

Specs Compound Handling B.V.

in Delft

Annual Report 2020

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To the shareholders and management of
Specs Compound Handling B.V.
2712 PB Zoetermeer

Grant Thornton
Accountants en Adviseurs B.V.
Flemingweg 10
P.O. Box 2259
2400 CG Alphen aan den Rijn
The Netherlands
T 088 - 676 90 00
F 088 - 676 90 10
www.gt.nl

Leiden, 31 May 2021

Subject: Annual report 2020

Dear Members of the board,

Herewith we send you the annual report regarding the financial statements for the year 2020 of your company, which include the company balance sheet with a total of € 3.702.125 and the profit and loss account ending with a net result of € 542.581.

Accountant's compilation report

The financial statements of Specs Compound Handling B.V. based in Delft have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2020 and the profit and loss account for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, "Compilation engagements", which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Specs Compound Handling B.V.

During this engagement we have complied with the relevant ethical requirements prescribed by the "Verordening Gedrags- en Beroepsregels Accountants" (VGBA, Dutch Code of Ethics). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

Yours sincerely,
Grant Thornton Accountants en Adviseurs B.V.

J. Ruigendijk RA

GENERAL

Board of directors

On 31 December 2020 the board of directors is formed by A. Speksnijder and J. Tijhuis.

Appropriation of the 2019 net result

The appropriation of the 2019 net result is, in accordance with the proposition from the Board of Directors, approved by the General Meeting. The 2019 net result amounting to € 457.741 is added to the other reserves.

NET RESULT FOR THE PERIOD

Development of income and expenses

The result after taxation for 2020 amounts to € 542.578 compared to € 457.743 for 2019. The results for both years can be summarized as follows:

	2020		2019		Difference
	€	%	€	%	€
Sale of goods	4.687.341	100,0	4.485.090	100,0	202.251
Cost of sales	1.152.770	24,6	1.135.013	25,3	17.757
Gross margin on turnover	3.534.571	75,4	3.350.077	74,7	184.494
Costs					
Employee expenses	1.649.443	35,0	1.634.696	36,3	14.747
Depreciation/Amortization	229.365	4,9	154.400	3,4	74.965
Accommodation expenses	574.425	12,3	552.293	12,3	22.132
Office expenses	143.685	3,1	139.025	3,1	4.660
Car expenses	31.438	0,7	33.488	0,8	-2.050
Selling expenses	92.386	2,0	132.640	3,0	-40.254
General expenses	114.673	2,5	97.061	2,2	17.612
	2.835.415	60,5	2.743.603	61,1	91.812
Operating result	699.156	14,9	606.474	13,6	92.682
Financial income and expenses	-41.970	-0,9	-34.086	-0,8	-7.884
Result from ordinary activities before taxation	657.186	14,0	572.388	12,8	84.798
Taxation	-149.647	-3,2	-124.866	-2,8	-24.781
Share in result of participating interests	35.042	0,8	10.219	0,2	24.823
Net result	542.581	11,6	457.741	10,2	84.840

Net turnover and gross margin

The net turnover increased by 4,5%. The gross margin increased by 5,5%.

The gross margin on turnover increased by 0,7% to 75,4%.

Costs

The total costs increased by 3,3%.

	2020		2019		Difference
	€	%	€	%	€
Employee expenses	1.649.443	58,2	1.634.696	59,6	14.747
Depreciation/Amortization	229.365	8,1	154.400	5,6	74.965
Accommodation expenses	574.425	20,3	552.293	20,1	22.132
Office expenses	143.685	5,1	139.025	5,1	4.660
Car expenses	31.438	1,1	33.488	1,2	-2.050
Selling expenses	92.386	3,3	132.640	4,8	-40.254
General expenses	114.673	4,0	97.061	3,5	17.612
	<u>2.835.415</u>	<u>100,0</u>	<u>2.743.603</u>	<u>100,0</u>	<u>91.812</u>

CHARACTERISTIC NUMBERS AND RATIO'S

Earning capacity

The earning capacity of the liabilities indicates the rate of expenses compared to liabilities operative in the company. The ratios presented below give insight into the earning capacity of the company.

