Altuglas International Denmark A/S

C/O Advokatfirmaet Kjellegaard Jensen Strandvejen 60, 5., 2900 Hellerup

Company reg. no. 12 50 50 78

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 12 July 2024.

Martin Dahl
Chairman of the meeting

Contents

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Altuglas International Denmark A/S for the financial year 1 January - 31 December 2023.

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 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 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.

Hellerup, 12 July 2024

Managing Director

Martin Dahl
CEO

Board of directors

Francesca Reverberi Chairman	Martin Dahl	Jason Ned Scott

Independent auditor's report

To the Shareholder of Altuglas International Denmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Altuglas International Denmark A/S for the financial year 1 January - 31 December 2023, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes ("financial statements").

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.

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.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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:

- 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.

Aalborg, 12 July 2024

PricewaterhouseCoopers
State Authorised Public Accountant
Company reg. no. 33 77 12 31

Rasmus Mellergaard Stenskrog
State Authorised Public Accountant
mne34161

Company information

The company	Altuglas International Denmark A/S C/O Advokatfirmaet Kjellegaard Jensen Strandvejen 60, 5. 2900 Hellerup	
	Phone	+45 96 46 46 46
	Company reg. no.	12 50 50 78
	Established:	1 October 1988
	Domicile:	Gentofte
	Financial year:	1 January - 31 December
Board of directors	Francesca Reverberi, Chairman Martin Dahl Jason Ned Scott	
Executive Board	Martin Dahl, CEO	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Skelagervej 1A 9000 Aalborg	

Management´s review

Description of key activities of the company

The Company serves as an intra-group production company of the French Altuglas Group and is primarily engaged in the production of cast acrylic sheets (PMMA cast).

Development in the year

In August 2023, Trinseo PLC, the Company's ultimate parent company, announced a restructuring plan designed to optimize the PMMA sheet network, primarily in Europe, and consolidate manufacturing operations. This led to the closure of certain plants and product lines, including the Company's manufacturing operations at PMMA cast sheets plant in Broenderslev, Denmark. The restructuring plan also involved workforce reductions, including elimination of certain executive positions, to streamline the Group's internal general & administrative network as it continues to function in the foreseeable future.

Despite the plant closure, in 2023, the Company reported an increase in gross profit by DKK 8,570,000 rising to DKK 37,825,000 (2022: DKK 29,255,000) mainly due to intra-group consignment manufacturing income. However, the increase in gross profit was offset by the severance costs of DKK 1,200,000, asset impairment of DKK 5,780,000, professional fees of DKK 760,000 due to the aforementioned restructuring plan. The impact of the restructuring was presented as special items in the income statement for a total amount of DKK 7,740,000.

The profit in 2023 decreased to DKK 775,000 (2022: DKK 901,000). As of the end of the financial year 2023, the total equity was DKK 13,974,000 (2022: 13,199,000).

Events after the balance sheet date

On 14 March 2024, the Company entered into a purchase agreement with an external buyer. The purchase agreement involves the Company's properties located at Industrivej 8 and Industrivej 14-16 in Broenderslev. The Company sold these properties at a purchase price amounting to DKK 20,000,000 distributed on land, building and installations at DKK 4,400,000, DKK 15,000,000 and DKK 600,000, respectively. The distributed value of land amounting to DKK 15,000,000 is further distributed as DKK 1,200,000 for Industrivej 8 and DKK 3,200,000 for Industrivej 14-16. The purchase agreement is completed on 22 March 2024.

Accounting policies

The annual report for Altuglas International Denmark 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.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

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.

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.

Income statement

Revenue

Income from the sale of service facilities for production of acrylic sheets is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received. Revenue is measured at the fair value of the consideration agreed ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

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 tangible assets.

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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

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.

Statement of financial position

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 cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

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

	Useful life
Buildings	30 years
Plant and machinery	10 years
Other fixtures and fittings, tools and equipment	5-6 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated. Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains ans losses are recognised in the income statement as special items, as it relates to plant closure.

Leased assets and lease liabilities

When entering into a contract, the Company assesses whether the contract is a lease or contains a lease component. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When an assessing whether a contract contains a lease component, it must be considered whether, during the period of use, the lessee has the right to substantially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

The Company recognises a right-of-use asset and a lease liability at the commencement date.

The Company leases cars including a service component in the payments to the lessor. This service is separated from the lease payment when measuring the lease liability. If the Company is unable to reliably separate lease components and non-lease components, it is considered a single lease component.

Lease liabilities recognised as "Lease liabilities" are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease payments consist of fixed and variable lease payments that depend on an index or a rate, guaranteed residual values, purchase options and extension options if the Company is reasonably certain to exercise the option and termination penalties if the lease term reflects the Company exercising an option to terminate the lease. The lease liability is subsequently adjusted as follows if:

- The value of the index or rate on which the lease payments are based is changed.
- The exercise of options is changed in order to extend or terminate the lease due to significant events or a significant change in circumstances within the Company's control.
- The lease term is changed if the option is exercised in order to extend or terminate the lease.

