Dansk Salt A/S

Hadsundvej 17, DK-9550 Mariager

Annual Report for 1 January - 31 December 2021

CVR No 17 03 07 44

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 30/6 2022

Eveline Isabella Gratzer
Chairman of the General Meeting

Contents

Management’s Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Dansk Salt 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 at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Mariager, 30 June 2022

Executive Board

Søren Møller

Board of Directors

Philipp Rolf Gotthelf Polenz Chairman	Elisabeth Deelen	Eveline Isabella Gratzer

Independent Auditor's Report

To the Shareholder of Dansk Salt A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 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.

We have audited the Financial Statements of Dansk Salt A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aalborg, 30 June 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Michael Nielsson
statsautoriseret revisor
mne15151

Kristian Kjær Jensen
statsautoriseret revisor
mne35627

Company Information

The Company	Dansk Salt A/S Hadsundvej 17 DK-9550 Mariager Telephone: + 45 96 68 78 88 CVR No: 17 03 07 44 Financial period: 1 January - 31 December Municipality of reg. office: Mariagerfjord
Board of Directors	Philipp Rolf Gotthelf Polenz , Chairman Elisabeth Deelen Eveline Isabella Gratzer
Executive Board	Søren Møller
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Skelagervej 1A DK-9000 Aalborg

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2021	2020	2019	2018	2017
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
Key figures					
Profit/loss					
Revenue	104	85	455	439	430
Gross profit/loss	28	33	145	138	141
Operating profit/loss	16	-4	41	39	47
Net financials	12	-7	-4	-25	31
Profit/loss from discontinuing activities	31	50	0	0	0
Net profit/loss for the year	40	42	33	6	68
Balance sheet					
Balance sheet total	297	581	533	501	504
Equity	159	177	135	201	225
Investment in property, plant and equipment	18	10	18	7	0
Number of employees	95	142	148	143	139
Ratios					
Gross margin	26.9%	38.8%	31.9%	31.4%	32.8%
Profit margin	15.4%	-4.7%	9.0%	8.9%	10.9%
Return on assets	5.4%	-0.7%	7.7%	7.8%	9.3%
Solvency ratio	53.5%	30.5%	25.3%	40.1%	44.6%
Return on equity	23.8%	26.9%	19.6%	2.8%	31.6%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Key activities

I/S Dansk Salt was founded in 1963 in a joint venture by the Danish company Kryolitselskabet and the Dutch company KNZ NV Hengelo with an equal ownership. Dansk Salt A/S was established in 1993 when it acquired all the activities of Dansk Salt I/S.
In 2001 the company changed name to Akzo Nobel Salt A/S. In 2018 the ultimate parent company of Akzo Nobel Salt A/S, AkzoNobel Specialty Chemicals, was purchased by Carlyle Group and became an independent company called Nouryon. As a result, Akzo Nobel Salt A/S in 2019 changed name to Dansk Salt A/S.
In 2021 the chemical business of Nouryon, which Dansk Salt A/S is part of, was spun off into its own company, Nobian. Nobian is the leader in the production of essential chemicals for industries ranging from construction and cleaning to pharmaceuticals and water treatment. Nobian's headquarters is in the Netherland and has activities in the Western Europe. The company has approximately 1.600 employees.
In 2021 Nobian chose to sell the part of salt production that was not part of the core business. As a result of this half of Dansk Salt A/S was demerged into a new company, Mariager Salt Specialties A/S which is owned by Group Salins. The remainder part of Dansk Salt A/S is still owned by Nobian.

Dansk Salt A/S production is based on a sole concession to extract salt by solution mining from the Danish subsoil. The concession was granted in 1963 for a period for 50 years. In 2010 a new 15-year exclusive license was granted by the Danish Energy Agency with effect from 2013 with a possible extension for another 15 years.

