

DST-CHEMICALS A/S
Merkurvej 27B, 6000 Kolding

Annual report

2022/23

Company reg. no. 10 83 12 37

The annual report was submitted and approved by the general meeting on the 20 December 2023.

Jacob Funk
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 statement

Today, the Board of Directors and the Managing Director have approved the annual report of DST-CHEMICALS A/S for the financial year 2022/23.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Kolding, 20 December 2023

Managing Director

Jacob Funk

Board of directors

Arent Alexander Fock
Chairman of the board

Jacob Funk

Ruben Dankkaart

Jeroen van Halteren

Independent auditor's report

To the Shareholders of DST-CHEMICALS A/S

Opinion

We have audited the financial statements of DST-CHEMICALS A/S for the financial year 1 October 2022 - 30 September 2023, which comprise a summary of significant accounting policies, income statement, balance sheet and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2023, and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 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 in preparing the financial statements 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 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 judgment and maintain professional skepticism throughout the audit. We also:

Independent auditor's report

- 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 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 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 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 the disclosures, 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Kolding, 20 December 2023

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Jørn Dam Jensen
State Authorised Public Accountant
mne33686

Company information

The company	DST-CHEMICALS A/S Merkurvej 27B 6000 Kolding
	Phone +45 7550 6360
	Web site www.dstchemicals.com
	E mail info@dstchemicals.com
	Company reg. no. 10 83 12 37
	Established: 12 May 1987
	Domicile: Kolding, Denmark
	Financial year: 1 October - 30 September
Board of directors	Arent Alexander Fock, Chairman of the board Jacob Funk Ruben Dankkaart Jeroen van Halteren
Managing Director	Jacob Funk
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Jupitervej 2 6000 Kolding
Bankers	Jyske Bank Vesterbrogade 9 1780 København V
Parent company	FC DST Holding ApS
Subsidiaries	DST-CHEMICALS GMBH, Tyskland DST-CHEMICALS INDIA, Indien DST-CHEMICALS AS, Norge DST-CHEMICALS AB, Sverige DST-CHEMICALS SARL, Frankrig DST-CHEMICALS, INC., USA

Management's review

Description of key activities of the company

Like previous years, the principal activities are production and sales of environmentally friendly degreasing agents to metal-processed industry as technical and chemical know-how.

Development in activities and financial matters

The gross profit for the year totals DKK 46.886.000 against DKK 42.100.000 last year. Income or loss from ordinary activities after tax totals DKK 12.540.000 against DKK 13.549.000 last year. In 2021/22 management expected the result to be improved and besides the impact of adjustments in the exchange rate during the year the gross profit and result has improved. Management considers the net profit for the year satisfactory.

Expected developments

It is expected that the result for 2023/24 will improve compared to 2022/23, based on the positive industrial activities we have found and are working on after the start of the new financial year. Management continues to expect that the group will in future benefit financially from the historically made investments in expanding the organization and penetrating new markets. In the following years the group will continue benefitting from the increased focus on sustainability in the markets which leads to increased demands after products that provide energy savings.

Knowledge resources

It is essential for the group's continued growth to attract and retain qualified labor with expertise in, among other things, technical and chemical know-how, who help develop new products adapted to customers' needs.

To ensure development, the group invests in the necessary resources and employees are offered to improve their skills on relevant course programs.

Environmental issues

The group focuses on environmental matters, green transition and energy savings and is ISO 14001 certified, and therefore the group has committed itself to constantly improve in the environmental area. An obligation the group lives up to.

Based on our focus areas and the ESG and sustainability requirements, the group are in the process of determining the key figures that are important for our company in order to comply with the increasing green requirements. Green requirements that the group believe the group currently comply with. It is our expectation that within a short time the company will be able to report on the objectives and initiatives that the company worldwide wishes to work with.

Research and development activities

The group focuses on research and development and is also ISO 9001 certified. This happens because the group works organizationally to retain and attract highly qualified labor within research and development, just as professional expertise within the group's industry is a focus area.

Management´s review

The group's development activities consist of developing new products adapted to customers' needs and assessed based on market potential.

As a starting point research and development costs are expensed.

Events occurring after the end of the financial year

There are no events that will affect the group's financial position.

Accounting policies

The annual report for DST-CHEMICALS 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.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of DST-CHEMICALS A/S and its group enterprises are included in the consolidated financial statements for FC DST Holding ApS, Kolding, CVR nr. 42767824.

