(542,039)	(955,092)
<b>Operating profit/loss</b>		<u>(542,039)</u>	<u>(955,092)</u>
<b>Profit/loss before net financials</b>		<u>(542,039)</u>	<u>(955,092)</u>
Financial income	3	813	6,819
Finance expenses	4	(459)	(8,423)
<b>Profit/loss from continuing operations before tax</b>		<u>(541,685)</u>	<u>(956,697)</u>
Tax on continuing operations		52,322	14,971
<b>Profit/loss for the year from continuing operations</b>		<u>(489,362)</u>	<u>(941,725)</u>
<b>Profit/loss for the year</b>		<u>(489,362)</u>	<u>(941,725)</u>

## STATEMENT OF FINANCIAL POSITION

	Note	31 December 2019 DKK	31 December 2018 DKK
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Total non-current assets</b>		0	0
<b>Receivables</b>			
Other receivables		1,625,297	1,456,273
Corporation tax receivable		176,044,460	176,044,460
Joint taxation contribution receivable		52,323	14,971
		177,722,079	177,515,704
<b>Cash</b>			
		5,297,304	6,165,597
<b>Total current assets</b>		183,019,383	183,681,301
<b>TOTAL ASSETS</b>		183,019,383	183,681,301
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	5	31,000,000	31,000,000
Profit and loss account		13,887,663	152,377,025
Dividend proposed for the year		138,000,000	0
<b>Equity holders' share of equity</b>		182,887,663	183,377,025
<b>Total equity</b>		182,887,663	183,377,025
<b>Current liabilities</b>			
Trade payables		900	304,276
Payables to subsidiaries		130,820	0
<b>Total current liabilities</b>		131,720	304,276
<b>Total liabilities</b>		131,720	304,276
<b>Total equity and liabilities</b>		183,019,383	183,681,301

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The annual report of Solae Denmark ApS for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### 1.1 Financial statements

##### (a) Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

#### 1.2 Income statement

##### (a) Administrative expenses

Administrative expenses comprise costs incurred in the year to manage and administer the Company, including expenses related to administrative staff, management, office premises, office expenses and amortisation/depreciation.

##### (b) Financial income and expenses

Financial income and expenses comprise interest income and expenses, charges in respect of finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### (c) Tax for the year

The Company is jointly taxed with Danish Group Companies.

DuPont Denmark Holding ApS acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies (continued)

#### (c) Tax for the year (continued)

The tax expense for the year, which comprises the year's current tax charge, joint taxation contributions and changes in the deferred tax charge - including changes arising from changes in tax rates - is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

### 1.3 Balance sheet

#### (a) Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are assessed for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domicile and credit ratings of the debtors in accordance with the Group's credit risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

#### (b) Equity

##### (i) Dividend

Dividend proposed for the year is recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

#### (c) Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net assets are measured at net realisable values.



## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies (continued)

#### (c) Income tax and deferred tax (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

### 2. Events after the balance sheet date

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

### 3. Financial income

	31 December 2019 DKK	31 December 2018 DKK
Foreign exchange gains	813	6,819
	<u>813</u>	<u>6,819</u>

### 4. Financial expenses

	31 December 2019 DKK	31 December 2018 DKK
Interest expenses, banks	(459)	(8,423)
	<u>(459)</u>	<u>(8,423)</u>

### 5. Share capital

The Company capital comprises of 31,000 shares of 1,000 DKK, no shares carry any special rights. The share capital has remained unchanged for the past five years.

### 6. Contractual obligations and contingencies, etc.

#### 6.1 Contingent liabilities

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Contractual obligations and contingencies, etc. (continued)

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.

### 6.2 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.

## 7. Related parties

### 7.1 Parties exercising control

The ultimate parent company of the group in which the Company is included as a subsidiary is DuPont de Nemours Inc., Delaware, USA. This company and its subsidiaries are considered related parties through the ownership of the Company.

In accordance with section 98c (7) of the Danish Financial Statements Act, all transactions with related parties have been conducted at arm's length.

## 8. Appropriation of profit/loss

### *Recommended appropriation of profit/loss*

	31 December 2019 DKK	31 December 2018 DKK
Dividend proposed for the year	138,000,000	0
Transferred to reserves under equity	(138,489,362)	(941,725)
	(489,362)	(941,725)