




Kemira Water Danmark A/S

Amager Strandvej 390
2770 Kastrup
CVR No. 11286933

Annual report 2023

The Annual General Meeting adopted the annual report on 16.05.2024

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 *Ulrika Rubensson*

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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: 01.01.2023 - 31.12.2023

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 01.01.2023 - 31.12.2023.

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

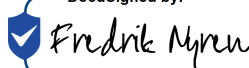
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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, 16.05.2024

Executive Board

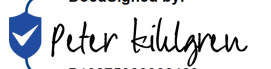
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Anders Fredrik Nyrén
CEO

Board of Directors

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Maximilian Gallist

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Lennart Peter Kihlgren

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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 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 by relevant law and regulations.

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, 16.05.2024

EY Godkendt Revisionspartnerselskab

CVR No. 30700228

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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 2023 shows a profit of DKK 2.618.269 against a profit of DKK 2.911.013 last year, and the balance sheet at 31 December 2023 shows equity of DKK 4.029.289

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 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		9,696,710	8,785,370
Staff costs	1	(6,745,167)	(6,137,648)
Operating profit/loss		2,951,543	2,647,722
Income from investments in group enterprises		0	(63,132)
Other financial expenses		(6,274)	(7,728)
Profit/loss before tax		2,945,269	2,576,862
Tax on profit/loss for the year	2	(327,000)	334,151
Profit/loss for the year		2,618,269	2,911,013
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		2,600,000	5,211,000
Retained earnings		18,269	(2,299,987)
Proposed distribution of profit and loss		2,618,269	2,911,013

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Deposits		51,034	51,034
Financial assets	3	51,034	51,034
Fixed assets		51,034	51,034
Receivables from group enterprises		3,149,246	2,585,415
Deferred tax		993,000	1,320,000
Other receivables		630,671	418,086
Prepayments		45,829	9,684
Receivables		4,818,746	4,333,185
Cash		4,988,803	7,403,655
Current assets		9,807,549	11,736,840
Assets		9,858,583	11,787,874

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		602,000	602,000
Retained earnings		827,289	809,020
Proposed dividend		2,600,000	5,211,000
Equity		4,029,289	6,622,020
Trade payables		2,238,194	1,237,715
Other payables		3,591,100	3,928,139
Current liabilities other than provisions		5,829,294	5,165,854
Liabilities other than provisions		5,829,294	5,165,854
Equity and liabilities		9,858,583	11,787,874
Unrecognised rental and lease commitments	4		
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Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	602,000	809,020	5,211,000	6,622,020
Ordinary dividend paid	0	0	(5,211,000)	(5,211,000)
Profit/loss for the year	0	18,269	2,600,000	2,618,269
Equity end of year	602,000	827,289	2,600,000	4,029,289

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	5,777,554	5,230,582
Pension costs	877,330	719,717
Other social security costs	31,871	122,860
Other staff costs	58,412	64,489
	6,745,167	6,137,648
Average number of full-time employees	6	5

2 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Change in deferred tax	327,000	(330,000)
Adjustment concerning previous years	0	(4,151)
	327,000	(334,151)

3 Financial assets

	Deposits
	DKK
Cost beginning of year	51,034
Cost end of year	51,034
Carrying amount end of year	51,034

4 Unrecognised rental and lease commitments

	2023	2022
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	5,702,764	7,133,501

5 Group relations

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

Accounting policies

Reporting class

The annual report of Kemira Water Danmark A/S for 2023 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

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

Balance sheet**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.

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.