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PERSONLIGT ENGAGEMENT

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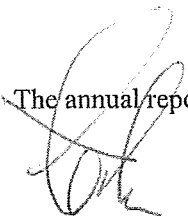
# Customized Compound Solutions A/S

Søholm Park 1, 2900 Hellerup

Company reg. no. 36 73 27 76

## Annual report

1 May 2019 - 30 April 2020

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

10<sup>th</sup> September, 2020

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Peter Adser  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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

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Today, the board of directors and the managing director have presented the annual report of Customized Compound Solutions A/S for the financial year 1 May 2019 - 30 April 2020.

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

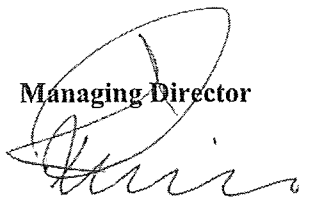
We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 April 2020 and of the company's results of activities in the financial year 1 May 2019 – 30 April 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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


Hellerup, 25 August 2020

**Managing Director**



Svend Christian Rimestad

**Board of directors**




Peter Adser  
Chairman



Lars Rønsholt



Claus Adser



Svend Christian Rimestad

## **Independent auditor's report**

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**To the shareholders of Customized Compound Solutions A/S**

### **Opinion**

We have audited the financial statements of Customized Compound Solutions A/S for the financial year 1 May 2019 - 30 April 2020, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 30 April 2020 and of the results of the company's activities for the financial year 1 May 2019 - 30 April 2020 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 section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company 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 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 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.

## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 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 and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on 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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 commentary**

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

## **Independent auditor's report**

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In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.


Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 25 August 2020

**Christensen Kjaerulff**

Company reg. no. 15 91 56 41



**John Mikkelsen**  
State Authorised Public Accountant  
mne26748

## **Company information**

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### **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 Kjærulff  
Statsautoriseret Revisionsaktieselskab  
Store Kongensgade 68  
1264 København K

## **Management commentary**

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### **The principal activities of the company**

Like previous years, the principal activities are production and development of 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 totals DKK 775.266 against DKK 704.372 last year. Income or loss from ordinary activities after tax totals DKK 575.236 against DKK 514.959 last year. Management considers the net profit or loss for the year satisfactory.

### **Events occurring after the end of the financial year**

The company faces challenges and financial risks due to the Corona Virus / COVID-19. A number of measures have been taken to ensure the health of employees. The Corona / COVID-19 causes uncertainty both politically / socially and for the company. Current and any future political and economic measures that may be implemented could pose financial risks related to the company's operations and may limit the company's trading opportunities.

It is expected that the level of activity of the company solely on the basis of the political and economic measures that are current at the time of the financial reporting will be unchanged.



## Income statement 1 May - 30 April

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All amounts in DKK.

<u>Note</u>	<u>2019/20</u>	<u>2018/19</u>
<b>Gross profit</b>	<b>775.266</b>	<b>704.372</b>
Depreciation, amortisation, and impairment	-37.676	-37.622
<b>Operating profit</b>	<b>737.590</b>	<b>666.750</b>
Other financial income	0	707
1 Other financial costs	-111	-7.250
<b>Pre-tax net profit or loss</b>	<b>737.479</b>	<b>660.207</b>
2 Tax on net profit or loss for the year	-162.243	-145.248
<b>Net profit or loss for the year</b>	<b>575.236</b>	<b>514.959</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	575.236	514.959
<b>Total allocations and transfers</b>	<b>575.236</b>	<b>514.959</b>

## Statement of financial position at 30 April

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All amounts in DKK.

<b>Assets</b>			
<u>Note</u>	<u>2020</u>	<u>2019</u>	
<b>Non-current assets</b>			
3	Concessions, patents, licenses, trademarks, and similar rights acquired	194.952	0
4	Development projects in progress and prepayments for intangible assets	73.880	73.880
	Total intangible assets	268.832	73.880
5	Plant and machinery	1.395.801	218.982
6	Other fixtures and fittings, tools and equipment	38.900	47.967
	Total property, plant, and equipment	1.434.701	266.949
	<b>Total non-current assets</b>	<b>1.703.533</b>	<b>340.829</b>
<b>Current assets</b>			
	Raw materials and consumables	3.034.618	1.610.086
	Total inventories	3.034.618	1.610.086
	Trade receivables	1.355.173	962.398
	Receivables from group enterprises	93.435	0
	Tax receivables from group enterprises	13.787	0
	Other receivables	49.153	37.821
	Prepayments and accrued income	0	2.250
	Total receivables	1.511.548	1.002.469
	Cash on hand and demand deposits	104.274	2.963.355
	<b>Total current assets</b>	<b>4.650.440</b>	<b>5.575.910</b>
	<b>Total assets</b>	<b>6.353.973</b>	<b>5.916.739</b>

## Statement of financial position at 30 April

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All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2020</u>	<u>2019</u>
<b>Equity</b>			
7	Contributed capital	1.000.000	1.000.000
7	Results brought forward	2.255.324	1.680.088
	<b>Total equity</b>	<u>3.255.324</u>	<u>2.680.088</u>
<b>Provisions</b>			
	Provisions for deferred tax	110.780	37.197
	<b>Total provisions</b>	<u>110.780</u>	<u>37.197</u>
<b>Liabilities other than provisions</b>			
	Trade payables	774.474	298.908
	Payables to group enterprises	1.088.496	1.440.121
	Income tax payable	88.660	98.652
	Other payables	1.036.239	1.361.773
	Total short term liabilities other than provisions	<u>2.987.869</u>	<u>3.199.454</u>
	<b>Total liabilities other than provisions</b>	<u>2.987.869</u>	<u>3.199.454</u>
	<b>Total equity and liabilities</b>	<u>6.353.973</u>	<u>5.916.739</u>

### 8 Contingencies

## Notes

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All amounts in DKK.