- Estimated residual value guarantee is changed.
- The contract is renegotiated or modified.

Any subsequent adjustment of the future lease liability is recognised as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is DKK 0, a negative adjustment to the right-of-use asset is, however, recognised in the income statement.

The right-of-use asset is initially measured at cost comprising amount of initial measurement of the lease liability plus any initial direct costs and any estimated costs of dismantling and removal of the asset at the end of the lease term which the Company is under an obligation to incur and any prepaid lease payments and less any lease incentives received.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the right-of-use asset.

Short-term leases with a maximum lease term of 12 months and leases for low-value assets are not recognised in the balance sheet.

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets 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.

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.

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.

Receivables

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

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

Dividend

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed 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.

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.

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.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Liabilities other than provisions are measured at amortised cost.

Income statement 1 January - 31 December

DKK thousand.

Note		2023	2022
1	**Gross profit**	**37.825**	**29.255**
1,2	Staff costs	-26.315	-23.554
1	Depreciation and impairment of fixed assets	-8.511	-3.881
	Operating profit	**2.999**	**1.820**
3	Other financial expenses	-1.613	-586
	Pre-tax net profit or loss	**1.386**	**1.234**
4	Tax on net profit or loss for the year	-611	-333
	Net profit or loss for the year	**775**	**901**
	Proposed distribution of net profit:		
	Transferred to retained earnings	775	901
	Total allocations and transfers	**775**	**901**

Balance sheet at 31 December

DKK thousand.

Note	Assets	2023	2022
	Non-current assets		
	Land and buildings	7.773	8.164
	Plant and machinery	12.357	18.972
	Other fixtures, fittings, tools and equipment	168	353
	Total property, plant, and equipment	20.298	27.489
	Total non-current assets	**20.298**	**27.489**
	Current assets		
	Raw materials and consumables	889	514
	Total inventories	889	514
	Receivables from participating interest	10.334	13.230
	Other receivables	2.263	2.888
	Prepayments	1.068	100
	Total receivables	13.665	16.218
	Cash and cash equivalents	23.503	1.033
	Total current assets	**38.057**	**17.765**
	Total assets	**58.355**	**45.254**

Balance sheet at 31 December

DKK thousand.

Note	Equity and liabilities	2023	2022
	Equity		
	Contributed capital	10.000	10.000
	Retained earnings	3.974	3.199
	Total equity	**13.974**	**13.199**
	Provisions		
	Provisions for deferred tax	2.133	2.085
	Total provisions	**2.133**	**2.085**
	Liabilities other than provisions		
	Lease liabilities	75	179
	Total long term liabilities other than provisions	75	179
	Current portion of long term liabilities	93	174
	Trade payables	2.247	519
	Payables to group enterprises	34.204	22.388
	Income tax payable	779	525
	Other payables	4.850	6.185
	Total short term liabilities other than provisions	42.173	29.791
	Total liabilities other than provisions	**42.248**	**29.970**
	Total equity and liabilities	**58.355**	**45.254**

1 Special items
5 Charges and Collateral
6 Contingencies
7 Related parties

Statement of changes in equity

DKK thousand.

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	10.000	3.199	13.199
Retained earnings for the year	0	775	775
	10.000	**3.974**	**13.974**

Notes

DKK thousand.

		2023	2022
1.	**Special items**		

In 2023, unpaid severance costs amounting to DKK 1,200,000 is included as part of other payables.

	2023	2022
Expenses:		
Severance cost	-1.200	0
Professional fees	-760	0
Impairment cost	-5.780	0
	-7.740	0

Special items are recognised in the following items in the financial statements:

	2023	2022
Staff costs	1.200	0
Gross profit	760	0
Depreciation and impairment of fixed assets	5.780	0
Special items	**7.740**	**0**

		2023	2022
2.	**Staff costs**		
	Salaries and wages	23.930	21.640
	Pension costs	1.834	1.461
	Other costs for social security	551	453
		26.315	**23.554**
	Average number of employees	42	46
3.	**Other financial expenses**		
	Financial costs, group enterprises	1.480	484
	Other financial costs	133	102
		1.613	**586**

Notes

DKK thousand.

		2023	2022
4.	**Tax on net profit or loss for the year**		
	Tax on net profit or loss for the year	564	46
	Adjustment of deferred tax for the year	-91	287
	Adjustment of deferred tax for the previous year	138	0
		611	**333**

5. Charges and Collateral

The Company has not provided any collateral secured upon its assets.

6. Contingencies

The previous Group's Danish entities were jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability.

7. Related parties

Altuglas International Denmark A/S is part of the consolidated financial statements of Trinseo Holding B.V., Holland, registered office, which is the smallest group in which the Company is included as a subsidiary.

Jason Ned Scott
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Statsautoriseret revisor
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Martin Dahl
Dirigent
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