CHEMINOVA A/S

Thyborønvej 78, Rønland, 7673 Harboøre

CVR no. 12 76 00 43

Annual report 2022

Approved at the Company's annual general meeting on 22 June 2023

Chair of the meeting:

Andrew David Sandifer

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Andrew David Sandifer

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of CHEMINOVA A/S for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with 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 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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

We recommend that the annual report be approved at the annual general meeting.

Lemvig, 22 June 2023
Executive Board:

DocuSigned by: 3D0BE19656AB4E3... Jakob Kyllesbech CEO	DocuSigned by: D90C7678B76E4FD... Benedicte Francoise Simone Flambard Executive director

Board of Directors:

DocuSigned by: D69EEF1C7698402... Andrew David Sandifer Chairman	DocuSigned by: 63041824593C455... Diane Sue Allemang Deputy Chairman	DocuSigned by: 63797309A4714BC... Sebastia Pons Miquel
DocuSigned by: 024E0C6C5EA141D... William Francis Chester	DocuSigned by: B7F936234A3A4DD... Jakob Lyngsø Andersen	DocuSigned by: 41958C3422184EA... Kenny Dahl
DocuSigned by: 56FCA3C80B144A5... Jens Christian Rønn Iversen	DocuSigned by: 34108A7095664EC... Kapil Kumar Saini	DocuSigned by: D90C7678B76E4FD... Benedicte Francoise Simone Flambard

Independent auditor's report

To the shareholder of CHEMINOVA A/S

Opinion

We have audited the financial statements of Cheminova A/S for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity, and notes, including 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 Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 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 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, that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 Company's internal control.

Independent auditor's report

- 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 note 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 22 June 2023
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

DocuSigned by:
David Olafsson
2162AA3B93EB46F...
David Olafsson
State Authorised Public Accountant
mne19737

Management's review

Company details

Name	CHEMINOVA A/S
Address, Postal code, City	Thyborønvej 78, Rønland, 7673 Harboøre
CVR no.	12 76 00 43
Established	1 January 1989
Registered office	Lemvig
Financial year	1 January - 31 December
Website	www.fmc.com
Telephone	+45 96 90 96 90
Board of Directors	Andrew David Sandifer, Chairman Diane Sue Allemang, Deputy Chairman Sebastia Pons Miquel William Francis Chester Jakob Lyngsø Andersen Kenny Dahl Jens Christian Rønn Iversen Kapil Kumar Saini Benedicte Francoise Simone Flambard
Executive Board	Jakob Kyllesbech, CEO Benedicte Francoise Simone Flambard, Executive director
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfaergevej 28, DK-2100 Copenhagen

Management's review

Financial highlights

DKKm	2022	2021	2020	2019	2018
Key figures					
Revenue	4,461	3,664	3,465	3,465	3,242
Gross profit	639	851	816	799	495
Operating profit/loss	89	294	201	220	-200
Net operating income/expenses	-269	11	-2	3	447
Net financials	13	-30	-17	-30	-11
Profit for the year	319	434	248	74	66
Total assets	7,168	5,902	4,922	4,762	4,582
Investments in property, plant and equipment	496	354	146	301	68
Equity	3,889	3,454	3,019	2,771	2,697
Financial ratios					
Operating margin	-3.5%	8.3%	5.7%	6.4 %	7.6 %
Gross margin	14.3%	23.2%	23.5%	23.1%	15.3%
Return on assets	1.4%	5.4%	4.2%	4.7%	-3.8%
Current ratio	121.0%	204.2%	234.4%	187.8%	164.8%
Equity ratio	54.3%	58.5%	61.3%	58.2%	58.9%
Return on equity	8.7%	13.4%	8.6%	2.7%	2.5%
Average number of full-time employees	567	590	614	601	657

The financial ratios stated under "Financial highlights" have been calculated as follows:

Ordinary operating profit/loss: Profit/loss before financial items adjusted for other operating income and other operating expenses

Operating margin: $$\frac{\text{Operating profit/loss (EBIT) x 100}}{\text{Revenue}}$$

Gross margin: $$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$$

Return on assets: $$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$$

Current ratio: $$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$$

Equity ratio: $$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$$

Return on equity: $$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$$

Management's review

Business review

Cheminova A/S is a business developing, producing and marketing crop protection products. All activities are carried out with due consideration for the environment and in compliance with sustainability standards.

Cheminova A/S and its entire group were acquired in 2015 by FMC Corporation which is based in Philadelphia, USA. FMC is a publicly traded company engaged in a global business of developing, producing and marketing crop protection products. The Cheminova A/S integration into FMC's crop protection product business was completed in 2016.

