

ALGOL CHEMICALS ApS

Bredgade 30
1260 København K
Business Registration No
28296746

Annual report 2018

The Annual General Meeting adopted the annual report on 14.05.2019

Chairman of the General Meeting

Name: Robert Alexander Bargum

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Entity details

Entity

ALGOL CHEMICALS ApS
Bredgade 30
1260 København K

Central Business Registration No (CVR): 28296746

Registered in: København

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Juha Jokinen, Chairman
Nils Fredrik Hansson
Karl Joakim Alexander Flinck

Executive Board

Karl Joakim Alexander Flinck, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of ALGOL CHEMICALS ApS for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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, 14.05.2019

Executive Board

Karl Joakim Alexander Flinck
CEO

Board of Directors

Juha Jokinen
Chairman

Nils Fredrik Hansson

Karl Joakim Alexander Flinck

Independent auditor's report

To the shareholders of ALGOL CHEMICALS ApS

Opinion

We have audited the financial statements of ALGOL CHEMICALS ApS for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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:

Independent auditor's report

- 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.

Independent auditor's report

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, 14.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Flemming Larsen
State Authorised Public Accountant
Identification No (MNE) mne27790

Management commentary

Primary activities

The activity of the Company is wholesale trading with chemicals.

Development in activities and finances

The result of the year is a profit DKK 784.980.

Management consider the result as expected.

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 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Revenue		33.965.770	30.297.310
Costs of raw materials and consumables		(30.020.222)	(26.700.977)
Other external expenses		<u>(2.772.583)</u>	<u>(2.655.391)</u>
Gross profit/loss		1.172.965	940.942
Staff costs	1	0	(871.733)
Depreciation, amortisation and impairment losses		<u>(24.460)</u>	<u>(24.460)</u>
Operating profit/loss		1.148.505	44.749
Other financial income	2	4.948	9.359
Other financial expenses	3	<u>(144.039)</u>	<u>(61.188)</u>
Profit/loss before tax		1.009.414	(7.080)
Tax on profit/loss for the year	4	<u>(224.434)</u>	<u>(7.427)</u>
Profit/loss for the year		<u>784.980</u>	<u>(14.507)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>784.980</u>	<u>(14.507)</u>
		<u>784.980</u>	<u>(14.507)</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Acquired intangible assets		24.461	48.921
Intangible assets	5	24.461	48.921
Fixed assets		24.461	48.921
Manufactured goods and goods for resale		4.318.266	6.255.315
Inventories		4.318.266	6.255.315
Trade receivables		3.850.985	2.733.746
Receivables from group enterprises		0	19.297
Prepayments		0	9.249
Receivables		3.850.985	2.762.292
Cash		5.086.093	11.249
Current assets		13.255.344	9.028.856
Assets		13.279.805	9.077.777

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		127.000	127.000
Retained earnings		<u>1.446.390</u>	<u>661.410</u>
Equity		<u>1.573.390</u>	<u>788.410</u>
Payables to group enterprises		<u>1.563.636</u>	<u>1.418.009</u>
Non-current liabilities other than provisions		<u>1.563.636</u>	<u>1.418.009</u>
Bank loans		4.017.133	1.334.917
Trade payables		2.513.714	2.267.235
Payables to group enterprises		2.009.075	1.596.159
Income tax payable		0	89.139
Joint taxation contribution payable		2.364	2.059
Other payables	6	<u>1.600.493</u>	<u>1.581.849</u>
Current liabilities other than provisions		<u>10.142.779</u>	<u>6.871.358</u>
Liabilities other than provisions		<u>11.706.415</u>	<u>8.289.367</u>
Equity and liabilities		<u>13.279.805</u>	<u>9.077.777</u>
Contingent liabilities	7		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	127.000	661.410	788.410
Profit/loss for the year	0	784.980	784.980
Equity end of year	127.000	1.446.390	1.573.390

Notes

	2018	2017
	DKK	DKK
1. Staff costs		
Wages and salaries	0	788.118
Pension costs	0	72.189
Other social security costs	0	11.426
	0	871.733
Average number of employees	0	1
	2018	2017
	DKK	DKK
2. Other financial income		
Other interest income	43	422
Exchange rate adjustments	4.905	8.937
	4.948	9.359
	2018	2017
	DKK	DKK
3. Other financial expenses		
Other interest expenses	93.977	54.845
Exchange rate adjustments	50.062	6.343
	144.039	61.188
	2018	2017
	DKK	DKK
4. Tax on profit/loss for the year		
Current tax	227.461	2.059
Adjustment concerning previous years	0	5.368
Refund in joint taxation arrangement	(3.027)	0
	224.434	7.427

Notes

	Acquired intangible assets DKK
	<u>DKK</u>
5. Intangible assets	
Cost beginning of year	73.381
Cost end of year	<u>73.381</u>
Amortisation and impairment losses beginning of year	(24.460)
Amortisation for the year	<u>(24.460)</u>
Amortisation and impairment losses end of year	<u>(48.920)</u>
Carrying amount end of year	<u>24.461</u>

	2018 DKK	2017 DKK
	<u>DKK</u>	<u>DKK</u>
6. Other payables		
VAT and duties	1.512.602	1.416.965
Wages and salaries, personal income taxes, social security costs, etc payable	0	21.219
Holiday pay obligation	0	47.665
Other costs payable	<u>87.891</u>	<u>96.000</u>
	<u>1.600.493</u>	<u>1.581.849</u>

7. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

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

Revenue

Revenue from the sale of good for relase 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.

Accounting policies

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.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, 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 expenses, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme 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.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

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.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost consists of purchase price plus delivery costs.

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

Accounting policies

Receivables

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

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.

Income tax receivable or payable

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.