The salt is extracted from a salt dome southwest of Hobro and transported via an undergrown pipeline to the production plant located in Assens at Mariager Fjord. Dansk Salt A/S produces 600.000 k.ton of salt a year. Approximately 50% of the production is sold as specialties salt which is used as food and feed salt and pharmaceutical salt. The industrial salt which comprises the remainder 50% is primarily sold to use in the chlorine industry.

The Company's salt production is made as toll manufacturing for Nobian Chemicals International B.V., who is managing the overall storing and sales for all Nobian's European salt factories.

Maricogen A/S which owns a natural-gas-fired cogeneration plant is a 100% owned subsidiary that is incorporated in the company profit.

Development in the year

The income statement of the Company for 2021 shows a profit of TDKK 39,960, and at 31 December 2021 the balance sheet of the Company shows equity of TDKK 159,029.

Management’s Review

The past year and follow-up on development expectations from last year

Turnover amounted to DKK 269.6 m., which is lower than the year before. The turnover is primarily a result of sales of salt products to the food industry and sales of pharmaceutical salt. Sales are specifically concentrated on the Norther European market and the Asian market.

The profit was DKK 39.9 m. compared to DKK 42.2 m. last year. The result of the primary operation was 9.3 m, which was in line with the expectation of a result between 5-10 m. The Board of Management considers the result for the year to be satisfactory.

Capital resources

The management estimate that enough capital resources are present.

Operating risks

In the sales-process of AkzoNobel Specialty Chemicals to the Carlyle Group it turned out that Dansk Salt A/S needed a second reliability source which should be Akzo Nobel B.V. beside to Nouryon. This dispute/discussion is not yet finished, so we still relay on the existing concession.

Foreign exchange risks

Dansk Salt has only a limited exchange rate risk. As the company operated as a toll manufacturer the single customer is European based and trades in euro. With Denmark’s fixed exchange rate policy towards the euro not significant fluctuations will affect Dansk Salt.

The Company does not undertake its own hedging of commercial exchange rate risks. Net positions are hedged at Business Unit level.

Investments

New investments in 2021 amounted to DKK 15.1 m which is higher than the level in 2020.

Targets and expectations for the year ahead

Dansk Salt A/S acts as a toll manufacturer with a cost-plus agreement with its mother company. This means that an increased cost base will ultimately lead to an increased result in Dansk Salt A/S.

As a consequence of the demerger of the Salt Specialties production the result for 2022 is expected to decrease to a level between DKK 5-10 m under normal conditions. The result for 2022 is uncertain as the inflation is increasing and energy cost is also increasing. If this continues the result for Dansk Salt A/S will increase because of the agreement to act as a toll manufacturer.

Management's Review

Research and development

Research and development activities are primarily managed by the parent company. In 2021 Dansk Salt A/S have not recorded cost for research and development activities.

External environment

The company constantly strive for excellence in quality of our products, health & safety of our employees and environmental protection. Our vision is Zero injures, waste and harm.

The company holds accredited certification of our management systems according to following international standards:

ISO 9001:2015 Quality Management
ISO 14001:2015 Environmental Management incl. Energy
ISO 45001:2018 Occupational Health & Safety Management Incl. stat. order 1409/2020
ISO 22000:2015 FSSC Food Safety System Certification
GMP+ B1 Feed safety – production, trade and services
GMP Quality management for Active Pharmaceutical Ingredients (API)

Intellectual capital resources

For Dansk Salt A/S it is vital that the employees possess the right competences. In connection with Dansk Salt A/S' business strategy (the Gameplan), core qualifications and critical competences for the different business areas are defined.

Statement of corporate social responsibility according to Danish Financial Statements ACt. §99a

Main activities
Dansk Salt A/S's business model is covered in the section Main Activities.

Nobian has acceded to the UN Global Compact meaning that, in its capacity as subsidiary, Dansk Salt A/S is under an obligation to comply with the UN Global Compact principles. Dansk Salt A/S is comprised by the strategy and the policies for corporate social responsibility adopted by Nobian.

