



## Algol Chemicals ApS

Bredgade 30  
1260 København K  
CVR No. 28296746

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 30.03.2020

---

**Robert Alexander Bargum**  
Chairman

# Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019	8
Balance sheet at 31.12.2019	9
Statement of changes in equity for 2019	11
Notes	12
Accounting policies	14

# Entity details

## Entity

Algol Chemicals ApS

Bredgade 30

1260 København K

CVR No.: 28296746

Registered office: København

Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Karl Joakim Alexander Flinck, Chairman

Nils Fredrik Hansson

## Executive Board

Karl Joakim Alexander Flinck, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Algol Chemicals ApS for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 30.03.2020

## Executive Board

**Karl Joakim Alexander Flinck**  
CEO

## Board of Directors

**Karl Joakim Alexander Flinck**  
Chairman

**Nils Fredrik Hansson**

# 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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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, 30.03.2020

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 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 346,063. Management consider the result as expected.

## Events after the balance sheet date

The COVID-19 outbreak has escalated in the beginning of 2020, and on 11. marts 2020 WHO has declared the outbreak for a worldwide. The outbreak has resulted in a number of precautions that affect the organization and operation of day-to-day operations, and the Group's suppliers and customers may be affected. Its economic impact cannot be determined at this time.

In March 2020, Algol Chemicals ApS will be merged with its sister company Dafi Holding ApS, with Algol Chemicals ApS as the continuing company (merger II). Prior to merger II, Dafi Holding ApS will be merged with its subsidiary company Algol Diagnostics ApS with Dafi Holding ApS being the continuing company (merger I). For accounting and tax purposes, the mergers will have retroactive effect from 1 January 2020.

In addition to the above no significant events of significance to the annual report have occurred after the balance sheet date.



# Income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue		37,426,305	33,965,770
Costs of raw materials and consumables		(31,867,786)	(30,020,222)
Other external expenses		(4,293,225)	(2,772,583)
<b>Gross profit/loss</b>		<b>1,265,294</b>	<b>1,172,965</b>
Staff costs	1	(587,371)	0
Depreciation, amortisation and impairment losses		(24,460)	(24,460)
<b>Operating profit/loss</b>		<b>653,463</b>	<b>1,148,505</b>
Other financial income		192	4,948
Other financial expenses	2	(203,102)	(144,039)
<b>Profit/loss before tax</b>		<b>450,553</b>	<b>1,009,414</b>
Tax on profit/loss for the year	3	(104,490)	(224,434)
<b>Profit/loss for the year</b>		<b>346,063</b>	<b>784,980</b>
<b>Proposed distribution of profit and loss:</b>			
Ordinary dividend for the financial year		1,000,000	0
Retained earnings		(653,937)	784,980
<b>Proposed distribution of profit and loss</b>		<b>346,063</b>	<b>784,980</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK	2018 DKK
Acquired intangible assets		0	24,461
<b>Intangible assets</b>	4	<b>0</b>	<b>24,461</b>
<b>Fixed assets</b>		<b>0</b>	<b>24,461</b>
Manufactured goods and goods for resale		5,280,955	4,318,266
<b>Inventories</b>		<b>5,280,955</b>	<b>4,318,266</b>
Trade receivables		3,433,920	3,850,985
Receivables from group enterprises		3,346,904	0
Prepayments		3,496	0
<b>Receivables</b>		<b>6,784,320</b>	<b>3,850,985</b>
<b>Cash</b>		<b>19,285</b>	<b>5,086,093</b>
<b>Current assets</b>		<b>12,084,560</b>	<b>13,255,344</b>
<b>Assets</b>		<b>12,084,560</b>	<b>13,279,805</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK</b>	<b>2018 DKK</b>
Contributed capital		127,000	127,000
Retained earnings		792,453	1,446,390
Proposed dividend		1,000,000	0
<b>Equity</b>		<b>1,919,453</b>	<b>1,573,390</b>
Bank loans		0	4,017,133
Trade payables		4,089,479	2,513,714
Payables to group enterprises		4,454,224	3,572,711
Joint taxation contribution payable		99,100	2,364
Other payables	5	1,522,304	1,600,493
<b>Current liabilities other than provisions</b>		<b>10,165,107</b>	<b>11,706,415</b>
<b>Liabilities other than provisions</b>		<b>10,165,107</b>	<b>11,706,415</b>
<b>Equity and liabilities</b>		<b>12,084,560</b>	<b>13,279,805</b>

Contingent liabilities 6

# Statement of changes in equity for 2019

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed dividend DKK</b>	<b>Total DKK</b>
Equity beginning of year	127,000	1,446,390	0	1,573,390
Profit/loss for the year	0	(653,937)	1,000,000	346,063
<b>Equity end of year</b>	<b>127,000</b>	<b>792,453</b>	<b>1,000,000</b>	<b>1,919,453</b>

# Notes

## 1 Staff costs

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	528,987	0
Pension costs	56,160	0
Other social security costs	2,224	0
	<b>587,371</b>	<b>0</b>
Average number of full-time employees	<b>1</b>	<b>0</b>

## 2 Other financial expenses

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	89,904	93,977
Exchange rate adjustments	113,198	50,062
	<b>203,102</b>	<b>144,039</b>

## 3 Tax on profit/loss for the year

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	104,490	227,461
Refund in joint taxation arrangement	0	(3,027)
	<b>104,490</b>	<b>224,434</b>

#### 4 Intangible assets

	<b>Acquired intangible assets DKK</b>
Cost beginning of year	73,381
<b>Cost end of year</b>	<b>73,381</b>
Amortisation and impairment losses beginning of year	(48,920)
Amortisation for the year	(24,461)
<b>Amortisation and impairment losses end of year</b>	<b>(73,381)</b>
<b>Carrying amount end of year</b>	<b>0</b>

#### 5 Other payables

	<b>2019 DKK</b>	<b>2018 DKK</b>
VAT and duties	1,393,161	1,512,602
Wages and salaries, personal income taxes, social security costs, etc payable	23,792	0
Holiday pay obligation	60,987	0
Other costs payable	44,364	87,891
	<b>1,522,304</b>	<b>1,600,493</b>

#### 6 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.

#### Responsibilities for behalf of companies belonging to the same group

The commitment is related to the company's ultimate Algol Group parent company Algol Oy and it is EUR 500,000 overdraft facility in Nordea Bank Finland Ltd. The overdraft facility constitutes the base of the Algol Group cash pool. The company and other Algol Group companies having an internal overdraft facility within the Group cash pool have each given Nordea Bank Finland Ltd a guarantee covering the Algol Oy cash pool account liability in addition to other collateral provided by Algol Oy.

# 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 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.

**Staff costs**

Staff costs comprise salaries and wages, and 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, and gains and losses from the sale of intangible assets and property, plant and equipment.

**Other financial income**

Other financial income comprises interest income, 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, and 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, and 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 on a straight-line basis 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.



**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.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

**Other financial liabilities**

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

**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.