Recognition and measurement uncertainties

The preparation of the annual report requires Management to make assumptions and estimates that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

In the financial statements for 2022, the following assumptions and uncertainties are worth noting as they have significantly impacted the recognition of assets and liabilities in the financial statements:

Impairment test for development projects - Development projects are tested for impairment at least once a year.

The development projects are progressing in line with expectations. Looking at the individual development projects, Management has estimated the need for impairment and believes that the carrying amounts of the individual development projects will be recovered. The current value for development projects in progress is DKK 62.5 million.

Financial review

Cheminova A/S realized revenue of DKK 4,461 million in 2022 (DKK 3,664 million in 2021) and has 567 employees (590 in 2021).

Cheminova A/S experienced a satisfactory year with profit before tax of DKK 342 million. The Company's income statement for 2022 shows a profit after tax of DKK 319 million which includes dividend income from subsidiaries of DKK 484 million (DKK 223 million in 2021). The profit for 2021 was DKK 434 million. Equity in the Company's balance sheet at 31 December 2022 stood at DKK 3,889 million as against DKK 3,454 million at 31 December 2021. In FY 2022, a receivable held with FMC Quimica S.A. by FMC Corporation has been capitalized to increase the capital in FMC Quimica S.A. due to losses in that entity. The receivable was passed through the ownership chain in order to keep the same ownership structure. As a result, the equity has been increased by DKK 117,305 thousand.

Market and sales

Overall revenue in 2022 increased 22% compared to FY21, driven by a mix of price and volume increases. The sale of Fungicides increased with 23%, sale of other products with 70% and Herbicides with 46%, the increase is partly offset by a 10% reduction in insecticides. We are committed to providing unique, differentiated products to our customers by acquiring and further developing technologies as well as investing in innovation to extend product life cycles.

Financing

Cheminova A/S has been included in the global cash-pool setup with FMC Corporation.

Management's review

Intellectual capital

The Company and FMC Group are committing considerable resources on maintaining and developing competencies, including continuously updated knowledge of internal and external matters and quality assurance.

Financial risks and use of financial instruments

Particular risks

Following the invasion of Ukraine by Russia on 24 February 2022, we concluded that operating our business in Russia became unsustainable and FMC discontinued operations in Russia effective April 14th 2022.

In light of FMC's discontinued operations in Russia, Cheminova A/S wrote off all trade receivable balances and intercompany loans owed by FMC LLC (Moscow) and DuPont Khimprom, and the related party investment of 6.8m DKK in FMC LLC. The total cost of these write offs were 244m DKK and are included in Other Operating Expenses for FY22. Despite exiting a market that contributed 6% of our revenue in FY21 overall revenues increased year on year as referenced on the financial review above.

Receivables from FMC Ukraine LLC continue to be recoverable and sales from Cheminova A/S to FMC Ukraine LLC have continued since the outbreak of the war as the Ukrainian entity continues to trade. Sales have grown 19% from 51m DKK in FY21 to 61m DKK in FY22. To date, FMC have not applied any provisions within the Ukrainian entity or to any of the receivable balances within the group entities. Cheminova A/S does not hold a loan receivable from FMC Ukraine LLC and the related party investment has a nil carrying value.

Operating risks

The industry entails potentially significant unwanted risks relating to the environment, health, safety, regulation and legislation. An important element in the group's risk management activities is compliance with statutory and ethical requirements, standards and rules.

We try to limit the risks, for example by obtaining recognized environmental and energy management certificates for the factory in Denmark and by educating and training our people with a view to improving attitudes and behaviour in relation to health and safety and the working environment. Read more on www.fmc.com/sustainability.

We also aim to ensure that the insurance program reflects the risks associated with the group's activities. According to FMC Corporation insurance policy, the financial risk associated with major claims must be transferred to an insurance company, which implies elements as deductibles and self-financing. The level of self-financing is adjusted over time, depending on the financial situation and on the products and prices offered in the global insurance market at any given point in time.

Financial and Tax risks

Earnings of Cheminova A/S and balance sheet are exposed to a number of financial risks, with foreign exchange risks and tax factors being the primary risks. The group's finance policy lays down the guidelines for the management of financial risks and also contains a description of approved financial instruments and risk limits.

Management's review

Risk management

Efficient risk management contributes to ensuring robust operations, controlled growth and stable financial results.

Cheminova A/S is applying the central-led risk management principles from FMC Corporation. The aim is to identify financial as well as non-financial risks as early as possible with a view to ensuring the timely handling of such risks.

The group’s risks can generally be divided into four categories; Particular risks, Operating risks, Financial risks which are outlined previously, and Long-term strategic risks outlined below.

