



Algol Chemicals ApS

Bredgade 30
1260 København K
CVR No. 28296746

Annual report 2020

The Annual General Meeting adopted the
annual report on 20.05.2021

Robert Alexander Bargum
Chairman

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Entity details

Entity

Algol Chemicals ApS

Bredgade 30

1260 København K

CVR No.: 28296746

Registered office: København

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Karl Joakim Alexander Flinck, Chairman

Nils Fredrik Hansson

Executive Board

Karl Joakim Alexander Flinck, CEO

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 Algol Chemicals ApS for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 20.05.2021

Executive Board

Karl Joakim Alexander Flinck
CEO

Board of Directors

Karl Joakim Alexander Flinck
Chairman

Nils Fredrik Hansson

Independent auditor's report

To the shareholders of Algol Chemicals ApS

Opinion

We have audited the financial statements of Algol Chemicals ApS for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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, 20.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Flemming Larsen

State Authorised Public Accountant
Identification No (MNE) mne27790

Management commentary

Primary activities

The activity of the Company is wholesale trading with chemicals.

Development in activities and finances

The result of the year is a profit DKK 1,386,348. Management consider the result as expected.

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

The outbreak of COVID-19 at the beginning of 2020 has not had and is not expected to have a significant impact on the company's financial position and development.

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

	Notes	2020 DKK	2019 DKK
Revenue		40,245,475	37,426,305
Costs of raw materials and consumables		(34,104,557)	(31,867,786)
Other external expenses		(3,952,001)	(4,293,225)
Gross profit/loss		2,188,917	1,265,294
Staff costs	1	(900,338)	(587,371)
Depreciation, amortisation and impairment losses		0	(24,460)
Operating profit/loss		1,288,579	653,463
Other financial income		18,404	192
Other financial expenses	2	(77,868)	(203,102)
Profit/loss before tax		1,229,115	450,553
Tax on profit/loss for the year	3	157,233	(104,490)
Profit/loss for the year		1,386,348	346,063
Proposed distribution of profit and loss:			
Ordinary dividend for the financial year		1,000,000	1,000,000
Retained earnings		386,348	(653,937)
Proposed distribution of profit and loss		1,386,348	346,063

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired intangible assets		0	0
Intangible assets	4	0	0
Deferred tax		600,000	0
Financial assets		600,000	0
Fixed assets		600,000	0
Manufactured goods and goods for resale		3,737,572	5,280,955
Inventories		3,737,572	5,280,955
Trade receivables		4,530,084	3,433,920
Receivables from group enterprises		1,793,381	3,346,904
Prepayments		12,243	3,496
Receivables		6,335,708	6,784,320
Cash		1	19,285
Current assets		10,073,281	12,084,560
Assets		10,673,281	12,084,560

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		225,230	127,000
Retained earnings		1,806,825	792,453
Proposed dividend		1,000,000	1,000,000
Equity		3,032,055	1,919,453
Other payables		88,625	0
Non-current liabilities other than provisions	5	88,625	0
Trade payables		3,869,505	4,089,479
Payables to group enterprises		191,513	4,454,224
Joint taxation contribution payable		0	99,100
Other payables	6	3,491,583	1,522,304
Current liabilities other than provisions		7,552,601	10,165,107
Liabilities other than provisions		7,641,226	10,165,107
Equity and liabilities		10,673,281	12,084,560
Contingent liabilities	7		

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	127,000	792,453	1,000,000	1,919,453
Increase of capital	98,230	628,024	0	726,254
Ordinary dividend paid	0	0	(1,000,000)	(1,000,000)
Profit/loss for the year	0	386,348	1,000,000	1,386,348
Equity end of year	225,230	1,806,825	1,000,000	3,032,055

Notes

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	810,212	528,987
Pension costs	78,628	56,160
Other social security costs	11,498	2,224
	900,338	587,371
Average number of full-time employees	1	0

2 Other financial expenses

	2020	2019
	DKK	DKK
Other interest expenses	79,676	89,904
Exchange rate adjustments	(1,808)	113,198
	77,868	203,102

3 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Current tax	(157,233)	104,490
	(157,233)	104,490

4 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	73,381
Cost end of year	73,381
Amortisation and impairment losses beginning of year	(73,381)
Amortisation and impairment losses end of year	(73,381)
Carrying amount end of year	0

5 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Other payables	88,625
	88,625

6 Other payables

	2020 DKK	2019 DKK
VAT and duties	3,308,450	1,393,161
Wages and salaries, personal income taxes, social security costs, etc payable	83,205	23,792
Holiday pay obligation	44,928	60,987
Other costs payable	55,000	44,364
	3,491,583	1,522,304

7 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Responsibilities for behalf of companies belonging to the same group

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

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

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

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

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

Tax on profit/loss for the year

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

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

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

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.