	<u>2019/20</u>	<u>2018/19</u>
<b>1. Other financial costs</b>		
Financial costs, group enterprises	0	7.250
Other financial costs	<u>111</u>	<u>0</u>
	<b><u>111</u></b>	<b><u>7.250</u></b>
<b>2. Tax on net profit or loss for the year</b>		
Tax of the results for the year, parent company	88.660	124.652
Adjustment for the year of deferred tax	73.583	20.572
Adjustment of tax for previous years	<u>0</u>	<u>24</u>
	<b><u>162.243</u></b>	<b><u>145.248</u></b>
<b>3. Concessions, patents, licenses, trademarks, and similar rights acquired</b>		
Cost 1 May 2019	0	0
Additions during the year	<u>194.952</u>	<u>0</u>
<b>Cost 30 April 2020</b>	<b><u>194.952</u></b>	<b><u>0</u></b>
<b>Carrying amount, 30 April 2020</b>	<b><u>194.952</u></b>	<b><u>0</u></b>
<b>4. Development projects in progress and prepayments for intangible assets</b>		
Cost 1 May 2019	73.880	0
Additions during the year	<u>0</u>	<u>73.880</u>
<b>Cost 30 April 2020</b>	<b><u>73.880</u></b>	<b><u>73.880</u></b>
<b>Carrying amount, 30 April 2020</b>	<b><u>73.880</u></b>	<b><u>73.880</u></b>

## Notes

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All amounts in DKK.

	<u>30/4 2020</u>	<u>30/4 2019</u>	
<b>5. Plant and machinery</b>			
Cost 1 May 2019	277.578	277.578	
Additions during the year	<u>1.205.428</u>	<u>0</u>	
<b>Cost 30 April 2020</b>	<b><u>1.483.006</u></b>	<b><u>277.578</u></b>	
Depreciation and writedown 1 May 2019	-58.596	-30.025	
Depreciation for the year	<u>-28.609</u>	<u>-28.571</u>	
<b>Depreciation and writedown 30 April 2020</b>	<b><u>-87.205</u></b>	<b><u>-58.596</u></b>	
<b>Carrying amount, 30 April 2020</b>	<b><u>1.395.801</u></b>	<b><u>218.982</u></b>	
<b>6. Other fixtures and fittings, tools and equipment</b>			
Cost 1 May 2019	<u>71.289</u>	<u>71.289</u>	
<b>Cost 30 April 2020</b>	<b><u>71.289</u></b>	<b><u>71.289</u></b>	
Depreciation and writedown 1 May 2019	-23.322	-14.271	
Depreciation for the year	<u>-9.067</u>	<u>-9.051</u>	
<b>Depreciation and writedown 30 April 2020</b>	<b><u>-32.389</u></b>	<b><u>-23.322</u></b>	
<b>Carrying amount, 30 April 2020</b>	<b><u>38.900</u></b>	<b><u>47.967</u></b>	
<b>7. Equity</b>			
	<u>Contributed-</u>	<u>Results</u>	<u>Total</u>
	<u>capital</u>	<u>brought</u>	
		<u>forward</u>	
Equity 1. May 2019	1.000.000	1.680.088	2.680.088
Profit or loss for the year brought forward	<u>0</u>	<u>575.236</u>	<u>575.236</u>
<b>Equity 30. April 2020</b>	<b><u>1.000.000</u></b>	<b><u>2.255.324</u></b>	<b><u>3.255.324</u></b>

## Notes

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All amounts in DKK.

### 8. Contingencies

#### Joint taxation

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

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

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

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

## Accounting policies

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The annual report for Customized Compound Solutions A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets and other nonmonetary assets acquired in foreign currency and not considered to be investment assets are measured using the exchange rate at the transaction date.

## Accounting policies

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### Income statement

#### **Gross profit**

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

#### **Depreciation, amortisation, and writedown for impairment**

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

#### **Financial income and expenses**

Financial income and expenses 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 income statement with the amounts concerning the financial year.

#### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

### Statement of financial position

#### **Intangible assets**

##### **Development projects, patents, and licences**

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.



## **Accounting policies**

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Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

### **Property, plant, and equipment**

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

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

The cost comprises acquisition cost and costs directly associated with 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 when the useful lives of each individual components differ.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### **Leases**

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

## **Accounting policies**

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### **Impairment loss relating to non-current assets**

The carrying amount of both intangible and tangible assets as well as equity investments in subsidiaries and associates 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 for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount 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 derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### **Inventories**

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

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

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

### **Prepayments and accrued income**

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank and on hand.

## **Accounting policies**

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### **Income tax and deferred tax**

Current tax receivables and tax liabilities are recognised in the statement of financial position with 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 receivables and tax liabilities are offset to the extent that a legal right of set-off exists and 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 to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

### **Liabilities other than provisions**

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