



**Linatex A/S**

Smedeholm 3-5  
2730 Herlev  
CVR No. 55104018

**Annual report 01.10.2020 -  
30.09.2021**

The Annual General Meeting adopted the  
annual report on 14.12.2021

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**Flemming Søeborg Sørensen**  
Chairman of the General Meeting

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# Entity details

## Entity

Linatex A/S

Smedeholm 3-5

2730 Herlev

Business Registration No.: 55104018

Registered office: Herlev

Financial year: 01.10.2020 - 30.09.2021

## Board of Directors

Flemming Søbørg Sørensen, Chairman

Ellen Margrethe Søbørg Sørensen

Mads Nicolai Søbørg Sørensen

## Executive Board

Torben Skaarup Malmos, Chief Executive Officer

## Bank

Danske Bank Finanscenter Storkøbenhavn

Hovedvejen 107

2600 Glostrup

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Linatex A/S for the financial year 01.10.2020 - 30.09.2021.

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 30.09.2021 and of the results of its operations and cash flows for the financial year 01.10.2020 - 30.09.2021.

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.

Herlev, 14.12.2021

## Executive Board

**Torben Skaarup Malmos**

Chief Executive Officer

## Board of Directors

**Flemming Søeborg Sørensen**

Chairman

**Ellen Margrethe Søeborg Sørensen**

**Mads Nicolai Søeborg Sørensen**

# Independent auditor's report

## To the shareholders of Linatex A/S

### Opinion

We have audited the financial statements of Linatex A/S for the financial year 01.10.2020 - 30.09.2021, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 30.09.2021 and of the results of its operations and cash flows for the financial year 01.10.2020 - 30.09.2021 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, 14.12.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Søren Strandby**

State Authorised Public Accountant

Identification No (MNE) mne24684

# Management commentary

## Primary activities

As in previous years, the Company's primary activity is production of and trade with technical plastics and rubber.

## Development in activities and finances

Profit for the year amounts to DKK 2,906 thousand against a profit of DKK 1,570 thousand in 2020/21. Management considers the performance satisfactory.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



# Income statement for 2020/21

	Notes	2020/21 DKK	2019/20 DKK
<b>Gross profit/loss</b>		<b>18,609,308</b>	<b>17,460,008</b>
Staff costs	1	(14,334,915)	(14,827,299)
Depreciation, amortisation and impairment losses	2	(233,685)	(190,418)
<b>Operating profit/loss</b>		<b>4,040,708</b>	<b>2,442,291</b>
Other financial expenses		(309,911)	(407,803)
<b>Profit/loss before tax</b>		<b>3,730,797</b>	<b>2,034,488</b>
Tax on profit/loss for the year	3	(825,205)	(464,687)
<b>Profit/loss for the year</b>		<b>2,905,592</b>	<b>1,569,801</b>
<b>Proposed distribution of profit and loss</b>			
Ordinary dividend for the financial year		2,000,000	1,000,000
Retained earnings		905,592	569,801
<b>Proposed distribution of profit and loss</b>		<b>2,905,592</b>	<b>1,569,801</b>

# Balance sheet at 30.09.2021

## Assets

	Notes	2020/21 DKK	2019/20 DKK
Land and buildings		17,998,425	17,995,019
Other fixtures and fittings, tools and equipment		3,322,177	3,122,738
<b>Property, plant and equipment</b>	4	<b>21,320,602</b>	<b>21,117,757</b>
<b>Fixed assets</b>		<b>21,320,602</b>	<b>21,117,757</b>
Raw materials and consumables		10,496,189	7,678,650
Manufactured goods and goods for resale		2,231,013	2,344,109
<b>Inventories</b>		<b>12,727,202</b>	<b>10,022,759</b>
Trade receivables		7,710,001	5,776,525
Receivables from group enterprises		2,382,719	0
Other receivables		3,125	3,125
Prepayments		260,980	202,414
<b>Receivables</b>		<b>10,356,825</b>	<b>5,982,064</b>
<b>Cash</b>		<b>5,117</b>	<b>6,687</b>
<b>Current assets</b>		<b>23,089,144</b>	<b>16,011,510</b>
<b>Assets</b>		<b>44,409,746</b>	<b>37,129,267</b>

**Equity and liabilities**

	Notes	2020/21 DKK	2019/20 DKK
Contributed capital		6,000,000	6,000,000
Retained earnings		1,833,590	927,998
Proposed dividend		2,000,000	1,000,000
<b>Equity</b>		<b>9,833,590</b>	<b>7,927,998</b>
Deferred tax		2,778,000	2,170,000
<b>Provisions</b>		<b>2,778,000</b>	<b>2,170,000</b>
Mortgage debt		10,368,315	11,443,098
Income tax payable		217,205	333,687
Other payables		2,657,177	416,980
<b>Non-current liabilities other than provisions</b>	5	<b>13,242,697</b>	<b>12,193,765</b>
Current portion of non-current liabilities other than provisions	5	1,126,123	1,124,594
Bank loans		3,471,168	3,845,802
Trade payables		4,608,333	3,545,243
Payables to group enterprises		68,918	1,499,790
Income tax payable		333,687	177,576
Other payables		8,947,230	4,644,499
<b>Current liabilities other than provisions</b>		<b>18,555,459</b>	<b>14,837,504</b>
<b>Liabilities other than provisions</b>		<b>31,798,156</b>	<b>27,031,269</b>
<b>Equity and liabilities</b>		<b>44,409,746</b>	<b>37,129,267</b>
Unrecognised rental and lease commitments	7		
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# Statement of changes in equity for 2020/21