Nobian's way of working is set out in the "Code of Business Conduct & Ethics" policy. Dansk Salt A/S complies to all policies set by Nobian. More specific day-to-day procedures are outlined in Nobian's policies and procedures, that are available on our company intranet site. The Code as well as any policies and procedures apply to all individuals employed by any Nobian company, regardless of the type of contract or location of their work. They also apply to individuals working for Nobian through a third-party contract.

https://www.nouryon.com/globalassets/nouryon/4.-company/4.-sustainability/downloads/sustainability-report-2020_en_fullversion.pdf

Management's Review

Human rights

The main risk in relation to human rights and anti-corruption arises in our corporation with suppliers where we need to ensure they do not engage in bribes or have employees not working under decent work conditions.

Dansk Salt A/S, and any third party working with us, must comply with all labor laws in the jurisdictions where it operates. We will not engage in, or do business with any third party engaging in, the use of forced or involuntary labor, human trafficking or child labor. We recognize the human rights of all people as outlined in the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

Dansk Salt A/S is committed to complying with applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act and the anti-corruption laws of all other countries where we do business. We are also committed to doing business only with business partners that share our commitment to compliance. It is never appropriate to offer, give, request or accept bribes, kickbacks or any other type of improper preferential benefit to or from anyone whether they are a government or party official, political candidate, business partner, or employee.

To ensure our suppliers live up to our requirements we audit our suppliers on a regular basis. All engagement with suppliers is on a 6 eyes principle to ensure that no single employee can enter into corporation with a company that does not live up to our standards. All external purchased needs to be approved by at least two people that are independent on each other.

To ensure employees are able so report any concerns a SpeakUp! reporting hotline is set in place which is available 24-hours a day, seven-days a week. The hotline is hosted by an independent company which guarantees confidentiality. Reports can be made anonymously if so chosen.

On top of the hotline a local ethics committee is planned to be implemented in 2022. The ethics committee will be set in place to ensure that all employees have a local place where it is possible to reach out with any concerns.

People and Communities

Our biggest risk is the safety of our employees, both in relation to injuries and workload. We work both with dangerous chemicals and perform operations that has a safety risk if not performed according to our safety instructions. We work continuously to provide a safe and healthy working environment, with zero accidents, for our employees, contractors and neighbors. We value the strong relationships we have with our local communities and our production sites proactively engage with municipalities, residents, authorities and local interest groups to stimulate open dialogue and inform them about our activities and operations. We believe it's not just the destination that matters, but also how we get there.

Health and safety

Our Health Safety and Environment management systems conforms to global standards such as ISO 14001 and 45001 and aims to protect the health and safety of all employees and contractors. Our

Management's Review

ambition is to have zero injuries. We believe that every employee and contractor should leave work save and well every single day. In 2021 we had no lost time injuries among our employees and one lost time injury involving our contractors.

As part of our ambition to have zero injuries we have an annual safety day. In addition, a Behavioral-Based Safety (BBS) program is used at all our manufacturing sites to identify unsafe behaviors and inspire our employees and contractors to make changes that reduce potential workplace hazards.

Our communities
It's important to us that we are part of the communities in which we operate, and we value strong relationships with our neighbors. We're committed to contributing to local economic and social well-being and, in 2022, we intend to identify how we can further engage and invest in local initiatives. Examples might include direct contributions or shared projects.

People
Our aim is to achieve sustainable business growth and have a positive impact on people's everyday lives through our actions as well as our essential solutions. To achieve this, we support, develop, listen to and empower our employees and local communities. We engage and collaborate with customers, partner companies, universities, industry peers and governments. These relationships help us drive growth and, at the same time, become a safer, more sustainable and more innovative company. In 2021 we created a new set of values and behaviors. Of these, 'care' and 'safety' focus explicitly on our employees' well-being and ensuring we're a caring partner to our customers, stakeholders and the communities in which we operate. Our core values are the backbone of the performance-driven culture we're creating, forming a strong framework that empowers our employees and enables us to successfully deliver on our company's purpose and strategy.