Changes in the accounting policies

Due to a more accurate picture of the share of profit in group enterprises, the accounting policies have been changed in the following areas:

“Share of profit in group enterprises” represents the profit of group enterprises including eliminations of intercompany profit. The intercompany profit was previously adjusted to the zero value of the capital share of the investments in subsidiaries, but has subsequently been eliminated in full and the negative values of the capital shares have been offset against receivables of intercompanies.

The above change have resulted in an increase of the pre-tax profit and net profit for the year of DKK 74.379 (2021/22: a decrease of DKK 862.414). The change does not have any impact on the tax in the years, because the tax is included in the result from group enterprises. Besides the change in the pre-tax profit and net profit, the balance sheet total, and the equity is changed for both years. The balance sheet total and the equity of the year is increased with DKK 74.379 and the year 2021/22 is decreased with DKK 1.426.353.

Except for the above, the accounting policies remain unchanged from last year.

The comparative figures have been adjusted to the changed accounting policies.

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, write-downs 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.

Accounting policies

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 the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

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 acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Business combinations

Acquisitions completed by the 1 July 2018 or later (method of consolidation)

Acquisition of group enterprises are dealt with in accordance with the acquisition method, and afterwards the assets and liabilities of the acquired entity are measured at fair value at the date of acquisition. If it is possible to measure the value reliably, acquired contingent liabilities are measured at fair value under the item Equity investments in group enterprises.

Accounting policies

The date of acquisition is the date when control of the acquired entity is obtained.

The cost of the acquired entity represents the fair value of the consideration agreed upon, including the considerations that are conditional on future events. Transaction costs directly attributable to the acquisition of group enterprises are recognised in the income statement as incurred.

Positive differences between the cost of the acquired entity and the identified assets and liabilities are recognised in the equity investment as goodwill, which is amortised on a straight-line basis in the income statement over the expected useful life. Amortisation of goodwill is allocated to the functions to which the goodwill relates. If the difference is negative, this is recognised immediately in the income statement.

If the allocation of the purchase price is not final, positive and negative differences from acquired group enterprises may, as a result of changes in recognition and measurement of the identified net assets, be adjusted up to 12 months from the date of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including depreciation already made.

If the cost includes contingent considerations, these are measured at fair value at the date of acquisition. Subsequently, contingent considerations at fair value are measured again. Value adjustments are recognised in the income statement.

In case of step-by-step acquisitions, the value of the hitherto equity holding in the acquired entity is measured again at the fair value at the date of acquisition. The difference between the carrying amount of the hitherto equity investment and the fair value is recognised in the income statement.

Business combinations (the carrying amount method)

In case of intercompany business combinations, the carrying amount method (booked value) is applied. By this method, the two enterprises are united at carrying amounts, and differences are not identified. Any considerations exceeding the carrying amount in the acquired entity are recognised directly in equity.

The carrying amount method is implemented on the acquisition date, and comparative figures are not modified.

Income statement

Gross profit

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

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

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. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Accounting policies

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

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

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

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual entities are recognised in the income statement as a proportional share of the entities' post-tax profit or loss.

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

Trademarks

Development costs comprise purchase price allocated costs directly attributable to development activities.

Accounting policies

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 10 years.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

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, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

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

	Useful life
Buildings	50 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.

Accounting policies

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.

Property, plant, and equipment in progress

Property, plant, and equipment in progress are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of 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.

Impairment loss relating to non-current assets

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

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

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

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Accounting policies

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories 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 and direct wages.

The net realisable value for inventories is recognised as the estimated selling 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.

Accounting policies

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Accounting policies

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, DST-CHEMICALS 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 measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 October - 30 September

All amounts in DKK.

<u>Note</u>	<u>2022/23</u>	<u>2021/22</u>
Gross profit	46.885.680	42.099.618
1 Staff costs	-28.504.977	-25.682.649
Depreciation, amortisation, and impairment	-1.884.771	-1.460.359
Operating profit	16.495.932	14.956.610
Income from investments in group enterprises	1.275.826	1.604.542
Other financial income from group enterprises	20.390	12.115
Other financial income	543.851	1.642.897
2 Other financial expenses	-2.373.149	-1.180.027
Pre-tax net profit or loss	15.962.850	17.036.137
Tax on net profit or loss for the year	-3.423.122	-3.487.160
Net profit or loss for the year	12.539.728	13.548.977
Proposed distribution of net profit:		
Extraordinary dividend distributed during the financial year	0	11.342.784
Reserves for net revaluation according to the equity method	1.275.824	-1.158.117
Dividend for the financial year	18.000.000	19.000.000
Allocated from retained earnings	-6.736.096	-15.635.690
Total allocations and transfers	12.539.728	13.548.977
Extraordinary dividend distributed after end of reporting period	0	0

Balance sheet at 30 September

All amounts in DKK.