	2020	2019
Analysis net turnover <i>Index number (2019=100)</i>	104,51	100,00
Margin net result <i>Net result / net turnover</i>	11,58	10,21

Liquidity

The ratios presented below give insight into the liquidity of the company.

	2020	2019
Current ratio <i>Current assets / current liabilities</i>	0,78	0,84
Quick ratio <i>Receivables, securities and cash / current liabilities</i>	0,74	0,78

Solvency

The level of this solvency depends on the nature of the company, no general principles can be given for this. By means of the ratios presented below insight can be gained into the solvency of the company.

	2020	2019
Solvency <i>Equity / equity and liabilities</i>	34,76	43,36
Interest coverage ratio <i>Operating result / interest expenses</i>	14,02	17,79

TAX POSITION

Taxable result 2020

The taxable result for 2020 is calculated as follows:

	2020
	€
Result before taxation	657.186
<i>Differences in valuation:</i>	
Fiscal higher in depreciation	-1.672
<i>Tax differences:</i>	
Non-deductible expenses	3.932
Taxable amount 2020	659.446

Corporate income tax calculation

The corporate income tax due amounts to:

	2020
	€
16.5% of € 200.000	33.000
25.0% of € 459.445	114.861
Corporate income tax 2020	147.861

Corporate income tax

On report date the corporate income tax to be paid amounts to € 22.575. The corporate income tax to be paid for the year 2020 amounts to € 147.861.

	Amount due at 1 January 2020	Corporate income tax for 2020	Paid/Received in 2020	Amount due at 31 December 2020
	€	€	€	€
2018	214	-	-	214
2019	40.089	-	40.089	-
2020	-	147.861	125.500	22.361
	40.303	147.861	165.589	22.575

FINANCIAL REPORT 2020

BALANCE SHEET AS AT 31 DECEMBER 2020
(after appropriation of result)

	31 December 2020		31 December 2019	
	€	€	€	€
ASSETS				
Fixed assets				
Property, plant and equipment (1)				
Rebuilding	150.774		130.514	
Other tangible assets	1.339.457		1.221.487	
		1.490.231		1.352.001
Financial fixed assets (2)				
Subsidiaries	81.259		53.321	
Receivables from other related parties	197.900		157.500	
Other receivables	61.887		61.887	
		341.046		272.708
Current assets				
Inventories (3)		84.987		85.592
Trade and other receivables (4)				
Trade debtors	223.234		418.904	
Taxes and social securities	36.331		4.930	
Other receivables, prepayments and accrued income	126.520		125.042	
		386.085		548.876
Cash and cash equivalents (5)		1.399.776		588.977
		<u>3.702.125</u>		<u>2.848.154</u>

	31 December 2020	31 December 2019
	€	€
EQUITY AND LIABILITIES		
Shareholders' equity	(6)	
Issued share capital	223.321	223.321
Legal and statutory reserves	-1.959	5.145
Other reserves	<u>1.065.457</u>	<u>739.908</u>
	1.286.819	968.374
Subordinated loans	(7)	266.679
	-	
Provisions		
Deferred tax liability	2.603	2.680
Non-current liabilities	(8)	158.056
	-	
Current liabilities	(9)	
Current portion long term loan	354.735	270.972
Trade creditors	148.214	87.937
Taxes and social securities	83.752	124.924
Accruals and deferred income	<u>1.826.002</u>	<u>968.532</u>
	2.412.703	1.452.365
	<u>3.702.125</u>	<u>2.848.154</u>