Climate impact

As part of Nobian Dansk Salt has adopted the policies on environment and climate. The goal is to be carbon neutral in 2040 with use of 100% renewable energy. Our production will be electrified and enabled to help with grid stabilization.

Dansk Salt is one of the large energy consumers in Denmark. Our energy consumption is primarily converted into steam which is used to evaporate the salt. We continuously strive to reduce our environmental and climate footprint. In 2021 50% of our steam production is CO2 neutral. The carbon footprint from steam production has been on the same level as 2020.

Our production is dependent on the availability of local certified biomass and natural gas. With the increased focus on sustainability, it is a risk that there will be a scarcity of biomass available. To mitigate the risk, we work with long term contracts to secure a sustainable production.

In 2021 we took the decision to install a new electric boiler. As well as increasing the steam generation assets, this allows us to further diversify our steam portfolio and reduce its carbon footprint. The new boiler will run on excess wind power and means we can contribute to the stability of the local grid. The installation of the boiler is scheduled for 2022.

Management’s Review

In 2022 we will evaluate our waste streams in our goal towards a zero-waste production. All materials that can be reused must be reused. All waste streams where reuse of materials is not possible will be evaluated and, if possible, changed to a non-waste producing production.

In 2022 the work with reduction of our climate footprint both on carbon emissions and climate impact. First initiative is to remove all use of pesticides.

Statement on gender composition according to Danish Financial Statement Act. §99b

Under section 139c of the Danish Companies Act, the Board of Directors of Dansk Salt A/S has laid down the Company's policy to increase the share of the underrepresented gender in the Company's Management in general.

Dansk Salt A/S is committed to equal employment opportunities and to avoiding discrimination in the workplace or against job applicants, customers or business partners. Inclusion and Diversity (I&D) are fundamental to how we do business. We want to attract and develop diverse talent and see individual differences as an opportunity for innovation and growth. We cultivate an environment where behaviors and social norms are welcoming and respectful, and employees are provided equitable access to resources and opportunities.

As a next step in our development, we are also setting-up a number of employee networks to ensure we’re in touch with their needs. Our talent network, for example, is focused on our younger employees. We’re eager to learn from them and seek their views across a range of areas, as well as helping them develop both professionally and personally so we can retain them as fulfilled, valuable members of our organization. We’re also introducing a Diversity of Thoughts network, which brings together people from across our company to identify and carry out initiatives that bring our D&I policy to life. Improving and supporting diversity in our workforce is an ongoing process.

We’ll continue to assess the diversity of our workforce and will also review all aspects of our employees’ lifecycle. This will help us ensure our hiring, engagement, reward and promotion processes support their needs. Diversity awareness will continue to play an important role as we recruit senior personnel and directors; we’ll actively monitor our progress and challenge ourselves to make improvements. One of our key aims is to carry out an employee engagement survey in the second half of 2022. If we are to live up to our promise to increase employee motivation and engagement, and to ensure our focus is on the right challenges and subjects, we recognize the importance of gaining insight from our own people.

The Supervisory Board in Dansk Salt A/S has in 2014 taken steps to secure a more even distribution of the gender quota. The board of Dansk Salt A/S has 3 members, 1 man and 2 women. Management thus considers that is has fulfilled the statutory requirement for an equal gender distribution in the top management.

To ensure a non-biased recruitment we have in 2021 uses an external party to find relevant candidates when recruiting on a specialist level. In 2020 3 female candidates was employed. In 2021 two specialist was employment, one of each gender. No changes in 2021 have accrued on management level.

Management’s Review

Statement on Data Ethics according to Danish Financial Statement Act. §99d

In Dansk Salt we have not adopted a formal policy for data ethics. We comply with our group standards within Nobian which is described in our “Code of Business Conduct & Ethics” policy. Nobian is always committed to conduct business with integrity and fairness, with respect for the law and based on our values.

As Nobian is a newly established company all policies are not in place. We will in 2022 investigate if a standalone policy for data ethics should be developed.