Assets		<u>2023</u>	<u>2022</u>
Note			
Non-current assets			
3	Completed development projects, including patents and similar rights arising from development projects	6.427.804	7.176.674
4	Acquired concessions, patents, licenses, trademarks, and similar rights	407.366	418.756
	Total intangible assets	<u>6.835.170</u>	<u>7.595.430</u>
6	Land and buildings	19.482.533	19.953.349
7	Other fixtures, fittings, tools and equipment	1.760.791	1.510.632
8	Property, plant and equipment in progress and prepayments for property, plant and equipment	527.685	399.525
	Total property, plant, and equipment	<u>21.771.009</u>	<u>21.863.506</u>
9	Investments in group enterprises	11.657.189	11.507.397
10	Other receivables	162.454	152.898
	Total investments	<u>11.819.643</u>	<u>11.660.295</u>
	Total non-current assets	<u>40.425.822</u>	<u>41.119.231</u>
Current assets			
	Raw materials and consumables	6.943.299	6.044.908
	Manufactured goods and goods for resale	6.040.158	5.944.461
	Total inventories	<u>12.983.457</u>	<u>11.989.369</u>
	Trade receivables	7.763.429	6.236.043
	Receivables from group enterprises	8.737.094	10.881.595
	Other receivables	296.770	353.982
	Prepayments	1.407.396	835.065
	Total receivables	<u>18.204.689</u>	<u>18.306.685</u>
	Cash and cash equivalents	<u>740.221</u>	<u>830.812</u>
	Total current assets	<u>31.928.367</u>	<u>31.126.866</u>
	Total assets	<u>72.354.189</u>	<u>72.246.097</u>

Balance sheet at 30 September

All amounts in DKK.

Equity and liabilities		<u>2023</u>	<u>2022</u>
Note			
Equity			
11	Contributed capital	647.578	647.578
12	Reserve for net revaluation according to the equity method	4.097.243	3.565.276
13	Retained earnings	14.481.318	21.217.414
14	Proposed dividend for the financial year	18.000.000	19.000.000
	Total equity	<u>37.226.139</u>	<u>44.430.268</u>
Provisions			
	Provisions for deferred tax	2.081.000	2.021.000
	Total provisions	<u>2.081.000</u>	<u>2.021.000</u>
Liabilities other than provisions			
	Mortgage debt	9.971.823	10.550.703
	Income tax payable to group enterprises	3.363.122	3.017.767
15	Total long term liabilities other than provisions	<u>13.334.945</u>	<u>13.568.470</u>
15	Current portion of long term liabilities	578.500	572.000
	Bank loans	702.586	0
	Trade payables	4.256.727	5.832.106
	Payables to group enterprises	7.024.489	3.621.706
	Income tax payable to group enterprises	3.105.941	0
	Other payables	4.043.862	2.200.547
	Total short term liabilities other than provisions	<u>19.712.105</u>	<u>12.226.359</u>
	Total liabilities other than provisions	<u>33.047.050</u>	<u>25.794.829</u>
	Total equity and liabilities	<u>72.354.189</u>	<u>72.246.097</u>
16	Charges and security		
17	Contingencies		
18	Related parties		

Notes

All amounts in DKK.

	<u>2022/23</u>	<u>2021/22</u>
1. Staff costs		
Salaries and wages	25.832.468	23.352.043
Pension costs	2.255.522	1.990.691
Other costs for social security	416.987	339.915
	<u>28.504.977</u>	<u>25.682.649</u>
Average number of employees	<u>39</u>	<u>38</u>
2. Other financial expenses		
Financial costs, group enterprises	45.229	13.853
Other financial costs	2.327.920	1.166.174
	<u>2.373.149</u>	<u>1.180.027</u>
	<u>30/9 2023</u>	<u>30/9 2022</u>
3. Completed development projects, including patents and similar rights arising from development projects		
Cost opening balance	7.488.703	0
Additions during the year	0	7.488.703
Cost end of period	<u>7.488.703</u>	<u>7.488.703</u>
Amortisation and write-down opening balance	-312.029	0
Amortisation for the year	-748.870	-312.029
Amortisation and write-down end of period	<u>-1.060.899</u>	<u>-312.029</u>
Carrying amount, end of period	<u>6.427.804</u>	<u>7.176.674</u>

Notes

All amounts in DKK.

