

# CHEMINOVA A/S

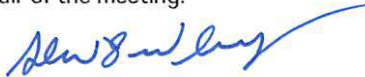
Thyborønvej 78, Rønland, 7673 Harboøre

CVR no. 12 76 00 43

## Annual report 2021

Approved at the Company's annual general meeting on 17 June 2022

Chair of the meeting:



.....  
Andrew David Sandifer

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## 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 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Lemvig, 17 June 2022  
Executive Board:

  
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Jakob Kyllèsbech  
CEO

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Benedicte Francoise  
Simone Flambard  
Executive director

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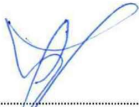
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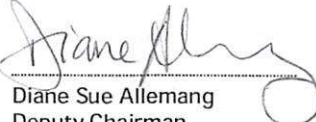
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## Independent auditor's report

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 2021 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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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, 17 June 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no 25 57 81 98



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	<a href="http://www.fmc.com">www.fmc.com</a>
Telephone	+45 96 90 96 90
Telefax	+45 96 90 96 91
Board of Directors	Andrew David Sandifer, Chair Diane Sue Allemang, Deputy Chairman Sebastia Pons Miquel William Francis Chester Jakob Lyngsø Andersen Nathan Søgaard Hudson Jens Christian Rønn Iversen Kapil Kumar Saini Benedicte Francoise Simone Flambard
Executive Board	Jakob Kylliesbech, CEO Benedicte Francoise Simone Flambard, Executive director
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfaergevej 28, DK-2100 Copenhagen

## Management's review

### Financial highlights

DKKm	2021	2020	2019	2018	2017
<b>Key figures</b>					
Revenue	3,664	3,465	3,465	3,242	3,484
Gross profit	851	816	799	495	854
Operating profit/loss	294	201	220	-200	372
Net operating income/expenses	-13	-2	3	447	6
Net financials	-30	-17	-30	-11	-17
Profit for the year	434	248	74	66	155
<b>Total assets</b>					
Total assets	5,902	4,922	4,762	4,582	6,056
<b>Investments in property, plant and equipment</b>					
Investments in property, plant and equipment	354	146	301	68	23
<b>Equity</b>					
Equity	3,454	3,019	2,771	2,697	2,631
<b>Financial ratios</b>					
Operating margin	8.3%	5.7%	6.4%	7.6%	10.7%
Gross margin	23.2%	23.5%	23.1%	15.3%	24.5%
Return on assets	5.4%	4.2%	4.7%	-3.8%	6.9%
Current ratio	204.2%	234.4%	187.8%	164.8%	303.8%
Equity ratio	58.5%	61.3%	58.2%	58.9%	43.4%
Return on equity	13.4%	8.6%	2.7%	2.5%	6.1%
<b>Average number of full-time employees</b>					
Average number of full-time employees	590	614	601	657	660

For terms and definitions, please see the accounting policies

## 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 2021, 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 42 million.

### Financial review

Cheminova A/S realized revenue of DKK 3,664 million in 2021 (DKK 3,465 million in 2020) and has 590 employees (614 in 2020).

Cheminova A/S experienced a satisfactory year with profit before tax of DKK 498 million. The Company's income statement for 2021 shows a profit after tax of DKK 434 million which includes dividend income from a subsidiary of DKK 223 million. The profit for 2020 was DKK 248 million. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 3,454 million as against DKK 3,019 million at 31 December 2020.

### Market and sales

Overall, revenue in 2021 remained fairly consistent compared to 2020 with an increase of 4%. The sale of Fungicides increased with 3%, Insecticides with 9% and Herbicides with 13%, the increase is partly offset by a 35% reduction in sale of other products. 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.

### 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.

## Management's review

### Financial risks and use of financial instruments

#### Particular risks

We have performed a risk analysis regarding the war between Russia and Ukraine. As the Russia/Ukraine war continues and new sanctions are levied on the Russian Federation, we have concluded that operating our business in Russia has become unsustainable. Equally important, our values as a company no longer allow us to operate and grow our business in a country responsible for this war, so we have discontinued our business in Russia effective April 14th 2022.