PROFIT & LOSS ACCOUNT FOR THE YEAR 2020

		2020		2019	
		€	€	€	€
Sale of goods			4.687.341		4.485.090
Cost of sales	(10)		1.152.770		1.135.013
Gross margin			<u>3.534.571</u>		<u>3.350.077</u>
Costs					
Employee expenses	(11)	1.649.443		1.634.696	
Depreciation/Amortization	(12)	229.365		154.400	
Other operating expenses	(13)	<u>956.607</u>		<u>954.507</u>	
			2.835.415		2.743.603
Operating result			<u>699.156</u>		<u>606.474</u>
Financial income and expenses	(14)		<u>-41.970</u>		<u>-34.086</u>
Result before tax			657.186		572.388
Taxation	(15)		<u>-149.647</u>		<u>-124.866</u>
			507.539		447.522
Share in result of participating interests (16)			<u>35.042</u>		<u>10.219</u>
Result after tax			<u><u>542.581</u></u>		<u><u>457.741</u></u>

NOTES TO THE STATEMENTS

Activities

The activities of Specs Compound Handling B.V., domiciled in Delft, consists actually of trade, production and transport of (bio) chemical compounds, as well as providing compound management services.

Registered office, legal form and registration number at the chamber of commerce

Specs Compound Handling B.V. is according to the Articles of Association registered in Zoetermeer, but the registered office is in Delft.

The address of Specs Compound Handling B.V. is Bleiswijkseweg 55, 2712 PB Zoetermeer and is registered in the Commercial Register of the Chamber of Commerce under the file number: 27274228.

Group structure

Specs Compound Handling B.V. in Zoetermeer is the head of a group of legal entities.

Group structure

In accordance with article 2:407 part 2A of the Dutch Civil Code no consolidated financial statements have been prepared.

LIST OF PARTICIPATING INTERESTS

Name, statutory registered office	Share in issued capital
	%
Specs Chemical Services Inc. Cumberland, USA	100,00

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

The financial statements of the company are presented in euros, which is the company's functional currency.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Specs Compound Handling B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under section 362, sub 1, book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant financial statement item.

Leasing

Operational leasing

The company has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the profit and loss account for the duration of the contract.

Financial instruments

Under financial instruments the monetary assets and liabilities, such as receivables and liabilities, and the financial derivatives are included. For a description of the accounting principles of the monetary assets and liabilities, reference is made to the notes per balance sheet item.

Translation of foreign currency

The financial statements of the company are presented in euros, which is the company's functional currency.

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates at balance sheet date. Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates at transaction date. The exchange differences are recognised in the profit and loss account as financial income or expenditure respectively.

Foreign group companies and non-consolidated participations outside the Netherlands qualify as independent foreign entities. For the translation of the financial statements of these foreign entities the balance sheet items are translated at the exchange rate at balance sheet date and the profit and loss account items at the date of the transaction. If this is not available, the average rate over the reporting period is used. The translation differences arising from the translation of foreign entities are directly recognised in the reserve for exchange differences.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Property, plant and equipment

Property, plant and equipment for own use are carried at the cost of acquisition or production (less any investment grants) net of accumulated depreciation and, if applicable, accumulated impairment losses.

Property, plant and equipment carried at cost do not include capitalized interest charges.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful economic lives, taking into account the residual value.

Tangible fixed assets are depreciated as follows:

- Rebuilding and other fixed operating assets are depreciated on a straight-line basis over their estimated useful economic lives of five to ten years.

If the expected depreciation method, useful economic life and/or residual value are subject to changes over time, they are treated as a change in accounting estimate.

The carrying amount includes capitalized major maintenance costs when incurred and if the recognition criteria are met. The carrying amount of the components to be replaced will be regarded as a disposal and recognized directly in the income statement. All other repair and maintenance costs are recognized directly in the income statement.

Financial fixed assets

Participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of the net asset value. This net asset value is based on the same accounting principles as applied by Specs Compound Handling B.V. Participating interests with a negative net asset value are valued at nil. In the case that the company fully or partly guarantees for the debts of the respective participating interest, a provision is recognised.

Impairment of non-current assets

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

Inventories

Inventories are carried at the cost of acquisition or production or net realizable value, whichever is lower.

Trade and other receivables

The receivables are initially valued at its fair value, and subsequently valued at amortised cost, which is similar to the face value, after deduction of any provisions if necessary.

Cash and cash equivalents

Cash and cash equivalents are valued at nominal value.