	<u>30/9 2023</u>	<u>30/9 2022</u>
4. Acquired concessions, patents, licenses, trademarks, and similar rights		
Cost opening balance	699.473	652.148
Additions during the year	<u>75.600</u>	<u>47.325</u>
Cost end of period	<u>775.073</u>	<u>699.473</u>
Amortisation and writedown opening balance	-280.717	-197.678
Amortisation for the year	<u>-86.990</u>	<u>-83.039</u>
Amortisation and writedown end of period	<u>-367.707</u>	<u>-280.717</u>
Carrying amount, end of period	<u>407.366</u>	<u>418.756</u>
5. Goodwill		
Cost opening balance	<u>1.753.223</u>	<u>1.753.223</u>
Cost end of period	<u>1.753.223</u>	<u>1.753.223</u>
Amortisation and write-down opening balance	<u>-1.753.223</u>	<u>-1.753.223</u>
Amortisation and write-down end of period	<u>-1.753.223</u>	<u>-1.753.223</u>
Carrying amount, end of period	<u>0</u>	<u>0</u>
6. Land and buildings		
Cost opening balance	<u>21.835.810</u>	<u>21.835.810</u>
Cost end of period	<u>21.835.810</u>	<u>21.835.810</u>
Depreciation and write-down opening balance	-1.882.461	-1.411.644
Depreciation for the year	<u>-470.816</u>	<u>-470.817</u>
Depreciation and write-down end of period	<u>-2.353.277</u>	<u>-1.882.461</u>
Carrying amount, end of period	<u>19.482.533</u>	<u>19.953.349</u>

Notes

All amounts in DKK.

	<u>30/9 2023</u>	<u>30/9 2022</u>
7. Other fixtures, fittings, tools and equipment		
Cost opening balance	16.603.642	16.088.418
Additions during the year	828.253	515.224
Disposals during the year	<u>-43.288</u>	<u>0</u>
Cost end of period	<u>17.388.607</u>	<u>16.603.642</u>
Depreciation and write-down opening balance	-15.093.010	-14.498.536
Depreciation for the year	-575.124	-594.474
Writedown for the year	<u>40.318</u>	<u>0</u>
Depreciation and write-down end of period	<u>-15.627.816</u>	<u>-15.093.010</u>
Carrying amount, end of period	<u>1.760.791</u>	<u>1.510.632</u>
8. Property, plant and equipment in progress and prepayments for property, plant and equipment		
Cost opening balance	399.525	224.639
Additions during the year	<u>128.160</u>	<u>174.886</u>
Cost end of period	<u>527.685</u>	<u>399.525</u>
Carrying amount, end of period	<u>527.685</u>	<u>399.525</u>

Notes

All amounts in DKK.

	<u>30/9 2023</u>	<u>30/9 2022</u>
9. Investments in group enterprises		
Acquisition sum, opening balance	6.515.768	6.780.638
Additions during the year	0	10.035.130
Disposals during the year	0	-10.300.000
Cost end of period	<u>6.515.768</u>	<u>6.515.768</u>
Revaluations, opening balance	5.107.442	5.593.952
Conversion to exchange rate	-743.857	478.246
Results for the year before goodwill amortisation	1.575.183	3.387.478
Reversal of prior revaluations	0	-3.132.546
Elimination for internal profit	-103.276	-1.219.688
Revaluation end of period	<u>5.835.492</u>	<u>5.107.442</u>
Amortisation of goodwill, opening balance	-1.542.166	-1.348.808
Amortisation of goodwill for the year	-196.080	-562.229
Reversal of amortisation of goodwill concerning disposals	0	368.871
Depreciation on goodwill end of period	<u>-1.738.246</u>	<u>-1.542.166</u>
Offsetting against debtors	1.044.175	1.426.353
Set off against debtors and provisions for liabilities	<u>1.044.175</u>	<u>1.426.353</u>
Carrying amount, end of period	<u>11.657.189</u>	<u>11.507.397</u>
The item includes goodwill with an amount of	230.987	427.067
Goodwill is recognised under the item "Additions during the year" with an amount of	0	7.857.574