In light of FMC's discontinued operations in Russia, Cheminova A/S will be writing off all trade receivable balances owed by FMC LLC (Moscow) and DuPont Khimprom, the intercompany loan receivable from FMC LLC and the related party investment in FMC LLC, please see further details of the required write off below.

	FMC LLC	DuPont KhimProm
	DKK'000	DKK'000
Receivables from Group Entities	160.587	579
Intercompany Loan Receivable	34.926	-
Related Party Investment	6.807	-
	202.320	579
Trade AP	-1.716	-
FY21 Revenue	198.113	-
FY21 IT Allocation Recharges	745	-

Receivables from FMC Ukraine LLC have been assessed and are, at this point, deemed recoverable. Sales from Cheminova A/S to FMC Ukraine LLC have continued since the outbreak of the war and the Ukrainian entity continues to trade. While sales have reduced year on year, revenue increased 33% in Mar '22 from Feb '22. 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.

	FMC Ukraine LLC	FMC Ukraine LLC
	31. Dec 2021	30. Apr 2022
	DKK'000	DKK'000
Receivables from Group Entities	-7.280	20.527
Intercompany Loan Receivable	-	-
Related Party Investment	-	-
	-7.280	20.527
Trade AP	-530	-530
	FY21	YTD FY22
Revenue	51.036	27.598
IT Allocation Recharges	745	68

We have also assessed the impact of the discontinued Russian operations on future earnings for Cheminova A/S. Per Note 21: Related Parties, revenue earned from FMC LLC in FY21 was 198m DKK, 6% of total revenue. FY21 sales to Ukraine were 51m DKK, 1.6% of total revenue.

While sales to Russia have ceased as of Apr 14th 2022, and sales to Ukraine are likely to be impacted by the on-going war, FMC is targeting to mitigate this negative impact by growing in other regions, including the Middle East and Africa countries.

## Management's review

### 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](http://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.

### 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 2021, the Company incurred significant research and development costs relating to the Company and FMC Group's core products. Investments in R&D will ensure that the Company can maintain and improve its market position in the coming years.

## Management's review

### Statutory CSR report

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, anti-corruption and social and staff matters.

For further information, we refer to the CSR policies of FMC the statutory requirements for social responsibility, regarding 99a is disclosed in FMC Sustainability Report 2021

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

### 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 cyber-attacks 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.

### Account of the gender composition of Management

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 30.4%, with 37% senior management being female. Among the women promoted to senior positions in 2021, two were appointed executive officers.

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. 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 2021.

### Events after the balance sheet date

Following the invasion of Ukraine by Russia on 24 February 2022, we have concluded that operating our business in Russia has become unsustainable and we cannot continue to grow our business in a country responsible for this war, and so FMC discontinued operations in Russia effective April 14th 2022.

We have reviewed the underlying information as of 31 December 2021 and concluded that there was no information available to us at that time to propose a write off for the year ended 31 December 2021, and therefore, the required write off of receivable balances (trade and loan) from FMC LLC and DuPont Khimprom and the impairment of our investment in FMC LLC are deemed to be non-adjusting post balance sheet events and will be reflected in the FY22 results.

The Russian invasion of Ukraine has caused significant inflation in fuel prices throughout Europe since March 2022, resulting in increased freight and production costs. Russia has also implemented several export bans which impact on the supply and cost of raw materials globally. FMC minimises the risk by planning delivery of materials in advance of production, and continues to monitor increasing costs and adjust prices accordingly.

## Management's review

### Outlook

Sales are expected to grow in 2022, with the same level of gross margin and continued focus on cost. The trends in portfolio improvements are also expected to continue as new product launches are expected to replace rationalization and loss of regulatory approvals to market older technology active ingredients. We expect that the overall results for 2022 to be broadly in line with the results for 2021.