Liabilities

Recorded interest bearing loans and liabilities are valued at amortised cost.

Current liabilities are initially valued at its fair value, and subsequently valued at amortised cost, which is similar to the face value. Accruals are valued at its face value.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is defined as the difference between the revenue from goods delivered and services performed on one hand and on the other hand the costs and expenses for that year, valued at historical costs.

Determination of the result

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and value added taxes.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. Transfers of risks and rewards vary depending on the individual terms of the contract of sale. Examples of transfers are receipts of products at the customer's warehouse or upon receipt by the customer (international shipments).

The income and expenses are accounted for in the period to which they relate.

Sale of goods

Income from the sale of goods is recognized in the income statement once all the major rights to economic benefits and significant risks relating to the goods have been transferred to the buyer, the income can be reliably measured and the income is probable to be received.

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Services

If the result of a transaction relating to a service can be reliably estimated and the income is probable to be received, the income relating to that service is recognized in proportion to the service delivered. Stage of completion is based on the costs incurred in providing the services up to the balance sheet date in proportion to the estimated costs of the total services to be provided.

Expenses general

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Employee expenses

The benefits payable to personnel are recorded in the profit and loss account on the basis of the employment conditions.

Amortization/depreciation

The depreciation on tangible fixed assets is calculated by using a fixed rate on the acquisition cost or cost of conversion.

Gains and losses on disposal of (in)tangible fixed assets are recorded under amortization/depreciation.

Financial result

Financial income and expenses comprise interest income and expenses on loans as accounted for in the current reporting period.

Share in result from investments in participating interests

The share in the result of associates consists of the share of the group in the result of these associates. This result is based on the accounting principles applied by Specs Compound Handling B.V.

Results on transactions, where the assets and liabilities transfer between the group and the participating interests and mutually between non-consolidated participating interests themselves, are not recognised as they can be deemed as not realised. The results of participating interests acquired or sold during the financial year are stated in the group result from the date of acquisition or until the date of sale respectively.

Taxation

Corporate income tax expense comprises current and deferred tax. Corporate income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The corporate income tax at the subsidiary is calculated as if the subsidiary is independently liable to pay taxes. Deferred taxes recognised at the subsidiary are in fact deferred receivables and/or deferred liabilities towards the parent company.

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2020

1. Property, plant and equipment

	Rebuilding	Other tangible assets	Total
	€	€	€
<i>Book value as at 1 January 2020</i>			
Acquisition costs	159.633	2.998.550	3.158.183
Accumulated depreciation	-29.119	-1.777.063	-1.806.182
	<u>130.514</u>	<u>1.221.487</u>	<u>1.352.001</u>
<i>Changes</i>			
Investments	40.464	327.131	367.595
Depreciation/Amortization	-20.204	-209.161	-229.365
	<u>20.260</u>	<u>117.970</u>	<u>138.230</u>
<i>Book value as at 31 December 2020</i>			
Acquisition costs	200.097	3.325.681	3.525.778
Accumulated depreciation	-49.323	-1.986.224	-2.035.547
Carrying amount as of 31 December 2020	<u>150.774</u>	<u>1.339.457</u>	<u>1.490.231</u>
<i>Rate of depreciation</i>			%
Rebuilding			10
Other tangible assets			10-20

2. Financial fixed assets

	31-12-2020	31-12-2019
	€	€
Subsidiaries		
Specs Chemical Services Inc.	81.259	53.321
	2020	2019
	€	€
<i>Specs Chemical Services Inc.</i>		
Balance as at 1 January	53.321	42.154
Result	35.042	10.219
Exchange differences	-7.104	948
Balance as at 31 December	81.259	53.321
	31-12-2020	31-12-2019
	€	€
Receivables from other related parties		
Specs LD B.V.	197.900	157.500
An interest rate of 3% has been calculated.		
Repayment of the receivable from Specs LD B.V. is subject to judgement by the directors of Specs Compound Handling B.V. Specs LD B.V. had negative results in previous years and equity is negative as well. Specs LD B.V. is a company that is mainly active in research of substances that might be used in new medicines. The outcome of this research is uncertain, therefore future results of Specs LD B.V. are uncertain. For the value of the current developments at hand, which are in different stages, a valuation report has been drawn up. The outcome of this valuation makes that the directors of Specs Compound Handling B.V. assess that it is not necessary to impair the receivable from Specs LD B.V.		
Other receivables		
Deposit	61.887	61.887