Long-term strategic risks

In connection with the strategy process, Management performs an evaluation of the opportunities for and limitations to the future sustainable development of the business. This evaluation is based on reports on, for example, trends in the industry and the regions supplemented by sensitivity analyses and risk descriptions.

Impact on the external environment

The Company’s health and safety policies are fully compliant with the local laws and regulations. The Company is investing in education of its Health and Safety committee to ensure it is compliant with the current developments in work environment community and local laws.

Research and development activities

In 2022, the Company incurred significant research and development costs relating to the Company and FMC Group's core products. In Sep 2022 Cheminova A/S acquired BioPhero ApS, expanding its R&D activities into biologically produced pheromone technology. Investments in R&D will ensure that the Company can maintain and improve its market position in the coming years.

Data ethics

The Company has several compliance and safeguarding policies and procedures in place to ensure appropriate and compliant handling, use and protection of company data in addition to regular education campaigns and trainings for employees on how to identify and prevent potential cyberattacks through credential phishing.

Although the Company has not to date adopted a formal data ethics policy as per the Danish Financial Statements Act, section 99d, the Company is reviewing the requirements for such data ethics policy and is looking to develop and implement such policy going forward.

Statutory CSR report

Danish Financial Statements Act, section 99a.

Cheminova A/S is governed by the policies of the parent company FMC Corporation regarding CSR. The group level policies include policies of CSR, climate changes, environment, human rights, anticorruption and social and staff matters.

For further information, we refer to the CSR policies of FMC the statutory requirements for social responsibility, regarding the Danish Financial Statements Act, section 99a (7) is disclosed in FMC Sustainability Report 2022.

The FMC CSR policies are accessible in the following link: https://www.fmc.com/sustainability.

Management's review

Account of the gender composition of Management

Danish Financial Statements Act, section 99b.

Respect for people is not only a core value of ours, but also a business imperative. We embrace, leverage and respect the diversity of our workforce, our customers and our communities.

Our gender diversity goal was originally set to reach a female representation on management level and on the Board of Directors of Cheminova A/S that reflects the female representation in the overall company.

The female representation in the overall company is currently 31.8% with 35% senior management. In FY21, the overall female representation in FMC was 30.4%, with 37% senior management. Female representation on the Board of Directors remains the same at 30% due to no change made during the year. Our goal is to have a ratio of 40/60% in 2026.

In 2018, FMC Corporation created a new senior leadership role to oversee Diversity and Inclusion to ensure we have a strategic focus on driving actions that foster an inclusive culture. FMC has reviewed its people processes, recruitment, talent assessment & review, Learning & Development etc. In Denmark, FMC has established the Rønland Female Apprenticeship Program and made it a priority to hire more women into manufacturing roles.

In 2022, the team hired several female apprentices as process operators, electricians, and laboratory technicians, as well as roles in logistics and storage. These initiatives are all intended to support our overall Diversity & Inclusion agenda and to attract more female candidates for management and board roles. For further insights to our initiatives and achievements within D&I, please refer to FMC Sustainability Report for 2022.

Events after the balance sheet date

No significant events occurred after December 31, 2022, until the day of signing of the Annual Report 2022.

Outlook

While FY23 is expected to be challenging with increased costs and rising inflation, sales are expected to be in line with 2022, with continued focus on pricing. The trends in portfolio improvements are also expected to continue, with growth anticipated in the areas of Plant Health and Fungicides. Insecticides and Herbicides account for approx. 80% of sales and are expected to be consistent for FY23. We expect the overall results for 2023 to be broadly in line with the results for 2022.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2022	2021
3	Revenue	4,460,961	3,664,127
4	Production costs	-3,821,993	-2,813,337
	Gross profit	638,968	850,790
4	Distribution costs	-55,232	-45,554
4,5	Administrative expenses	-164,670	-191,509
	Operating profit	419,066	613,727
	Other operating income	33,191	35,975
	Other operating expenses	-276,031	-24,845
4	Research and development costs	-330,353	-320,185
	Profit/loss before net financials	-154,127	304,672
	Income from investments in group enterprises	483,521	223,130
6	Financial income	56,089	7,205
7	Financial expenses	-43,364	-37,016
	Profit before tax	342,119	497,991
8	Tax for the year	-23,294	-64,382
	Profit for the year	318,825	433,609

