



## Kemira Water Danmark A/S

Amager Strandvej 390  
2770 Kastrup  
CVR No. 11286933

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 15.05.2023

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**Ulrika Rubensson**

Chairman of the General Meeting

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# Entity details

## Entity

Kemira Water Danmark A/S

Amager Strandvej 390

2770 Kastrup

Business Registration No.: 11286933

Registered office: Tårnby

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Maximilian Gallist

Lennart Peter Kihlgren

Willem Waelput, Chair

## Executive Board

Anders Fredrik Nyrén, CEO

## Auditors

EY Godkendt Revisionspartnerselskab

Dirch Passers Allé 36

2000 Frederiksberg, Denmark

CVR No.: 30700228

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Kemira Water Danmark A/S for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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, 15.05.2023

## Executive Board

**Anders Fredrik Nyrén**  
CEO

## Board of Directors

**Maximilian Gallist**

**Lennart Peter Kihlgren**

**Willem Waelput**  
Chair

# Independent auditor's report

## To the shareholder of Kemira Water Danmark A/S

### Opinion

We have audited the financial statements of Kemira Water Danmark A/S for the financial year 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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 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 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.

Frederiksberg, 15.05.2023

**EY Godkendt Revisionspartnerselskab**

CVR No. 30 70 02 28

**Kennet Hartmann**

State Authorized Public Accountant

Identification No (MNE) mne40036

# Management commentary

## Primary activities

The Company operates as a sales agent on behalf of Kemira Oyj.

The Company's activities comprise production and marketing of as well as trade with chemical products.

Kemira's activities in Denmark is an active sales company to serve existing customers.

## Development in activities and finances

The income statement for 2022 shows a profit of DKK 2.911.013 against a profit of DKK 360.442 last year, and the balance sheet at 31 December 2022 shows equity of DKK 6.622.020

## Unusual circumstances affecting recognition and measurement

The global market environment like war in Ukraine, the availability of energy and raw materials but also the operability of supply chains can impact the company's production volumes. The subsidiaries act as limited risk companies in the EMEA business model which protects the subsidiary from the negative economic effects.



# Income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>		<b>8,785,370</b>	<b>6,560,851</b>
Staff costs	1	(6,137,648)	(5,642,602)
<b>Operating profit/loss</b>		<b>2,647,722</b>	<b>918,249</b>
Income from investments in group enterprises		(63,132)	0
Other financial expenses		(7,728)	(7,807)
<b>Profit/loss before tax</b>		<b>2,576,862</b>	<b>910,442</b>
Tax on profit/loss for the year	2	334,151	(550,000)
<b>Profit/loss for the year</b>		<b>2,911,013</b>	<b>360,442</b>
<b>Proposed distribution of profit and loss</b>			
Ordinary dividend for the financial year		5,211,000	0
Retained earnings		(2,299,987)	360,442
<b>Proposed distribution of profit and loss</b>		<b>2,911,013</b>	<b>360,442</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Investments in group enterprises		0	2,330,039
Deposits		51,034	49,638
<b>Financial assets</b>	3	<b>51,034</b>	<b>2,379,677</b>
<b>Fixed assets</b>		<b>51,034</b>	<b>2,379,677</b>
Receivables from group enterprises		2,585,415	1,498,878
Deferred tax		1,320,000	990,000
Other receivables		418,086	2,001,020
Prepayments		9,684	11,611
<b>Receivables</b>		<b>4,333,185</b>	<b>4,501,509</b>
<b>Cash</b>		<b>7,403,655</b>	<b>2,245,961</b>
<b>Current assets</b>		<b>11,736,840</b>	<b>6,747,470</b>
<b>Assets</b>		<b>11,787,874</b>	<b>9,127,147</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		602,000	602,000
Retained earnings		809,020	3,109,007
Proposed dividend		5,211,000	0
<b>Equity</b>		<b>6,622,020</b>	<b>3,711,007</b>
Trade payables		1,237,715	806,335
Other payables		3,928,139	4,609,805
<b>Current liabilities other than provisions</b>		<b>5,165,854</b>	<b>5,416,140</b>
<b>Liabilities other than provisions</b>		<b>5,165,854</b>	<b>5,416,140</b>
<b>Equity and liabilities</b>		<b>11,787,874</b>	<b>9,127,147</b>
Unrecognised rental and lease commitments	4		
Contingent liabilities	5		
Group relations	6		

# Statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	602,000	3,109,007	0	3,711,007
Profit/loss for the year	0	(2,299,987)	5,211,000	2,911,013
<b>Equity end of year</b>	<b>602,000</b>	<b>809,020</b>	<b>5,211,000</b>	<b>6,622,020</b>

# Notes

## 1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	5,230,582	4,828,638
Pension costs	719,717	758,492
Other social security costs	122,860	36,892
Other staff costs	64,489	18,580
	<b>6,137,648</b>	<b>5,642,602</b>
Average number of full-time employees	<b>5</b>	<b>5</b>

## 2 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Change in deferred tax	(330,000)	550,000
Adjustment concerning previous years	(4,151)	0
	<b>(334,151)</b>	<b>550,000</b>

## 3 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	65,580,376	49,638
Additions	0	1,396
Disposals	(65,580,376)	0
<b>Cost end of year</b>	<b>0</b>	<b>51,034</b>
Impairment losses beginning of year	(63,250,337)	0
Disposals on divestments etc.	63,250,337	0
<b>Impairment losses end of year</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>51,034</b>

## 4 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	7,133,501	8,985,913

## 5 Contingent liabilities

The entity serves as an 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 also for obligations, if any relating to the withholding of tax on interest, royalties and dividends for these entities.

## 6 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Kemira Oyj, Energilakatu 4, P.O Box 330, FI-00101 Helsinki Finland.

# Accounting policies

## Reporting class

The annual report of Kemira Water Danmark A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The financial statements are presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

## Income statement

### Gross profit or loss

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

### Profit from Investments in subsidiaries

The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

### Costs of raw materials and consumables

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

### 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 include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

**Other financial expenses**

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

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

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

**Balance sheet****Investments in group enterprises**

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

The carrying amount of investments in subsidiaries is assessed for impairment on an annual basis. Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the



asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

### **Receivables**

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

### **Deferred tax**

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

**Prepayments**

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

**Cash**

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

**Dividend**

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

**Other financial liabilities**

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