3. Inventories

	31-12-2020	31-12-2019
	€	€
Trade inventory		
Inventory net value	228.311	228.379
Obsolete inventory	-143.324	-142.787
	<u>84.987</u>	<u>85.592</u>

4. Trade and other receivables

Trade debtors

Trade receivables	<u>223.234</u>	<u>418.904</u>
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A provision for doubtful debts is not deemed necessary by the board.

Taxes and social securities

VAT	<u>36.331</u>	<u>4.930</u>
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Other receivables, prepayments and accrued income

Other receivables	32.143	37.413
Prepayments and accrued income	<u>94.377</u>	<u>87.629</u>
	<u>126.520</u>	<u>125.042</u>

Other receivables

Current accounts participants	15.411	16.211
Other current accounts	<u>16.732</u>	<u>21.202</u>
	<u>32.143</u>	<u>37.413</u>

Prepayments and accrued income

Prepayments consignments	5.470	6.020
Prepaid expenses	70.530	65.420
Prepaid insurance contributions	<u>18.377</u>	<u>16.189</u>
	<u>94.377</u>	<u>87.629</u>

	31-12-2020	31-12-2019
	€	€
5. Cash and cash equivalents		
ING Bank N.V. .352 USD	96.788	370.006
ING Bank N.V. .098 EUR	501.108	-47.424
ING Bank N.V. .356 EUR	2.633	2.633
ING Bank N.V. .244 USD	317.393	223.931
ING Bank N.V. .855 EUR	481.479	39.437
Cash	375	394
	<u>1.399.776</u>	<u>588.977</u>

The cash and cash equivalents are free of disposal.

6. Shareholders' equity

Issued share capital

223.321 ordinary shares at a par value of € 1	<u>223.321</u>	<u>223.321</u>
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Legal and statutory reserves

Foreign currency translation reserve	<u>-1.959</u>	<u>5.145</u>
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	2020	2019
	€	€

Foreign currency translation reserve

Balance as at 1 January	5.145	4.197
Exchange differences	-7.104	948
Balance as at 31 December	<u>-1.959</u>	<u>5.145</u>

Other reserves

Balance as at 1 January	739.908	282.167
Appropriation of the net result	542.581	457.741
Dividend to be paid	-217.032	-
Balance as at 31 December	<u>1.065.457</u>	<u>739.908</u>

Proposal for profit appropriation

The General Meeting will be asked to pay from the 2020 result amounting to € 542.581 an amount of € 217.032 as dividend, and to add the remainder amounting to € 325.549 to the other reserves.

Awaiting the approval of the proposition of the 2020 result by the General Meeting, the proposition is not recognised in the financial statements but included in the other reserves under unappropriated result.

	31-12-2020	31-12-2019
	€	€
7. Subordinated loans		
Subordinated loan Magnus I B.V.	-	82.076
Subordinated loan Delflo Beleggingen B.V.	-	82.076
Subordinated loan Millers Bergen Beheer B.V.	-	82.076
Subordinated loan Torobasa B.V.	-	6.667
Subordinated loan Joseli B.V.	-	13.784
	<u>-</u>	<u>266.679</u>
	<u>-</u>	<u>266.679</u>

The loans bear an interest of 8%. As security a pledge of rights is given on the inventory and receivables. The loans will be fully repaid in 2021.

Deferred tax liability

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The liability is calculated at the current tax rate of 16,5%.

