

BLUE CUBE DENMARK ApS

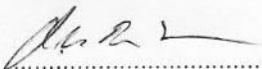
c/o TMF, Købmagergade 60, 1. TV, 1150 København K

CVR no. 35 37 64 61

Annual report 2019

Approved at the Company's annual general meeting on 26 August 2020

Chairman:



Ole Fynbo Hansen

Contents

Statement by the Executive Board	2
Independent auditors' report on the compilation of financial statements	3
Management's review	4
Financial statements 1 January - 31 December	6
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes to the financial statements	10

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of BLUE CUBE 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 Executive Board has considered the criteria for omission of audit to be met.

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

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 26 August 2020
Executive Board:



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Teresa Marie Vermillion
Managing Director

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Irene Franck
Director

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Ole Fynbo Hansen
Director

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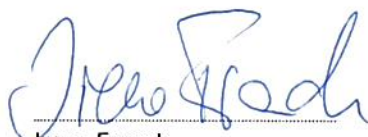
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Managing Director


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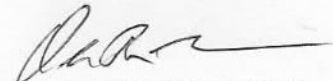
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Copenhagen, 26 August 2020
Executive Board:

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Teresa Marie Vermillion
Managing Director

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Irene Franck
Director


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Ole Fynbo Hansen
Director

Independent auditor's report on the compilation of financial statements

To the general management of BLUE CUBE DENMARK ApS

We have compiled the financial statements of BLUE CUBE DENMARK ApS for the financial year 1 January - 31 December 2019 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed this compilation engagement in accordance with ISRS 4410 *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant ethical requirements in the Danish act on approved auditors and audit firms and FSR - Danish Auditors' code of ethics, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 26 August 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Lisa Hagedorn
State Authorized Public Accountant
mne30130

Management's review

Company details

Name	BLUE CUBE DENMARK ApS
Address, Postal code, City	c/o TMF, Købmagergade 60, 1. TV, 1150 København K
CVR no.	35 37 64 61
Established	13 June 2013
Registered office	København
Financial year	1 January - 31 December
Executive Board	Teresa Marie Vermillion, Managing Director Irene Franck, Director Ole Fynbo Hansen, Director

Management's review

Business review

Blue Cube Denmark's main activities is selling epoxies globally on behalf of Blue Cube Germany to multinational customers active in coatings, wind, civil engineering applications etc. with the strategy of building long term business relations with both existing and new customers. The strategy of the company is to grow the business.

In 2019 the average number of staff (FTE) was 1, which is in line with the previous year. The employee has a shared responsibility for marketing and sales activities for the Blue Cube Group in Europe.

Financial review

In 2019, the company's revenue amounted to DKK 11,020,957 against DKK 9,796,362 last year. The income statement for 2019 shows a profit of DKK 6,976,019 against a profit of DKK 6,005,038 last year. The balance sheet at 31 December 2019 shows an equity of DKK 1,616,404.

The increase in revenues was due to higher commissions on the sales and marketing services provided by the employee to different entities in the Blue Cube Group.

Management considers the Company's financial performance in the year satisfactory.

Special risks

There are no specific business risks for Blue Cube Denmark.

Events after the balance sheet date

On 11 March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the Company's 31 December 2019 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, results of operations or cash flows in the future.