The impact of COVID-19 has been significantly reduced and the outlook is positive going forward due to the removal of significant restrictions across most of Europe and the world.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2021	2020
2	Revenue	3,664,127	3,465,075
3.5	Production costs	-2,813,337	-2,649,419
	Gross profit	850,790	815,656
3.5	Distribution costs	-45,554	-76,836
3.5	Administrative expenses	-191,509	-197,910
	Operating profit	613,727	540,910
4	Other operating income	35,975	759
	Other operating expenses	-24,845	-3,046
3.5	Research and development costs	-320,185	-339,770
	Profit before net financials	304,672	198,853
	Income from investments in group enterprises	223,130	101,474
6	Financial income	7,205	40,738
7	Financial expenses	-37,016	-57,643
	Profit before tax	497,991	283,422
8	Tax for the year	-64,382	-35,323
	Profit for the year	433,609	248,099

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Fixed assets		
9	Intangible assets		
	Completed development projects	186,335	241,217
	Sales and registration rights etc	67,070	80,844
	Goodwill	1,167	1,367
	Development projects in progress	42,026	14,635
	Software	8,316	1,085
		<u>304,914</u>	<u>339,148</u>
10	Property, plant and equipment		
	Land and buildings	93,971	97,082
	Plant and machinery	251,354	210,327
	Fixtures and fittings, other plant and equipment	901	901
	Right-of-use assets	135,653	152,648
	Property, plant and equipment under construction	414,428	137,161
		<u>896,307</u>	<u>598,119</u>
11	Investments		
	Investments in group enterprises	679,981	679,981
	Receivables from group enterprises	104,992	104,992
	Participating interests	210,340	210,340
		<u>995,313</u>	<u>995,313</u>
	Total fixed assets	<u>2,196,534</u>	<u>1,932,580</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	136,668	111,525
	Work in progress	478,479	415,300
	Finished goods and goods for resale	314,270	224,343
		<u>929,417</u>	<u>751,168</u>
	Receivables		
	Trade receivables	132,980	167,265
	Receivables from group enterprises	2,506,140	1,963,283
12	Deferred tax assets	9,709	20,244
	Corporation tax receivable	17,350	13,313
	Other receivables	85,262	53,071
13	Prepayments	1,942	2,806
		<u>2,753,383</u>	<u>2,219,982</u>
	Cash	22,966	18,214
	Total non-fixed assets	<u>3,705,766</u>	<u>2,989,364</u>
	TOTAL ASSETS	<u>5,902,300</u>	<u>4,921,944</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
14	Share capital	300,000	300,000
	Reserve for development costs	110,865	119,340
	Retained earnings	3,043,088	2,600,077
	Total equity	<u>3,453,953</u>	<u>3,019,417</u>
	Provisions		
15	Other provisions	511,044	488,872
	Total provisions	<u>511,044</u>	<u>488,872</u>
	Liabilities other than provisions		
16	Non-current liabilities other than provisions		
	Lease liabilities	122,113	138,987
		<u>122,113</u>	<u>138,987</u>
	Current liabilities other than provisions		
16	Short-term part of long-term liabilities other than provisions	17,782	18,317
	Trade payables	649,624	512,729
	Payables to group enterprises	971,254	491,033
	Other payables	176,530	252,589
		<u>1,815,190</u>	<u>1,274,668</u>
	Total liabilities other than provisions	<u>1,937,303</u>	<u>1,413,655</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>5,902,300</u></u>	<u><u>4,921,944</u></u>

- 1 Accounting policies
- 17 Deferred income
- 18 Contractual obligations and contingencies, etc
- 19 Contingent assets
- 20 Collateral
- 21 Related parties
- 22 Fee to the auditors appointed by the Company in general meeting
- 23 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 2020	300,000	65,415	2,405,903	2,771,318
23	Transfer, see "Appropriation of profit"	0	53,925	194,174	248,099
	Equity at 1 January 2021	300,000	119,340	2,600,077	3,019,417
23	Transfer, see "Appropriation of profit"	0	-8,475	442,084	433,609
	Other value adjustments of equity	0	0	927	927
	Equity at 31 December 2021	300,000	110,865	3,043,088	3,453,953

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of CHEMINOVA A/S for 2021 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

In accordance with the Danish Business Authority's clarification in May 2021, financial statement items regarding equity investments in associates have been renamed to equity investments in participating interests as the financial statement items must be designated as such when the entity only holds equity investments in associates

#### 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

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 transferred 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.

###### Other operating income and operating expenses

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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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 useful life and residual value are reassessed 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.

##### 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.

##### 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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 measured 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.

Internally generated intangible assets - development and registration costs



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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 Financial 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 (3.0%) 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 3.0% (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

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 and 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 development 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.