Statement on Data Ethics according to Danish Financial Statement Act. §99d

In Dansk Salt we have not adopted a formal policy for data ethics. We comply with our group standards within Nobian which is described in our “Code of Business Conduct & Ethics” policy. Nobian is always committed to conduct business with integrity and fairness, with respect for the law and based on our values.

As Nobian is a newly established company all policies are not in place. We will in 2022 investigate if a standalone policy for data ethics should be developed.

Subsequent events

After the end of the financial year the Salt Specialties production has been decided to divest to an external party. The production facility will remain at the same location and the new owner will continue production. Dansk Salt will continue to serve as a toll manufacture for the current mother company.

Income Statement 1 January - 31 December

	Note	2021	2020
		TDKK	TDKK
Manufacturing fee	1	**103,656**	**84,799**
Cost of sales	2	-75,639	-51,351
Gross profit/loss		**28,017**	**33,448**
Distribution expenses	2	-4,723	-27,162
Administrative expenses	2	-7,636	-10,729
Operating profit/loss		**15,658**	**-4,443**
Profit/loss before financial income and expenses		**15,658**	**-4,443**
Income from investments in subsidiaries		19,074	5,816
Financial expenses		-6,665	-13,181
Profit/loss before tax		**28,067**	**-11,808**
Tax on profit/loss for the year	34	-18,770	4,310
Profit/loss from continuing activities		**9,297**	**-7,498**
Profit/loss from discontinuing activities	5	30,663	49,707
Net profit/loss for the year		**39,960**	**42,209**

Balance Sheet 31 December

Assets

	Note	2021	2020
		TDKK	TDKK
Acquired trademarks		240	281
Intangible assets	6	**240**	**281**
Land and buildings		60,902	67,235
Plant and machinery		40,750	54,547
Other fixtures and fittings, tools and equipment		228	284
Property, plant and equipment in progress		30,499	14,976
Property, plant and equipment	7	**132,379**	**137,042**
Investments in subsidiaries	8	66,811	47,737
Fixed asset investments		**66,811**	**47,737**
Fixed assets		**199,430**	**185,060**
Inventories	9	**16,503**	**15,431**
Trade receivables		33	0
Receivables from group enterprises		62,766	258,671
Other receivables		16,447	11,230
Deferred tax asset	12	1,517	0
Prepayments	10	105	496
Receivables		**80,868**	**270,397**
Cash at bank and in hand		**4**	**0**
Assets relating to discontinued activities	5	**0**	**110,170**
Currents assets		**97,375**	**395,998**
Assets		**296,805**	**581,058**

Balance Sheet 31 December

Liabilities and equity

	Note	2021	2020
		TDKK	TDKK
Share capital		50,000	50,000
Reserve for net revaluation under the equity method		51,310	32,236
Retained earnings		57,719	94,768
Equity		**159,029**	**177,004**
Provision for deferred tax	12	0	5,150
Provisions		**0**	**5,150**
Lease obligations		214	511
Payables to group enterprises		30,000	215,000
Other payables		0	4,698
Long-term debt	13	**30,214**	**220,209**
Credit institutions		0	29
Lease obligations	13	162	796
Trade payables		24,397	11,709
Payables to group enterprises	13	44,793	85,150
Corporation tax		24,781	7,443
Other payables	13	13,429	15,768
Liabilities relating to discontinued activities	5	0	57,800
Short-term debt		**107,562**	**178,695**
Debt		**137,776**	**398,904**
Liabilities and equity		**296,805**	**581,058**

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Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	50,000	32,236	94,768	177,004
Other equity movements	0	0	-57,935	-57,935
Net profit/loss for the year	0	19,074	20,886	39,960
Equity at 31 December	**50,000**	**51,310**	**57,719**	**159,029**

Notes to the Financial Statements

		2021	2020
		TDKK	TDKK
1	**Manufacturing fee**		
	Geographical segments		
	Revenue, EU	103,656	84,799
		103,656	**84,799**
	Business segments		
	Manufacturing Fee	103,656	84,799
		103,656	**84,799**

		2021	2020
2	**Staff**		
	Salaries and wages	12,359	22,956
	Pension premiums	9,443	13,808
	Social security costs	1,089	1,128
		22,891	**37,892**
	Including remuneration to the Executive and Board of Directors:		
	Average number of employees	**95**	**142**

The Company has in accordance with section 98(b)(3) of the Danish Financial Statement Act. chosen to disclose management remuneration together for 2021. In 2020 The Board of Directors and Executive Board received a total salary of 3,660 tDKK.