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Fixed assets		
9	Intangible assets		
	Completed development projects	133,458	186,335
	Sales and registration rights etc.	53,591	67,070
	Goodwill	967	1,167
	Development projects in progress	62,513	42,026
	Software	7,741	8,316
		258,270	304,914
10	Property, plant and equipment		
	Land and buildings	88,747	93,971
	Plant and machinery	323,517	251,354
	Fixtures and fittings, other plant and equipment	1,059	901
	Right-of-use assets	118,369	135,653
	Property, plant and equipment under construction	729,459	414,428
		1,261,151	896,307
11	Investments		
	Investments in group enterprises	2,270,219	679,981
	Receivables from group enterprises	0	104,992
	Participating interests	210,340	210,340
		2,480,559	995,313
	Total fixed assets	3,999,980	2,196,534
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	187,018	136,668
	Work in progress	318,837	478,479
	Finished goods and goods for resale	606,328	314,270
		1,112,183	929,417
	Receivables		
	Trade receivables	172,957	132,980
12	Receivables from group enterprises	1,711,619	2,506,140
13	Deferred tax assets	25,338	9,709
	Corporation tax receivable	20,940	17,350
	Other receivables	64,815	85,262
14	Prepayments	11,836	1,942
		2,007,505	2,753,383
	Cash	48,021	22,966
	Total non-fixed assets	3,167,709	3,705,766
	TOTAL ASSETS	7,167,689	5,902,300

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
15	Share capital	300,000	300,000
	Reserve for development costs	125,849	110,865
	Retained earnings	3,463,398	3,043,088
	Total equity	3,889,247	3,453,953
	Provisions		
16	Other provisions	554,544	511,044
	Total provisions	554,544	511,044
	Liabilities other than provisions		
17	Non-current liabilities other than provisions		
	Lease liabilities	105,555	122,113
		105,555	122,113
	Current liabilities other than provisions		
17	Short-term part of long-term liabilities other than provisions	16,571	17,782
	Trade payables	832,363	649,624
	Payables to group enterprises	1,627,718	971,254
	Corporation tax payable	814	0
	Other payables	140,877	176,530
		2,618,343	1,815,190
	Total liabilities other than provisions	2,723,898	1,937,303
	TOTAL EQUITY AND LIABILITIES	7,167,689	5,902,300

1 Accounting policies
2 Events after the balance sheet date
18 Contractual obligations and contingencies, etc.
19 Contingent assets
20 Collateral
21 Related parties
22 Appropriation of profit

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
	Equity at 1 January 2021	300,000	119,340	2,600,077	3,019,417
22	Transfer, see "Appropriation of profit"	0	-8,475	442,084	433,609
	Other value adjustments of equity	0	0	927	927
	Equity at 1 January 2022	300,000	110,865	3,043,088	3,453,953
22	Transfer, see "Appropriation of profit"	0	14,984	303,841	318,825
	Other value adjustments of equity	0	0	-836	-836
	Capital Contribution	0	0	117,305	117,305
	Equity at 31 December 2022	300,000	125,849	3,463,398	3,889,247

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of CHEMINOVA A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

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

Changes in accounting estimates

In preparing the annual report, management necessarily makes estimates and assumptions, which form the basis of the presentation, recognition and measurement of the reported assets and liabilities as at the balance sheet date as well as the income and expenses reported for the financial period.

The estimates made by Management are based on historical experience and on a number of other assumptions and factors, which are deemed to be reasonable in the circumstances. The result of this process forms the basis of the assessment of the income and expenses reported, which do not appear from other material.

The estimates made and the underlying assumptions are reassessed on a regular basis. Changes to accounting estimates are recognized in the financial period, in which the change is made, and in future financial periods if the change affects both the period, in which the change is made and subsequent financial periods.

The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise, which may lead to the actual results deviating from such estimates.

Omission of a cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of FMC Corporation, 2929 Walnut Street, Philadelphia, PA 19104, USA (listed on New York Stock Exchange).

Exclusion of subsidiaries from the consolidated financial statements

Pursuant to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Cheminova A/S and group entities are included in the consolidated financial statements of FMC Corporation, 2929 Walnut Street, Philadelphia, PA 19104, USA (listed on New York Stock Exchange).

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Income statement

Revenue

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

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is recognized in the income statement, when risk and rewards of ownership have transfered to the buyer, and risk has passed.

Government grants

Government grants comprise development and financing grants, investment grants etc. Grants are recognized, when there is reasonable certainty that they will be received.

Grants for the purchase of assets and development projects are offset against the cost of the asset. Grants to cover costs incurred are offset against the costs incurred.

Production costs

Production cost comprises the consumption of raw materials, including delivery costs, repairs and maintenance, wages and salaries, and other costs of sales as well as depreciation and amortization. In addition, any direct support costs including analytics, HR and IT to the plant is considered as production costs. Write-down for inventories and write-down in connection with anticipated bad debt losses are also included.

Distribution costs

Distributions costs include costs incurred in connection with marketing and sales, including wages and salaries, rent, advertising, freight, customs duties as well as depreciation, amortization, impairment losses and writedowns, bad debts and amortization of borrowing costs.