##### 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.

##### Income taxes and deferred taxes

Current tax payables and receivables are recognized 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 recognized 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 recognized 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 recognized in the income statement.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial ratios

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

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2021	2020
2 Segment information		
Breakdown of revenue by business segment		
Insecticides	1,463,724	1,347,272
Herbicides	1,190,411	1,052,789
Fungicides	656,532	639,256
Other	353,460	425,758
	<u>3,664,127</u>	<u>3,465,075</u>
Breakdown of revenue by geographical segment		
Europe	2,585,008	3,229,020
Latin America	698,843	91,437
North America	98,709	7,699
Other	281,567	136,919
	<u>3,664,127</u>	<u>3,465,075</u>
3 Staff costs		
Wages/salaries	362,836	379,804
Pensions	25,616	28,299
Other social security costs	7,278	18,659
Other staff costs	-709	4,251
	<u>395,021</u>	<u>431,013</u>
Average number of full-time employees	<u>590</u>	<u>614</u>
Remuneration to members of Management		
Executive Board	15,176	15,826
	<u>15,176</u>	<u>15,826</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2021	2020
4 Other operating income		
Other operating income	0	759
Miscellaneous Income	35,975	0
	<u>35,975</u>	<u>759</u>
5 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	70,701	71,061
Depreciation of property, plant and equipment	36,625	47,886
	<u>107,326</u>	<u>118,947</u>
6 Financial income		
Interest receivable, group entities	6,989	40,703
Other financial income	216	35
	<u>7,205</u>	<u>40,738</u>
7 Financial expenses		
Interest expense to group entities	2,670	2,858
Exchange adjustments costs	0	43,061
Other financial costs	34,346	11,724
	<u>37,016</u>	<u>57,643</u>
<p>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</p>		
8 Tax for the year		
Estimated tax charge for the year	54,344	31,788
Deferred tax adjustments in the year	10,532	4,240
Tax adjustments, prior years	-494	-705
	<u>64,382</u>	<u>35,323</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 9 Intangible assets

DKK'000	Completed development projects	Sales and registration rights etc	Goodwill	Development projects in progress	Software	Total
Cost at 1 January 2021	678,455	720,386	39,210	14,635	220,569	1,673,255
Additions	0	0	0	27,391	8,378	35,769
Cost at 31 December 2021	678,455	720,386	39,210	42,026	228,947	1,709,024
Impairment losses and amortisation at 1 January 2021	437,238	639,542	37,843	0	219,484	1,334,107
Impairment losses for the year	54,882	13,774	200	0	1,147	70,003
Impairment losses and amortisation at 31 December 2021	492,120	653,316	38,043	0	220,631	1,404,110
Carrying amount at 31 December 2021	186,335	67,070	1,167	42,026	8,316	304,914

#### 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 2021-2024 where considerable economic benefits are expected.

#### 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 2021	545,168	2,491,443	166,168	185,964	137,161	3,525,904
Additions	3,291	40,108	0	0	310,324	353,723
Disposals	0	-11,397	0	-2,112	0	-13,509
Transferred	1,370	31,687	0	0	-33,057	0
Cost at 31 December 2021	549,829	2,551,841	166,168	183,852	414,428	3,866,118
Impairment losses and depreciation at 1 January 2021	448,086	2,281,116	165,267	33,316	0	2,927,785
Depreciation	7,772	29,551	0	14,883	0	52,206
Depreciation and impairment of disposals	0	-10,180	0	0	0	-10,180
Impairment losses and depreciation at 31 December 2021	455,858	2,300,487	165,267	48,199	0	2,969,811
Carrying amount at 31 December 2021	93,971	251,354	901	135,653	414,428	896,307



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 11 Investments

DKK'000	Investments in group enterprises	Receivables from group enterprises	Participating interests	Total
Cost at 1 January 2021	955,617	104,992	210,340	1,270,949
Cost at 31 December 2021	955,617	104,992	210,340	1,270,949
Value adjustments at 1 January 2021	-275,636	0	0	-275,636
Value adjustments at 31 December 2021	-275,636	0	0	-275,636
Carrying amount at 31 December 2021	679,981	104,992	210,340	995,313

