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PERSONLIGT ENGAGEMENT

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Customized Compound Solutions A/S

Søholm Park 1, 2900 Hellerup

Company reg. no. 36 73 27 76

Annual report

1 May 2018 - 30 April 2019

The annual report has been submitted and approved by the general meeting on the

Claus Adser
Chairman of the meeting



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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



Management's report

The board of directors and the managing director have today presented the annual report of Customized Compound Solutions A/S for the financial year 1 May 2018 to 30 April 2019.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 30 April 2019 and of the company's results of its activities in the financial year 1 May 2018 to 30 April 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Hellerup, 5 September 2019

Managing Director

Svend Christian Rimestad

Board of directors

Peter Adser
Chairman



Lars Rønsholt



Claus Adser



Svend Christian Rimestad



Independent auditor's report

To the shareholders of Customized Compound Solutions A/S

Opinion

We have audited the annual accounts of Customized Compound Solutions A/S for the financial year 1 May 2018 to 30 April 2019, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 April 2019 and of the results of the company's operations for the financial year 1 May 2018 to 30 April 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.



Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company'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 annual accounts 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.



Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 5 September 2019

Christensen Kjaerulff

Company reg. no. 15 91 56 41


John Mikkelsen
State Authorised Public Accountant
mne26748



Company data

The company

Customized Compound Solutions A/S
Søholm Park 1
2900 Hellerup

Company reg. no. 36 73 27 76
Established: 4 May 2015
Domicile: Gentofte
Financial year: 1 May - 30 April

Board of directors

Peter Adser, Chairman
Claus Adser
Svend Christian Rimestad
Lars Rønsholt

Managing Director

Svend Christian Rimestad

Auditors

Christensen Kjørulff
Statsautoriseret Revisionsaktieselskab
Store Kongensgade 68
1264 København K



Management's review

The principal activities of the company

Customized Compound Solutions A/S produces and develops compounds for primary plastics industry and its sub-groups of special industries.

The products are primarily customized compound solutions, developed in partnership with R & D laboratories and large companies or through license agreements.

Development in activities and financial matters

The gross profit for the year is DKK 704.372 against DKK 589.296 last year. The results from ordinary activities after tax are DKK 514.959 against DKK 426.365 last year. The management consider the results satisfactory.



Profit and loss account 1 May - 30 April

All amounts in DKK.

<u>Note</u>	<u>2018/19</u>	<u>2017/18</u>
Gross profit	704.372	589.296
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-37.622	-27.502
Operating profit	666.750	561.794
Other financial income	707	0
1 Other financial costs	-7.250	-15.104
Results before tax	660.207	546.690
2 Tax on ordinary results	-145.248	-120.325
Results for the year	514.959	426.365
Proposed distribution of the results:		
Allocated to results brought forward	514.959	426.365
Distribution in total	514.959	426.365



Balance sheet 30 April

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets		
Fixed assets		
3 Development projects in progress and prepayments for intangible fixed assets	73.880	0
Intangible fixed assets in total	<u>73.880</u>	<u>0</u>
4 Production plant and machinery	218.982	247.553
5 Other plants, operating assets, and fixtures and furniture	47.967	57.018
Tangible fixed assets in total	<u>266.949</u>	<u>304.571</u>
Fixed assets in total	<u>340.829</u>	<u>304.571</u>
Current assets		
Raw materials and consumables	1.610.086	1.127.455
Inventories in total	<u>1.610.086</u>	<u>1.127.455</u>
Trade debtors	962.398	766.725
Receivable corporate tax	26.000	0
Other debtors	37.821	100.520
Accrued income and deferred expenses	2.250	1.000
Debtors in total	<u>1.028.469</u>	<u>868.245</u>
Available funds	<u>2.963.355</u>	<u>3.298.931</u>
Current assets in total	<u>5.601.910</u>	<u>5.294.631</u>
Assets in total	<u>5.942.739</u>	<u>5.599.202</u>



Balance sheet 30 April

All amounts in DKK.

Equity and liabilities

<u>Note</u>	<u>2019</u>	<u>2018</u>
Equity		
6 Contributed capital	1.000.000	1.000.000
6 Results brought forward	1.680.088	1.165.129
Equity in total	2.680.088	2.165.129
Provisions		
Provisions for deferred tax	37.197	16.625
Provisions in total	37.197	16.625
Liabilities		
Trade creditors	298.908	106.444
Debt to group enterprises	1.440.121	2.048.055
Corporate tax	124.652	89.570
Other debts	1.361.773	1.173.379
Short-term liabilities in total	3.225.454	3.417.448
Liabilities in total	3.225.454	3.417.448
Equity and liabilities in total	5.942.739	5.599.202

7 Contingencies



Notes

All amounts in DKK.

	<u>2018/19</u>	<u>2017/18</u>
1. Other financial costs		
Financial costs, group enterprises	7.250	15.104
	<u>7.250</u>	<u>15.104</u>
2. Tax on ordinary results		
Tax of the results for the year, parent company	124.652	109.582
Adjustment for the year of deferred tax	20.572	10.743
Adjustment of tax for previous years	24	0
	<u>145.248</u>	<u>120.325</u>
3. Development projects in progress and prepayments for intangible fixed assets		
Additions during the year	73.880	0
Cost 30 April 2019	<u>73.880</u>	<u>0</u>
Book value 30 April 2019	<u>73.880</u>	<u>0</u>
4. Production plant and machinery		
Cost 1 May 2018	277.578	140.500
Additions during the year	0	137.078
Cost 30 April 2019	<u>277.578</u>	<u>277.578</u>
Depreciation and writedown 1 May 2018	-30.025	-11.349
Depreciation for the year	-28.571	-18.676
Depreciation and writedown 30 April 2019	<u>-58.596</u>	<u>-30.025</u>
Book value 30 April 2019	<u>218.982</u>	<u>247.553</u>



Notes

All amounts in DKK.

	<u>30/4 2019</u>	<u>30/4 2018</u>
5. Other plants, operating assets, and fixtures and furniture		
Cost 1 May 2018	71.289	19.212
Additions during the year	<u>0</u>	<u>52.077</u>
Cost 30 April 2019	<u>71.289</u>	<u>71.289</u>
Depreciation and writedown 1 May 2018	-14.271	-5.444
Depreciation for the year	<u>-9.051</u>	<u>-8.827</u>
Depreciation and writedown 30 April 2019	<u>-23.322</u>	<u>-14.271</u>
Book value 30 April 2019	<u>47.967</u>	<u>57.018</u>

6. Equity

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1. maj 2018	1.000.000	1.165.129	2.165.129
Retained earnings for the year	<u>0</u>	<u>514.959</u>	<u>514.959</u>
Equity 30. april 2019	<u>1.000.000</u>	<u>1.680.088</u>	<u>2.680.088</u>

7. Contingencies

Joint taxation

Adserbi A/S, company reg. no 87802310 being the administration company, the company is subject to the Danish scheme of joint taxation and it is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligation to withhold tax on interest, royalties and dividends of the jointly taxed companies.

The liabilities amount to a maximum corresponding to that share of the company capital, which is owned directly or indirectly by the ultimate parent company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.



Accounting policies used

The annual report for Customized Compound Solutions A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concern matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.



Accounting policies used

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concern the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.



Accounting policies used

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the profit and loss account as costs in the acquisition year.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Technical plants and machinery	5-10 years
Other plants, operating assets, fixtures and furniture	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.



Accounting policies used

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exists. Writedown relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on the basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.



Accounting policies used

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Customized Compound Solutions A/S is proportionally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.