Administrative expenses

Administrative costs comprise salaries for administrative staff and management plus other office costs, including depreciation, amortization and impairment losses and writedowns, IT operations and canteen costs.

Research costs

Development and registration costs include wages and salaries and any other costs, which relate to the company's development projects, including depreciation, amortization, impairment losses and write-downs. These costs also include costs incurred in respect of development projects, where such costs do not fulfil the capitalization requirements. Also included are costs incurred on an ongoing basis in connection with the defense and maintenance of registration rights in respect of the company's products.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other operating income

Other operating income comprises income of a secondary nature in relation to the Company's main objectives, including, among other things, the disposal of non-current assets and royalties.

Amortisation/depreciation

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life.

The expected useful lives of the assets are as follows:

Completed development projects	5-10 years
Sales and registration rights etc.	3-10 years
Goodwill	7 years
Software	3-10 years
Office and laboratory buildings, residential and tenement buildings and garages	15-45 years
Production and factory buildings and road systems	15-45 years
Technical plant and machinery	4-15 years
Fixtures and fittings, tools and equipment	2-10 years

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

Profit/loss from investments in subsidiaries and participating interests

Profit from investments in subsidiaries and associates represents dividends received from subsidiaries and associates during the year.

Financial income and expenses

Financial income and expenses comprise interest, capital gains and losses on securities and write-downs concerning securities, payables and foreign currency transactions, amortization of financial liabilities, including financial lease obligations as well as supplementary payments and refunds under the tax prepayment scheme etc. Realized and unrealized gains and losses on derivative financial instruments which cannot be classified as hedging agreements are also included. Interest income and expenses are accrued based on the principal amount and the effective interest rate.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Cheminova A/S is jointly taxed with its Danish sister company FMC A/S. Current income tax is distributed among the jointly taxed Danish companies in proportion to their taxable incomes.

Current tax payable is based on the taxable profit/loss for the year. The company's current tax liability is calculated using tax rates that have been enacted at the balance sheet date. Tax for the year, comprising the expected current tax for the year and deferred tax for the year, is recognized in the income statement with the portion attributable to the net profit/loss for the year and in other comprehensive income with the portion attributable to items recognized in other comprehensive income.

Current tax is recognized in the balance sheet under receivables, where excess on-account tax has been paid and under payables, where the on-account tax paid does not cover the current tax.

Deferred tax is measured using the balance sheet liability method on all temporary differences between carrying amount and tax base of assets and liabilities. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that tax losses allowed for carryforward can be offset against tax profits. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed on the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset, when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Balance sheet

Intangible assets

Goodwill

Goodwill arises from the acquisition of sales rights representing the excess of cost over the Company's interest in the fair value of the assets.

Goodwill on sales rights is amortized over the estimated useful life which is calculated on the basis of the management's experience within the individual areas of activity. The amortization period cannot exceed 10 years.

For the purpose of impairment testing, goodwill is compared to the latest forecast and business plan for the particular sales right. Goodwill is tested for impairment annually, or more frequently when there is an indication that the sales right may be impaired. If the recoverable amount of the cash-generating sales right is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the sales right and then to the other assets of the sales right.

Acquired sales and registration rights, know-how and software

These intangible assets are measures at cost less accumulated amortization and impairment losses. The assets are amortized in accordance with the straight-line method over their expected useful lives, such lives being 3-10 years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Internally generated intangible assets - development and registration costs

Expenditure on research activities is recognized in the income statement in the period in which it is incurred. An internally generated intangible asset arising from the Company's attainment of sales and registration rights is recognized only if all of the conditions specified in the Danish Fiancial Statements Act are met.

Expenditure in respect of development projects is recognized if certain criteria are fulfilled under intangible assets and is measured at cost less accumulated amortization and impairment. Internal interest rate (5.4%) is included in the cost. Capitalization is usually subject to it being deemed to be sufficiently certain that future earnings will cover the development costs. Moreover, capitalisation assumes that all required public registration and authority approvals can be expected to be obtained and that the development costs can be reliably measured. Interests for borrowing costs have been included in the cost price of constructed assets. Recognition is based on an effective interest rate of 5.4% (3.0%), corresponding to the Group's weighted average borrowing costs in respect of general borrowing. No specific loans have been arranged for the construction or development of assets.

Internally generated intangible assets are amortized on a straight-line basis over their useful lives. The amortisation period is usually 5-10 years, however not exceeding 10 years, depending on the future expected revenue and profit flow. Where no internally generated intangible asset can be recognized, development costs are recognized in the income statement in the period in which they are incurred.