Outlook

In 2020, the company's revenue and profit will be comparable to 2019.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2019	2018
	Revenue	11,020,957	9,796,362
	Other external expenses	-353,786	-312,063
	Gross profit	10,667,171	9,484,299
2	Staff costs	-1,752,419	-1,890,676
	Profit before net financials	8,914,752	7,593,623
3	Financial income	86,424	97,470
4	Financial expenses	-50,474	-65,208
	Profit before tax	8,950,702	7,625,885
5	Tax for the year	-1,974,683	-1,620,847
	Profit for the year	<u>6,976,019</u>	<u>6,005,038</u>
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	0	6,005,038
	Extraordinary dividend distributed in the year	5,400,000	0
	Retained earnings	1,576,019	0
		<u>6,976,019</u>	<u>6,005,038</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2019</u>	<u>2018</u>
	ASSETS		
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	1,136,946	7,291,428
	Corporation tax receivable	125,265	0
	Other receivables	39,859	29,362
	Prepayments	<u>0</u>	<u>14,233</u>
		<u>1,302,070</u>	<u>7,335,023</u>
	Cash	<u>1,095,879</u>	<u>1,100,250</u>
	Total non-fixed assets	<u>2,397,949</u>	<u>8,435,273</u>
	TOTAL ASSETS	<u><u>2,397,949</u></u>	<u><u>8,435,273</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2019	2018
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	80,000	80,000
	Retained earnings	1,576,019	0
	Dividend proposed	0	6,005,038
	Total equity	<u>1,656,019</u>	<u>6,085,038</u>
	Provisions		
	Deferred tax	0	3,131
	Other provisions	0	141,645
	Total provisions	<u>0</u>	<u>144,776</u>
	Liabilities other than provisions		
7	Non-current liabilities other than provisions		
	Other payables	168,213	0
		<u>168,213</u>	<u>0</u>
	Current liabilities other than provisions		
	Trade payables	88,143	6,648
	Corporation tax payable	0	1,626,714
	Other payables	485,574	572,097
		<u>573,717</u>	<u>2,205,459</u>
	Total liabilities other than provisions	<u>741,930</u>	<u>2,205,459</u>
	TOTAL EQUITY AND LIABILITIES	<u>2,397,949</u>	<u>8,435,273</u>

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2018	80,000	0	842,305	922,305
Transfer through appropriation of profit	0	0	6,005,038	6,005,038
Dividend distributed	0	0	-842,305	-842,305
Equity at 1 January 2019	80,000	0	6,005,038	6,085,038
Transfer through appropriation of profit	0	1,576,019	0	1,576,019
Dividend distributed	0	0	-6,005,038	-6,005,038
Equity at 31 December 2019	80,000	1,576,019	0	1,656,019

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of BLUE CUBE DENMARK ApS for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and 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 the exchange rate at the balance sheet date. 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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 tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's 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 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.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income Tax

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

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK	2019	2018
2	Staff costs		
	Wages/salaries	1,623,633	1,762,190
	Other social security costs	128,786	128,486
		<u>1,752,419</u>	<u>1,890,676</u>
	Average number of full-time employees	<u>1</u>	<u>1</u>
3	Financial income		
	Interest income, group entities	83,210	20,386
	Exchange gain	3,214	77,084
		<u>86,424</u>	<u>97,470</u>
4	Financial expenses		
	Other interest expenses	4,588	6,239
	Exchange adjustments	45,886	58,969
		<u>50,474</u>	<u>65,208</u>
5	Tax for the year		
	Estimated tax charge for the year	1,974,735	1,660,714
	Deferred tax adjustments in the year	-3,131	19,331
	Tax adjustments, prior years	3,079	-59,198
		<u>1,974,683</u>	<u>1,620,847</u>
	DKK	2019	2018
6	Share capital		
	Analysis of the share capital:		
	80,000 shares of DKK 1.00 nominal value each	80,000	80,000
		<u>80,000</u>	<u>80,000</u>

The Company's share capital has remained DKK 80,000 over the past 5 years.

7	Non-current liabilities other than provisions				
	DKK	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
	Other payables	168,213	0	168,213	0
		<u>168,213</u>	<u>0</u>	<u>168,213</u>	<u>0</u>

Financial statements 1 January - 31 December

Notes to the financial statements

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

The company was subject to the Danish scheme of jointly taxation an unlimited jointly and severally liable with other jointly taxed companies for the total corporation tax until 5 October 2015.

The company was jointly and severally liable with other jointly taxes group entities for payment of income taxes, taxes of dividends, interest and royalties.

9 Related parties

Information about consolidated financial statements

Parent

Nedastra Holding B.V.

Domicile

Axelsedam 3 a, 4531 HH
Terneuzen, Holland