

## **HLC-Lautrup Scandinavian Chemicals**

Bredgade 17  
1260 Copenhagen K  
CVR No. 27075843

### **Annual report 2020**

The Annual General Meeting adopted the  
annual report on 28.04.2021

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**Kjeld Kornum**

Chairman of the General Meeting

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# Entity details

## Entity

HLC-Lautrup Scandinavian Chemicals

Bredgade 17

1260 Copenhagen K

CVR No.: 27075843

Registered office: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

## Board of Directors

Hans Erik Lautrup, Chairman

Joachim Lautrup

Jonas Paaschburg Lautrup

Jens Christian Steglich-Petersen

Steen Jensen

Steen Christensen

## Executive Board

Hans Erik Lautrup, Chief Executive Officer

## 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 HLC-Lautrup Scandinavian Chemicals 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.

Copenhagen, 28.04.2021

## Executive Board

**Hans Erik Lautrup**  
Chief Executive Officer

## Board of Directors

**Hans Erik Lautrup**  
Chairman

**Joachim Lautrup**

**Jonas Paaschburg Lautrup**

**Jens Christian Steglich-Petersen**

**Steen Jensen**

**Steen Christensen**

# Independent auditor's report

## To the shareholder of HLC-Lautrup Scandinavian Chemicals

### Opinion

We have audited the financial statements of HLC-Lautrup Scandinavian Chemicals 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, 28.04.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Claus Jorch Andersen**

State-Authorised Public Accountant  
Identification No (MNE) mne33712

# Management commentary

## Primary activities

The Entity's activity is sale of raw materials within the plastics industry.

## Development in activities and finances

Management considers profit for the year amounting to DKK 338 thousand satisfactory. Profit for the year is in line with Management's expectations for the year.

## Outlook

The Entity's results for the coming financial year are expected to be stronger compared to this financial year.

## 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
<b>Gross profit/loss</b>		<b>1,407,903</b>	<b>709,269</b>
Depreciation, amortisation and impairment losses	1	(262,500)	(262,500)
<b>Operating profit/loss</b>		<b>1,145,403</b>	<b>446,769</b>
Other financial income	2	10,639	89,824
Other financial expenses	3	(722,236)	(353,027)
<b>Profit/loss before tax</b>		<b>433,806</b>	<b>183,566</b>
Tax on profit/loss for the year	4	(95,390)	(40,398)
<b>Profit/loss for the year</b>		<b>338,416</b>	<b>143,168</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		338,416	143,168
<b>Proposed distribution of profit and loss</b>		<b>338,416</b>	<b>143,168</b>

# Balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK	2019 DKK
Acquired intangible assets		0	262,500
<b>Intangible assets</b>	5	<b>0</b>	<b>262,500</b>
Other fixtures and fittings, tools and equipment		0	0
<b>Property, plant and equipment</b>	6	<b>0</b>	<b>0</b>
<b>Fixed assets</b>		<b>0</b>	<b>262,500</b>
Manufactured goods and goods for resale		10,419,396	13,294,869
Prepayments for goods		1,783,063	0
<b>Inventories</b>		<b>12,202,459</b>	<b>13,294,869</b>
Trade receivables		3,971,984	4,270,973
Deferred tax	7	58,000	3,000
Other receivables		0	232,610
<b>Receivables</b>		<b>4,029,984</b>	<b>4,506,583</b>
<b>Cash</b>		<b>20,478,583</b>	<b>14,521,051</b>
<b>Current assets</b>		<b>36,711,026</b>	<b>32,322,503</b>
<b>Assets</b>		<b>36,711,026</b>	<b>32,585,003</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Contributed capital		3,000,000	3,000,000
Retained earnings		12,574,296	12,235,880
<b>Equity</b>		<b>15,574,296</b>	<b>15,235,880</b>
Bank loans		0	16
Trade payables		7,337,724	8,853,136
Payables to group enterprises		6,662,823	6,958,019
Income tax payable		150,390	94,398
Other payables		6,985,793	1,443,554
<b>Current liabilities other than provisions</b>		<b>21,136,730</b>	<b>17,349,123</b>
<b>Liabilities other than provisions</b>		<b>21,136,730</b>	<b>17,349,123</b>
<b>Equity and liabilities</b>		<b>36,711,026</b>	<b>32,585,003</b>
Contingent liabilities	8		
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# Statement of changes in equity for 2020

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	3,000,000	12,235,880	15,235,880
Profit/loss for the year	0	338,416	338,416
<b>Equity end of year</b>	<b>3,000,000</b>	<b>12,574,296</b>	<b>15,574,296</b>

# Notes

## 1 Depreciation, amortisation and impairment losses

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	262,500	262,500
	<b>262,500</b>	<b>262,500</b>

## 2 Other financial income

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	10,542	0
Other interest income	97	0
Other financial income	0	89,824
	<b>10,639</b>	<b>89,824</b>

## 3 Other financial expenses

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from group enterprises	389,698	322,916
Other financial expenses	332,538	30,111
	<b>722,236</b>	<b>353,027</b>

## 4 Tax on profit/loss for the year

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	150,390	94,398
Change in deferred tax	(55,000)	(54,000)
	<b>95,390</b>	<b>40,398</b>

## 5 Intangible assets

	<b>Acquired intangible assets DKK</b>
Cost beginning of year	2,625,000
<b>Cost end of year</b>	<b>2,625,000</b>
Amortisation and impairment losses beginning of year	(2,362,500)
Amortisation for the year	(262,500)
<b>Amortisation and impairment losses end of year</b>	<b>(2,625,000)</b>
<b>Carrying amount end of year</b>	<b>0</b>

## 6 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>
Cost beginning of year	310,067
<b>Cost end of year</b>	<b>310,067</b>
Depreciation and impairment losses beginning of year	(310,067)
<b>Depreciation and impairment losses end of year</b>	<b>(310,067)</b>
<b>Carrying amount end of year</b>	<b>0</b>

## 7 Deferred tax

	<b>2020 DKK</b>	<b>2019 DKK</b>
Intangible assets	0	(58,000)
Property, plant and equipment	8,000	11,000
Other deductible temporary differences	50,000	50,000
<b>Deferred tax</b>	<b>58,000</b>	<b>3,000</b>

### **8 Contingent liabilities**

The Entity participates in a Danish joint taxation with other Danish consolidated companies. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

### **9 Assets charged and collateral**

The Entity has pledged a company charge of DKK 10 million on unsecured claims, inventories, operating equipment, fixtures and fittings as security for bank debt and bank guarantees submitted. The book value of the company charge was DKK 14 million on the balance sheet date.

### **10 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
HLC Holding A/S, Gentofte, Denmark

# 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.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, costs of raw materials and consumables and external expenses.

### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.



**Costs of raw materials and consumables**

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

**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.

**Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation 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 as well as property, plant and equipment.

**Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies 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.

The Entity is jointly taxed with its Parent and all the Parent's other Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straightline depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Inventories**

Inventories are measured at the lower of cost using the weighted average prices and net realisable value.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### **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.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.