Property, plant and equipment

Land and buildings, technical plant and machinery, and other fixtures and fittings, tools and equipment are carried at cost less accumulated depreciation and impairment losses. Land is not depreciated. Assets in the course of construction for production, rental or administrative purposes are carried at cost, less any impairment losses.

Cost comprises the purchase price, costs directly related to the purchase and costs of preparing the asset up until such time as the asset is ready for use. The cost of own production of non-current assets includes direct and indirect expenses incurred in respect of wages and salaries, consumption of materials as well as subsuppliers and borrowing costs relating to the period of construction.

The gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets at the time of the sale and is recognized in the income statement as other operating income or other operating costs, respectively.

Investments in subsidiaries and participating interests

Equity investments in subsidiaries and associates are recognized and measured in accordance with the cost method. Write-down is made to lower of cost and recoverable amount. This means that the investments are measured at the cost price at the acquisition, adjusted for additional capital increases. Received dividends are recorded as profit and do not effect the investment value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

At each balance sheet date, the company reviews the carrying amounts of its property, plant and equipment, intangible assets and equity investments in subsidiaries and associates to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of the asset is the higher of fair value less selling costs and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The impairment is recognized as an expense in the income statement.

Where the impairment is subsequently reversed, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognized for the asset in prior years. A reversal of impairment is recognized as income in the income statement.

Inventories

Inventories are stated at the lower of cost calculated according to the FIFO method and net realizable value. Cost comprises direct materials, direct labor costs and the share of indirect production overheads that has been incurred in bringing the inventories to their present location and condition. Indirect production overheads include the share of capacity costs directly related to own production of goods and work in progress. Indirect production overheads include indirect materials and wages and salaries as well as maintenance and depreciation of the plant, factory buildings and equipment used in the production process as well as costs relating to production administration and management.

The net realizable value of inventories is calculated as the sales sum less completion costs and costs necessary to make the sale and is determined by taking into account marketability, obsolescence and the development in the expected selling price.

Receivables

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

Receivables comprise trade receivables and other receivables. Receivables are included in the category loans and receivables which are financial assets with fixed or identifiable payments which are not listed in an active market and which are not derivative financial instruments.

Receivables are measured at amortized cost and are initially recognized at fair value. Write-down is carried out to cover expected bad debts on the basis of individual assessments of the risk of loss.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments under assets comprise costs incurred in respect of future financial years. Prepayments are measured at cost.

Cash

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

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividend, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established.

The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Proposed dividends

Dividend is recognized as a liability at the time of adoption by the general meeting. The expected dividend payment for the year is disclosed as a separate item under equity.

Grants without consideration within a group

Grants to subsidiaries without consideration are recognised as a capital injection under "Investments in group enterprises".

Grants received from parent company are recognised as equity and classified as retained earnings.

Provisions

Provisions are recognized, when the Company, following a past event, has a legal or constructive obligation, the settlement of which is expected to result in an outflow from the Company of economic benefits. Provisions are measured as the best estimate of the expenses necessary to discharge the liabilities as at the balance sheet date. Provisions expected to fall due more than one year from the balance sheet date are measured at present value.

Future obligations related to the environment costs following past events are measured at present value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes and deferred taxes

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.

Liabilities

Interest-bearing loans are recognized initially at fair value, net of direct loan costs. Subsequent measurements are made at amortized cost. Finance costs, including premiums payable on settlement or redemption and direct costs, are accounted for on an accrual basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that the loans are not settled in the period in which they arise.

Trade payables are non-interest-bearing and are measured on initial recognition at fair value. Subsequent measurements are made at amortized cost.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 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 "Credit institutions and interest-bearing 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.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

No significant events occurred after December 31, 2022, until the day of signing of the Annual Report 2022.

DKK'000	2022	2021
3 Segment information		
Breakdown of revenue by business segment:		
Insecticides	1,320,734	1,463,724
Herbicides	1,734,131	1,190,411
Fungicides	804,350	656,532
Other	601,746	353,460
	4,460,961	3,664,127
Breakdown of revenue by geographical segment:		
Europe	2,981,208	2,585,008
Latin America	763,967	698,843
North America	551,132	98,709
Other	164,654	281,567
	4,460,961	3,664,127

4 Staff costs		
Wages/salaries	357,116	362,836
Pensions	25,745	25,616
Other social security costs	13,103	7,278
Other staff costs	2,708	-709
	398,672	395,021
Average number of full-time employees	567	590
Remuneration to members of Management:		
Executive Board	6,559	15,176
Board of Directors	165	165
	6,724	15,341

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2022	2021
5 Fee to the auditors appointed in general meeting		
Audit	1,006	874
	1,006	874
6 Financial income		
Interest receivable, group entities	6,744	6,989
Other financial income	49,345	216
	56,089	7,205
7 Financial expenses		
Interest expense to group entities	23,449	2,670
Other financial costs	19,915	34,346
	43,364	37,016

The Company's activities exposure is primarily to the financial risks of changes in exchange rates and interest rates. The exposure is handled by FMC Corporation where the expense/income of the hedging activities then is transferred to Cheminova A/S.