Notes to the Financial Statements

		2021	2020
		TDKK	TDKK
3	**Special items**		
	Tax in respect of the Demerger of Dansk Salt	23,417	0
		23,417	**0**

		2021	2020
4	**Tax on profit/loss for the year**		
	Current tax for the year	25,378	-4,310
	Deferred tax for the year	-6,667	0
	Adjustment of tax concerning previous years	59	0
		18,770	**-4,310**

Notes to the Financial Statements

5 Discontinuing activities

	2021	2020
	TDKK	TDKK
Revenue	165,961	381,796
Cost of sales	-82,239	-300,149
Gross profit/loss	**83,722**	**81,647**
Distribution expenses	-35,458	0
Administrative expenses	-7,433	-12,041
Profit/loss before financial income and expenses	**40,831**	**69,606**
Financial income	2,268	2,903
Financial expenses	-3,787	-8,782
Profit/loss before tax	**39,312**	**63,727**
Tax on profit/loss for the year	-8,649	-14,020
Profit/loss from discontinuing activities	**30,663**	**49,707**
Property, plant and equipment	0	34,689
Fixed assets	**0**	**34,689**
Inventories	0	16,604
Receivables	0	58,843
Cash at bank and in hand	0	34
Currents assets	**0**	**75,481**
Assets relating to discontinued activities	**0**	**110,170**
Debt	0	57,800
Liabilities relating to discontinued activities	**0**	**57,800**

Notes to the Financial Statements

6 Intangible assets

	Acquired trade-marks
	TDKK
Cost at 1 January	3,315
Cost at 31 December	3,315
Impairment losses and amortisation at 1 January	3,034
Amortisation for the year	41
Impairment losses and amortisation at 31 December	3,075
Carrying amount at 31 December	**240**
Amortised over	3-15 years

Notes to the Financial Statements

7 Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	211,813	472,488	16,186	14,976	715,463
Additions for the year	0	43	0	18,040	18,083
Disposals for the year	0	0	0	-2,517	-2,517
Cost at 31 December	211,813	472,531	16,186	30,499	731,029
Impairment losses and depreciation at 1 January	144,578	417,941	15,902	0	578,421
Depreciation for the year	6,333	13,840	56	0	20,229
Impairment losses and depreciation at 31 December	150,911	431,781	15,958	0	598,650
Carrying amount at 31 December	**60,902**	**40,750**	**228**	**30,499**	**132,379**
Depreciated over	5-25 years	5-25 years	5 years		
Including assets under finance leases amounting to	0	351	16	0	367

Notes to the Financial Statements

	2021	2020
	TDKK	TDKK

8 Investments in subsidiaries

	2021 TDKK	2020 TDKK
Cost at 1 January	15,501	15,501
Cost at 31 December	15,501	15,501
Value adjustments at 1 January	32,236	26,421
Net profit/loss for the year	19,074	5,815
Value adjustments at 31 December	51,310	32,236
Carrying amount at 31 December	**66,811**	**47,737**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Maricogen A/S	Hadsund	TDKK 500	100%

9 Inventories

	2021 TDKK	2020 TDKK
Raw materials and consumables	16,503	15,431
	16,503	**15,431**

10 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a postitive fair value.