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
<b>Subsidiaries</b>				
FMC Agro Limited (2018)	Great Britain	100 00%	302,754	15,539
Cheminova Deutschland GmbH & Co KG (2018)	Germany	99 99%	281,149	47,509
FMC Agro Austria GmbH (2019)	Austria	100 00%	0	1,130
Althallier Italy S.r.l (2019)	Italy	100 00%	39,822	3,328
Cheminova Agro France S A S (2018)	France	100 00%	110,887	4,255
FMC Agricultural Solutions S A U (2018)	Spain	100 00%	152,393	5,928
Cheminova Agro Italia S r l (2018)	Italy	100 00%	109,497	4,037
FMC Agro Bulgaria EOOD (2018)	Bulgaria	100.00%	24,316	1,563
FMC-Agro Hungary Kft (2018)	Hungary	100.00%	80,337	3,698
FMC Agro Polska S P z o o (2018)	Poland	100 00%	55,885	6,244
FMC LLC (2019)	Russia	99 98%	111,564	-8,327
Pytech Chemicals GmbH (2018)	Switzerland	100 00%	688,167	8,770
Cheminova China Ltd (2018)	China	100 00%	4,884	862
Cheminova Uruguay S A (2018)	Uruguay	100 00%	0	0
Cheminova India Ltd (2019)	India	99 99%	307,707	-80,973
FMC Taiwan Co , LTD (2018)	Taiwan	100 00%	6,418	411
FMC Quimica S A (2019)	Argentina	97 50%	99,483	-176,180
FMC New Zealand Limited (2018)	New Zealand	100 00%	18,431	794
FMC India Private Limited (2019)	India	45 06%	762,651	43,825
FMC Quimica Chile Limitada	Chile	0.00%	0	0
Agro Cheminova C R Sociedad Anonima *	Costa Rica	100 00%	0	0
Croptech LLC *	US	100 00%	0	0
Cheminova Agro A/S Greek Branch (2018)	Greece	100 00%	0	0
Cheminova AS Rep Office (Russia) *	Russia	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

## Financial statements 1 January - 31 December

### Notes to the financial statements

11 Investments (continued)					
CGNS (2018)	U K	25 00%	0	0	
Cheminova A/S Rep Office (Ukraine) (2019)	Ukraine	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 Grundbesitz GmbH & Ko KG	Germany	100 00%	0	0	

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.

DKK'000	2021	2020
12 Deferred tax		
Deferred tax at 1 January	-20,244	-24,485
Deferred tax adjustment for the year	8,650	3,643
Deferred tax adjustment for the year related to foreign activities	1,885	598
Deferred tax at 31 December	<u>-9,709</u>	<u>-20,244</u>
Deferred tax relates to		
Provisions	<u>-9,709</u>	<u>-20,244</u>
	<u>-9,709</u>	<u>-20,244</u>
Analysis of the deferred tax		
Deferred tax assets	<u>-9,709</u>	<u>-20,244</u>
	<u>-9,709</u>	<u>-20,244</u>

### 13 Prepayments

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

### 14 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2021	2020
15 Other provisions		
Anniversary bonus	2,559	2,897
Environmental reserve	489,542	470,369
Other provisions	18,943	15,606
Other provisions at 31 December	<u>511,044</u>	<u>488,872</u>
The provisions are expected to be payable in		
0-1 year	45,994	42,241
1-5 year	148,203	142,182
> 5 year	316,847	304,449
	<u>511,044</u>	<u>488,872</u>

### 16 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	139,895	17,782	122,113	0
	<u>139,895</u>	<u>17,782</u>	<u>122,113</u>	<u>0</u>

### 17 Deferred income

Deferred income consists of payments in respect of income in subsequent years

### 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 36 million has been provided for customers and authorities.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 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

##### Related party transactions

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

DKK'000	2021	2020
Revenue from related parties	3,137,663	2,580,201
Purchase of goods from related parties	1,241,109	722,358
Hedge	9,033	72,152
Recharges*	222,428	217,778
Royalties	17,495	14,017

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

DKK'000	2021	2020
22 Fee to the auditors appointed by the Company in general meeting Audit	874	848
	874	848
23 Appropriation of profit		
Recommended appropriation of profit		
Other reserves	-8,475	53,925
Retained earnings	442,084	194,174
	433,609	248,099