DKK'000	2022	2021
8 Tax for the year		
Estimated tax charge for the year	27,663	54,344
Deferred tax adjustments in the year	-15,629	10,532
Tax adjustments, prior years	11,260	-494
	23,294	64,382

9 Intangible assets

DKK'000	Completed development projects	Sales and registration rights etc.	Goodwill	Developmen t projects in progress	Software	Total
Cost at 1 January 2022	678,455	720,386	39,210	42,026	228,947	1,709,024
Additions	0	0	0	20,487	655	21,142
Cost at 31 December 2022	678,455	720,386	39,210	62,513	229,602	1,730,166
Impairment losses and amortisation at 1 January 2022	492,120	653,316	38,043	0	220,631	1,404,110
Depreciation	52,877	13,479	200	0	1,230	67,786
Impairment losses and amortisation at 31 December 2022	544,997	666,795	38,243	0	221,861	1,471,896
Carrying amount at 31 December 2022	133,458	53,591	967	62,513	7,741	258,270

Completed development projects

Completed development projects relate to development and test of crop protection products. The project is amortised over 5-10 years due to character and use of the assets.

Development projects in progress

Development projects in progress comprise crop protection products. The projects are expected to be completed in 2023-2026 where considerable economic benefits are expected.

Financial statements 1 January - 31 December

Notes to the financial statements

10 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Right-of-use assets	Property, plant and equipment under construction	Total
Cost at 1 January 2022	549,829	2,551,841	166,168	183,852	414,428	3,866,118
Additions	1,036	49,699	110	0	383,639	434,484
Disposals	0	-2,816	0	0	0	-2,816
Transferred	1,769	66,751	88	0	-68,608	0
Cost at 31 December 2022	552,634	2,665,475	166,366	183,852	729,459	4,297,786
Impairment losses and depreciation at 1 January 2022	455,858	2,300,487	165,267	48,199	0	2,969,811
Depreciation	8,029	41,992	40	17,284	0	67,345
Reversal of accumulated depreciation and impairment of assets disposed	0	-521	0	0	0	-521
Impairment losses and depreciation at 31 December 2022	463,887	2,341,958	165,307	65,483	0	3,036,635
Carrying amount at 31 December 2022	88,747	323,517	1,059	118,369	729,459	1,261,151

11 Investments

DKK'000	Investments in group enterprises	Receivables from group enterprises	Participating interests	Total
Cost at 1 January 2022	955,617	104,992	210,340	1,270,949
Additions	1,597,024	0	0	1,597,024
Disposals	-6,786	-104,992	0	-111,778
Cost at 31 December 2022	2,545,855	0	210,340	2,756,195
Value adjustments at 1 January 2022	-275,636	0	0	-275,636
Value adjustments at 31 December 2022	-275,636	0	0	-275,636
Carrying amount at 31 December 2022	2,270,219	0	210,340	2,480,559

Financial statements 1 January - 31 December

Notes to the financial statements

11 Investments (continued)

Subsidiaries

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
FMC Agro Limited (2021)	Great Britain	100.00%	267,829	17,882
Cheminova Deutschland GmbH & Co.KG (2020)	Germany	99.99%	148,128	22,014
FMC Agro Austria GmbH (2019)	Austria	100.00%	34,174	216
Althallier Italy S.r.l. (2021)	Italy	100.00%	37,799	2,300
Cheminova Agro France S.A.S. (2021)	France	100.00%	39,376	17,563
FMC Agricultural Solutions S.A.U. (2021)	Spain	100.00%	132,388	9,429
FMC Agro Italia S.r.l. (2021)	Italy	100.00%	89,775	3,810
FMC Agro Bulgaria EOOD (2021)	Bulgaria	100.00%	20,532	1,772
FMC-Agro Hungary Kft. (2021)	Hungary	100.00%	68,283	18,023
FMC Agro Polska S.P. z.o.o. (2021)	Poland	100.00%	83,010	1,076
Pytech Chemicals GmbH (2021)	Switzerland	100.00%	463,384	3,685
Cheminova China Ltd. (2021)	China	100.00%	4,982	20
Cheminova Uruguay S.A. (2018)	Uruguay	100.00%	0	0
Cheminova India Ltd. (2022)	India	99.00%	-11,512	-82,757
FMC Taiwan Co., LTD (2021)	Taiwan	100.00%	3,735	1,625
FMC Quimica S.A. (2021)	Argentina	21.92%	58,610	-195,486
FMC New Zealand Limited (2021)	New Zealand	100.00%	269	927
FMC India Private Limited (2022)	India	45.06%	708,282	18,580
Agro Cheminova C. R. Sociedad Anonima *	Costa Rica	100.00%	0	0
Croptech LLC *	US	100.00%	0	0
Cheminova Agro de Panama S.A. (Panama) (2018)	Panama	100.00%	0	0
Denagro S.L. (2018)	Spain	100.00%	0	0
Verdi-Crop Ltd. (U.K.) *	U.K.	100.00%	0	0
Sprayon Agricultural Product Ltd. (U.K.) *	U.K.	100.00%	0	0
Cheminova Verwaltungsgesellschaft	Germany	100.00%	0	0
Cheminova Grundbesits GmbFI & Ko KG	Germany	100.00%	0	0
BioPhero ApS (2022)	Denmark	100.00%	85,099	-17,402