	2020	2019
	€	€
Balance as at 1 January	2.680	2.946
Charged to provision	-77	-266
Balance as at 31 December	<u>2.603</u>	<u>2.680</u>
	<u>2.603</u>	<u>2.680</u>

8. Non-current liabilities

	31-12-2020	31-12-2019
	€	€
Non-current payables to banks		
Long term loan ING Bank N.V.	-	158.056
	<u> </u>	<u> </u>

Long term loan ING Bank N.V.

	2020	2019
	€	€
<i>Long term loan ING Bank N.V.</i>		
Balance as at 1 January	429.028	435.000
Loan taken	-	265.000
Redemption	-340.972	-270.972
	<u> </u>	<u> </u>
Balance as at 31 December	88.056	429.028
Repayment commitment next year	-88.056	-270.972
	<u> </u>	<u> </u>
Long-term part as at 31 December	-	158.056
	<u> </u>	<u> </u>

This loan of € 700.000 is granted to redeem loans with high interest rates. Redemptions are paid during a period of 3 years. The interest rate is 2,35%. Repayment is by means of monthly instalments of € 22.581 each. The remaining number of instalments are 6.

The loan carries an interest of 2.35%. Security has been provided in the form of a pledges on assets and inventory.

9. Current liabilities

	31-12-2020	31-12-2019
	€	€
Current portion long term loan		
Subordinated loans	266.679	-
Repayment obligations of non-current borrowings	88.056	270.972
	<u> </u>	<u> </u>
	354.735	270.972
	<u> </u>	<u> </u>

	31-12-2020	31-12-2019
	€	€
Trade creditors		
Trade creditors	148.214	87.937
	<u>148.214</u>	<u>87.937</u>
Taxes and social securities		
Corporate income tax current year	22.575	38.440
Pay-roll tax	61.177	86.484
	<u>83.752</u>	<u>124.924</u>
	<u>83.752</u>	<u>124.924</u>
Corporate income tax current year		
Corporate income tax 2020	22.361	-
Corporate income tax 2019	-	38.226
Corporate income tax two years ago	214	214
	<u>22.575</u>	<u>38.440</u>
	<u>22.575</u>	<u>38.440</u>
Accruals and deferred income		
Holiday pay	68.103	64.074
Invoiced in advance	1.024.394	695.982
Accrued consignment fee	19.257	28.706
Cost payable	330.364	179.770
Subsidy prepayment	166.852	-
Dividend to be paid	217.032	-
	<u>1.826.002</u>	<u>968.532</u>
	<u>1.826.002</u>	<u>968.532</u>

Off-balance sheet commitments

Performance commitments

The company has concluded long-term sales contracts with performance commitments up to and including 2029.

Credit limit

The credit limit at ING Bank N.V. amounts € 200.000. A right of pledge has been established on moveable tangible fixed assets as security.

Maintenance commitments

The company has concluded a contract for maintenance commitments up to and including 2024. The commitment amounts € 20.839 each year.

Long-term financial obligations

Lease

The Company has liabilities arising from operational lease commitments until July 31, 2026. The lease contracts for cars and inventory. The obligation for lease contracts for cars and inventory amounts € 35.847 in 2021.

Rental commitments buildings

The Company has a long-term rental commitments until July 31, 2026. The rental obligation for 2021 amounts around € 212.176.

NOTES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR 2020

	2020	2019
	€	€
10. Cost of sales		
Handling cost projects	862.139	386.217
Cost price components	148.316	150.171
Production costs	59.397	491.837
Consignment compensation	37.174	60.333
Handling costs and quality control	45.744	46.455
	<u>1.152.770</u>	<u>1.135.013</u>
11. Employee expenses		
Wages and salaries	1.258.884	1.232.046
Social security charges	179.938	195.195
Pension expenses	89.654	88.378
Other personnel expenses	120.967	119.077
	<u>1.649.443</u>	<u>1.634.696</u>
Wages and salaries		
Gross wages	1.168.919	1.220.919
Vacation accruals	83.689	81.064
Subsidy 2016 paid back	88.168	-
Subsidy received	-81.892	-69.937
	<u>1.258.884</u>	<u>1.232.046</u>
Other personnel expenses		
Illness expense insurance	53.443	50.286
Travel expenses	33.083	37.405
Training and educational costs	2.408	3.461
Canteen costs	8.465	9.168
Fixed reimbursement costs	5.520	5.520
Other personnel expenses	18.048	13.237
	<u>120.967</u>	<u>119.077</u>
Staff		
During the 2020 financial year, the average number of employees, converted into full-time equivalents, amounted to 23 (2019: 25).		
12. Depreciation/Amortization		
Property, plant and equipment	<u>229.365</u>	<u>154.400</u>