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, DST- CHEMICALS A/S
DST-CHEMICALS GMBH, Tyskland	100 %	4.580.802	611.762	4.481.961
DST-CHEMICALS INDIA, Indien	98 %	5.830.579	438.000	5.343.414
DST-CHEMICALS AS, Norge	100 %	35.231	-8.808	0
DST-CHEMICALS AB, Sverige	100 %	1.532.346	292.827	1.511.114
DST-CHEMICALS SARL, Frankrig	100 %	292.000	80.653	320.700
DST-CHEMICALS, INC., USA	100 %	1.235.619	160.748	0
Internal profit,	%	-2.793.654	0	0
		<u>10.712.923</u>	<u>1.575.182</u>	<u>11.657.189</u>

Notes

All amounts in DKK.

	<u>30/9 2023</u>	<u>30/9 2022</u>
10. Other receivables		
Cost opening balance	152.898	0
Additions during the year	9.556	152.898
Cost end of period	<u>162.454</u>	<u>152.898</u>
Carrying amount, end of period	<u>162.454</u>	<u>152.898</u>
Der specificeres således:		
Deposits	162.454	152.898
	<u>162.454</u>	<u>152.898</u>
11. Contributed capital		
Contributed capital opening balance	647.578	647.578
	<u>647.578</u>	<u>647.578</u>
12. Reserve for net revaluation according to the equity method		
Reserves for net revaluation opening balance	3.565.276	4.809.083
Adjustment regarding change in accounting practices	0	-563.939
Share of results	1.275.824	-1.158.117
Exchange rate adjustments	-743.857	478.249
	<u>4.097.243</u>	<u>3.565.276</u>
13. Retained earnings		
Retained earnings opening balance	21.217.414	36.853.104
Profit or loss for the year brought forward	-6.736.096	-15.635.690
Extraordinary dividend adopted during the financial year	0	11.342.784
Distributed extraordinary dividend adopted during the financial year.	0	-11.342.784
	<u>14.481.318</u>	<u>21.217.414</u>

Notes

All amounts in DKK.

	<u>30/9 2023</u>	<u>30/9 2022</u>		
14. Proposed dividend for the financial year				
Dividend opening balance	19.000.000	5.000.000		
Distributed dividend	-19.000.000	-5.000.000		
Dividend for the financial year	<u>18.000.000</u>	<u>19.000.000</u>		
	<u>18.000.000</u>	<u>19.000.000</u>		
15. Long term liabilities other than provisions				
	<u>Total payables 30 Sep 2023</u>	<u>Current portion of long term payables</u>	<u>Long term payables 30 Sep 2023</u>	<u>Outstanding payables after 5 years</u>
Mortgage debt	10.550.323	578.500	9.971.823	7.595.000
Income tax payable to group enterprises	<u>3.363.122</u>	<u>0</u>	<u>3.363.122</u>	<u>0</u>
	<u>13.913.445</u>	<u>578.500</u>	<u>13.334.945</u>	<u>7.595.000</u>

16. Charges and security

As collateral for mortgage loans, DKK 10.550.000, security has been granted on land and buildings representing a carrying amount of DKK 19.483.000 at 30 September 2023.

17. Contingencies

Contingent liabilities

The company has entered into operational leases with an average annual lease payment of DKK 1.446.000. The leases have 1-32 months to maturity and total outstanding lease payments total DKK 1.791.600.

The company has provided a creditor with a payment guarantee of DKK 52.200.

The company has provided a guarantee towards the bank of the group enterprise DST-CHEMICALS GmbH. The carrying amount per 30 September 2023, a bank deposit of DKK 0.

Joint taxation

With FC DST Holding ApS, company reg. no 42767824 as administration company, the company is subject to the Danish scheme of joint taxation from 12 November 2021 and is proportionally liable for tax claims within the joint taxation scheme.

Notes

All amounts in DKK.

17. Contingencies (continued)

Joint taxation (continued)

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

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

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

18. Related parties

Consolidated financial statements

The company is included in the consolidated financial statements of FC DST Holding ApS, Kolding, Denmark.