Notes to the Financial Statements

11 Distribution of profit

	2021	2020
	TDKK	TDKK
Reserve for net revaluation under the equity method	19,074	5,815
Retained earnings	20,886	36,394
	39,960	**42,209**

12 Deferred tax asset

	2021	2020
Deferred tax asset at 1 January	-5,150	-5,150
Amounts recognised in the income statement for the year	6,667	0
Deferred tax asset at 31 December	**1,517**	**-5,150**

13 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2021	2020
	TDKK	TDKK
Lease obligations		
Between 1 and 5 years	214	511
Long-term part	214	511
Within 1 year	162	796
	376	**1,307**
Payables to group enterprises		
Between 1 and 5 years	30,000	215,000
Long-term part	30,000	215,000
Within 1 year	0	60,000
Other short-term debt to group enterprises	44,793	25,150
Short-term part	44,793	85,150
	74,793	**300,150**

Notes to the Financial Statements

13 Long-term debt (continued)

	2021	2020
	TDKK	TDKK
Other payables		
Between 1 and 5 years	0	4,698
Long-term part	0	4,698
Other short-term payables	13,429	15,768
	13,429	**20,466**

14 Contingent assets, liabilities and other financial obligations

Guarantee obligations

	2021	2020
Bank guarantees	0	33

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

Notes to the Financial Statements

15 Related parties

	Basis
Controlling interest	
Nobian Coöperatief U.A.	The Netherlands

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

16 Fee to auditors appointed at the general meeting

With reference to the informations regarding Fee to auditors appointed at the general meeting we refer to section 96(3) of the Danish Financial Statements Act and to the informations included in the consolidated financial statements of, the Company has not prepared the informations regarding Fee to auditors appointed at the general meeting.

Notes to the Financial Statements

17 Accounting Policies

The Annual Report of Dansk Salt A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The Financial Statements for 2021 are presented in TDKK.

With effect of the 1. January 2021, the company has performed a split of the company. The effect of the performed Split in two seperate companies, of the company's business divisions, have been effected after the end of the financial statement. The effect of the split is presented in the company's financial statement, where the Cessation activities have been presented separately. The balance sheet has been adjusted to the expected net effect of the company split, and represent the effect of the Cessation activities

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Nobian Coöperatief U.A., the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of , the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Notes to the Financial Statements

17 Accounting Policies (continued)

Business combinations

The time of acquisition is the time when the Group obtains control of the entity acquired.

Business combinations

Demergers are accounted for using the uniting of interests method under which the identifiable assets and liabilities included in the demerger are measured at booked value at the time of the demerger.

The demerger has been prepared as an taxable event. The tax effect of any gains and losses due to differences between fair value and booked value has been booked directly to profit/loss as Tax on profit/loss for the year.

Leases

Leases are recognised in the balance sheet at the calculated amount of the lease liability. The lease liability is calculated at the present value of the lease payments calculated by applying the interest rate implicit in the lease or the Company's incremental borrowing rate as discount rate if the interest rate implicit in the lease is not available. Lease assets are depreciated and written down for impairment under the same policy as for the Company's other fixed assets.

The Company has chosen to apply the exemptions concerning short-term and low-value leases. Therefore, such lease assets are not recognised as assets and liabilities in the balance sheet. The costs are recognised in the income statement on a straight-line basis over the lease term.

The lease liability is recognised in the balance sheet under debt and is adjusted for prepaid lease payments on a current basis. At the same time, interest is added on the liability. Interest expenses are charged to the income statement on a current basis.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

17 Accounting Policies (continued)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Manufacturing fee

Information on business segments and geographical segments based on the Companys risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income Statement

Manufacturing fee

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to distribution activities.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

Notes to the Financial Statements

17 Accounting Policies (continued)

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 3-15 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recgonised in income statement.

Notes to the Financial Statements

17 Accounting Policies (continued)

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings	5-25 years
Other buildings	5-25 years
Plant and machinery	5-25 years
Other fixtures and fittings, tools and equipment	5 years

Assets costing less than DKK 30,700 are expensed in the year of acquisition.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item“Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Notes to the Financial Statements

17 Accounting Policies (continued)

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Notes to the Financial Statements

17 Accounting Policies (continued)

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Notes to the Financial Statements

17 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$