	2020	2019
	€	€
Depreciation tangible fixed assets		
Rebuilding	20.204	8.752
Other tangible assets	209.161	145.648
	<u>229.365</u>	<u>154.400</u>
	<u><u>229.365</u></u>	<u><u>154.400</u></u>
13. Other operating expenses		
Accommodation expenses	574.425	552.293
Office expenses	143.685	139.025
Car expenses	31.438	33.488
Selling and distribution expenses	92.386	132.640
General expenses	114.673	97.061
	<u>956.607</u>	<u>954.507</u>
	<u><u>956.607</u></u>	<u><u>954.507</u></u>
Accommodation expenses		
Office rent in the Netherlands	182.064	181.531
Exploitation costs foreign offices	307.343	290.942
Service- and energy costs	71.042	66.509
Cleaning costs	6.748	6.225
Other accommodation expenses	7.228	7.086
	<u>574.425</u>	<u>552.293</u>
	<u><u>574.425</u></u>	<u><u>552.293</u></u>
Office expenses		
Maintenance costs office and production installations	48.820	46.919
IT costs	66.714	63.678
Telephone	15.242	17.399
Mail charges	437	544
Contributions and subscriptions	6.493	6.949
Equipment maintenance	2.848	1.108
Office supplies	1.559	1.276
Printing costs	1.572	1.152
	<u>143.685</u>	<u>139.025</u>
	<u><u>143.685</u></u>	<u><u>139.025</u></u>
Car expenses		
Fuels	864	4.897
Lease costs	25.816	23.990
Other car expenses	4.758	4.601
	<u>31.438</u>	<u>33.488</u>
	<u><u>31.438</u></u>	<u><u>33.488</u></u>

	2020	2019
	€	€
Selling expenses		
Representation costs	857	5.524
Credit management	22.592	21.180
Congress costs	2.348	10.076
Travelling expenses	11.444	31.551
Addition to provision for doubtful debtors	-	-10.619
Sponsoring and marketing costs	10.111	9.487
Other selling expenses	45.034	65.441
	<u>92.386</u>	<u>132.640</u>
General expenses		
Supervisory board fee	23.250	22.000
Accounting fee	8.424	10.035
Consultancy fee	27.420	11.648
Subsidy adviser fees	-	1.512
Insurances	51.883	47.453
Salary administration costs	3.730	3.356
Other general expenses	-34	1.057
	<u>114.673</u>	<u>97.061</u>
14. Financial income and expenses		
Interest and similar income	7.900	-
Interest and similar expenses	-49.870	-34.086
	<u>-41.970</u>	<u>-34.086</u>
Interest and similar income		
Interest receivables Specs LD B.V.	7.900	-
Interest and similar expenses		
Interest corporate income tax	45	-
Interest loan ING	7.153	12.962
Interest subordinated loans	32.001	21.334
Exchange rate differences	1.754	-8.142
Interest expenses current accounts	391	896
Bank costs	8.526	7.036
	<u>49.870</u>	<u>34.086</u>

2020	2019
€	€

15. Taxation

Corporate income tax current year	147.861	124.918
Corporate income tax prior year	1.863	214
Adjustment to deferred tax	-77	-266
	149.647	124.866
	149.647	124.866

16. Share in result of participating interests

Share in result of Specs Chemical Services Inc.	35.042	10.219
	35.042	10.219

Signature directors

Zoetermeer, 2021

A. Speksnijder
Management board

J.H. Tjhuis
Management board

Supervisory board:

M.J. Kole

A.S.M. Molenaar

D.J. Fangman