All foreign subsidiaries are recognised and measured as separate entities. Year figures in brackets indicate the year for the most recent annual report. For subsidiaries marked with * there are no published annual reports.

Financial statements 1 January - 31 December

Notes to the financial statements

12 Receivables from group enterprises

The FMC Group has entered into an agreement on a cash-pool arrangement with the group’s bank, where FMC Finance BV is the account holder and Cheminova A/S is the sub account holder together with the group’s other affiliated companies. The terms and conditions of the cash pool scheme give the bank the right to be able to settle withdrawals and deposits against each other, whereby it is only the net balance of the total cash pool accounts that constitutes the FMC group’s balance with the bank.

Cheminova A/S' accounts in the cash-pool scheme, which are recognized under receivables from group enterprises, amount to 31 December 2022 a deposit of DKK'000 195,174. (per 31 December 2021: deposit of DKK'000 1,713,066).

DKK'000	2022	2021
13 Deferred tax		
Deferred tax at 1 January	-9,709	-20,244
Deferred tax adjustment for the year	-23,853	8,650
Deferred tax adjustment for the year related to foreign activities	8,224	1,885
Deferred tax at 31 December	-25,338	-9,709
Analysis of the deferred tax		
Deferred tax assets	-25,338	-9,709
	-25,338	-9,709

14 Prepayments

Prepayments consist of insurance, IT, rent, transport and turbine service.

15 Share capital

The contributed capital consists of 300,000 shares of a nominal value of DKK 1,000 each. All shares rank equally.

The Company's share capital has remained DKK 300,000 thousand over the past 5 years.

16 Other provisions

	2022	2021
Anniversary bonus	2,500	2,559
Environmental reserve	537,826	489,542
Other provisions	14,218	18,943
Other provisions at 31 December	554,544	511,044

The provisions are expected to be payable in:

	2022	2021
0-1 year	49,909	45,994
1-5 year	160,818	148,203
> 5 year	343,817	316,847
	554,544	511,044

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Notes to the financial statements

17 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	122,126	16,571	105,555	0
	122,126	16,571	105,555	0

18 Contractual obligations and contingencies, etc.

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. 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. The Group as a whole is not liable to any other parties.

19 Contingent assets

The Company respects intellectual property rights such as patents, trademarks, and registration data. Own rights and the freedom to operate in relation to the rights of other companies are proactively defended. Internal processes are implemented to prevent patent infringements, and the Company will concurrently defend its patent rights against other companies.

20 Collateral

Bank guarantees of DKK 31.8 million has been provided for customers and authorities.

21 Related parties

CHEMINOVA A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
FMC Luxembourg S.a.r.l.	6 rue Eugene Ruppert, L-2453, Luxembourg	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
FMC Corporation	2929 Walnut Street, Philadelphia, PA 19104, USA	www.fmc.com.

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Notes to the financial statements

21 Related parties (continued)

Related party transactions

CHEMINOVA A/S was engaged in the below related party transactions:

DKK'000	2022	2021
Revenue from related parties	3,764,396	3,137,663
Purchase of goods from related parties	1,392,339	1,241,109
Hedge	11,826	9,033
Recharges*	163,998	222,428
Royalties	29,365	17,495

Remuneration to the Company's Executive Board is disclosed in note 3.

Payables to associates and subsidiaries are disclosed in the balance sheet.

*Please note recharges includes multiple items, eg IT Allocations, Payroll, EIC Recharges and adhoc.

22 Appropriation of profit

Recommended appropriation of profit		
Other reserves	14,984	-8,475
Retained earnings	303,841	442,084
	318,825	433,609