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	6,000,000	927,998	1,000,000	7,927,998
Ordinary dividend paid	0	0	(1,000,000)	(1,000,000)
Profit/loss for the year	0	905,592	2,000,000	2,905,592
<b>Equity end of year</b>	<b>6,000,000</b>	<b>1,833,590</b>	<b>2,000,000</b>	<b>9,833,590</b>

# Cash flow statement for 2020/21

	Notes	2020/21 DKK	2019/20 DKK
Operating profit/loss		4,040,708	2,442,291
Amortisation, depreciation and impairment losses		233,685	190,418
Working capital changes	6	676,536	518,347
<b>Cash flow from ordinary operating activities</b>		<b>4,950,929</b>	<b>3,151,056</b>
Financial expenses paid		(309,911)	(407,804)
Taxes refunded/(paid)		(177,576)	(399,025)
<b>Cash flows from operating activities</b>		<b>4,463,442</b>	<b>2,344,227</b>
Acquisition etc of property, plant and equipment		(436,530)	(177,826)
Sale of property, plant and equipment		0	5,000
<b>Cash flows from investing activities</b>		<b>(436,530)</b>	<b>(172,826)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>4,026,912</b>	<b>2,171,401</b>
Loans raised		2,233,398	0
Repayments of loans etc		(1,073,255)	(573,532)
Incurrence of debt to group enterprises		0	1,936,756
Repayment of debt to group enterprises		(3,813,991)	0
Dividend paid		(1,000,000)	(1,000,000)
<b>Cash flows from financing activities</b>		<b>(3,653,848)</b>	<b>363,224</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>373,064</b>	<b>2,534,625</b>
Cash and cash equivalents beginning of year		(3,839,115)	(6,373,740)
<b>Cash and cash equivalents end of year</b>		<b>(3,466,051)</b>	<b>(3,839,115)</b>
Cash and cash equivalents at year-end are composed of:			
Cash		5,117	6,687
Short-term debt to banks		(3,471,168)	(3,845,802)
<b>Cash and cash equivalents end of year</b>		<b>(3,466,051)</b>	<b>(3,839,115)</b>

# Notes

## 1 Staff costs

	2020/21 DKK	2019/20 DKK
Wages and salaries	13,021,870	13,409,338
Pension costs	1,040,595	1,152,486
Other social security costs	272,450	265,475
	<b>14,334,915</b>	<b>14,827,299</b>
Average number of full-time employees	<b>25</b>	<b>27</b>

## 2 Depreciation, amortisation and impairment losses

	2020/21 DKK	2019/20 DKK
Depreciation of property, plant and equipment	233,685	195,418
Profit/loss from sale of intangible assets and property, plant and equipment	0	(5,000)
	<b>233,685</b>	<b>190,418</b>

## 3 Tax on profit/loss for the year

	2020/21 DKK	2019/20 DKK
Current tax	217,205	333,687
Change in deferred tax	608,000	131,000
	<b>825,205</b>	<b>464,687</b>

## 4 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	21,233,609	14,794,917
Additions	45,578	390,952
<b>Cost end of year</b>	<b>21,279,187</b>	<b>15,185,869</b>
Depreciation and impairment losses beginning of year	(3,238,590)	(11,672,179)
Depreciation for the year	(42,172)	(191,513)
<b>Depreciation and impairment losses end of year</b>	<b>(3,280,762)</b>	<b>(11,863,692)</b>
<b>Carrying amount end of year</b>	<b>17,998,425</b>	<b>3,322,177</b>

## 5 Non-current liabilities other than provisions

	Due within 12 months 2020/21 DKK	Due within 12 months 2019/20 DKK	Due after more than 12 months 2020/21 DKK	Outstanding after 5 years 2020/21 DKK
Mortgage debt	1,126,123	1,124,594	10,368,315	6,342,068
Tax payable	0	0	217,205	0
Other payables	0	0	2,657,177	0
	<b>1,126,123</b>	<b>1,124,594</b>	<b>13,242,697</b>	<b>6,342,068</b>

## 6 Changes in working capital

	2020/21 DKK	2019/20 DKK
Increase/decrease in inventories	(2,704,443)	(187,212)
Increase/decrease in receivables	(1,991,642)	1,067,850
Increase/decrease in trade payables etc	5,372,621	(362,291)
	<b>676,536</b>	<b>518,347</b>

## 7 Unrecognised rental and lease commitments

	2020/21 DKK	2019/20 DKK
Liabilities under rental or lease agreements until maturity in total	<b>2,770,294</b>	<b>3,737,993</b>

## 8 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which S&K Group A/S serves as the administration company. 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 companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

## 9 Assets charged and collateral

Mortgage debt and bank loans are secured by way of mortgage on properties by the carrying amount of DKK 17,998 thousand at 30.09.2021.

The Entity has jointly and severally guaranteed the combined bank debt of the consolidated companies which amounts to DKK 29,207 thousand at 30.09.2021.

A company charge of DKK 10,000 thousand has been provided as security for the combined bank debt of the consolidated companies. The charge comprises trade receivables, inventories, other fixtures and fittings, tools and equipment and intangible assets.

## **10 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
S&K Group A/S, Rungsted Kyst, Denmark



# 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 a few 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

### Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and other external expenses.

### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

**Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

**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 and impairment losses**

Depreciation and impairment losses relating to property, plant and equipment comprise depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

**Other financial expenses**

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

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the Parent and all of its wholly owned subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Property, plant and equipment**

Land and buildings as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straightline depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	50 years
Other fixtures and fittings, tools and equipment	3-20 years
Installations	20 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment 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. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the taxbased value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Mortgage debt**

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

**Other financial liabilities**

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

**Tax receivable or payable**

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

**Cash flow statement**

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.