CHEMVIRON CARBON ApS

Nordre Kobbelvej 21, C,
7000 Fredericia

CVR No. 32568327

Annual Report 2020

11. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 30 June 2021

Reinier Pieter Keijzer
Chairman

Contents

Management's Statement

Today, Management has considered and adopted the Annual Report of CHEMVIRON CARBON ApS for the financial year 1 January 2020 - 31 December 2020.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

In our opinion, the 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.

Fredericia, 30 June 2021

Executive Board

Reinier Pieter Keijzer	Chad Whalen
Manager	Manager

Independent Auditors' Report

To the shareholders of CHEMVIRON CARBON ApS

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020, and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Chemviron Carbon ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis of 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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

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

The auditor's responsibility 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

Independent Auditors' Report

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

* Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations or override of internal control.

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

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

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

Hellerup, 30 June 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33771231

Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198

Company details

Company	CHEMVIRON CARBON ApS Nordre Kobbelvej 21, C, 7000 Fredericia
CVR No.	32568327
Date of formation	17 November 2009
Executive Board	Reinier Pieter Keijzer, Manager Chad Whalen, Manager
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231
Bank	Danske Bank Holmens Kanal 2-12 1093 København K

Management's Review

Key activities
The companys main activity is to operate a trade and engineer business.

Development in activities and financial matters
The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a result of DKK 1.303.872 and the Balance Sheet at 31 December 2020 a balance sheet total of DKK 17.850.049 and an equity of DKK 11.176.966.

Subsequent events
The company have been identified as essential to key industies and so continue to produce and supply. Supplies from group companies have not been interupted as a result of this. The company does not expect supply to be restricted as there is stock within the group to ensure it can meet demand. The company do not expect to see a major impact as a result on the business.

No major impact of COVID-19 is expected.

Accounting Policies

Reporting Class
The Annual Report of CHEMVIRON CARBON ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency
The Annual Report is presented in Danish kroner.

Translation policies
Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement
The financial statement have been prepared under the historical cost princip.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Gross profit/loss
The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, other operating income, cost of raw and consumables and other external expenses.

Revenue
Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive og VAT and net of sales discounts.

Other external expenses
Other external costs include costs for distribution, sales, advertising, administration, premises. loss of debitors, operating leasing costs etc.

Staff expenses
Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimburdement, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible and intangible assets
Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

Financial income and expenses
Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect offinance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Tax on net profit for the year
Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Tangible assets
Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Accounting Policies

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are seperately depreciated if the usefull lives of the individual components differ.

Assets costing less than DKK 14,100 are expensed in the year of acquisition.

Other fixtures and fittings, tools and equipment	8 years	0%
Leasehold improvements	5 years	0%

The carrying amounts of intangible assets and property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortisation and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

Inventories
Inventories are measured at cost on the basis of the FIFO principle. Where the net realisable value is lower than cost, the inventories are written down to this lower value.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

The cost of goods for resale, raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables
Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

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

Other short-term receivables
Other short-term receivables are measured at amortized cost which usually corresponds to the nominal value.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant

risk of value changes.

Equity
Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Provisions
Deferred tax
Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities
Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities
Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Other payables
Other payables are measured at amortised cost, which usually corresponds to the nominal value

Accruals and deferred income entered as liabilities
Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Contingent assets and liabilities
Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2020 kr.	2019 kr.
Gross profit		**3.347.638**	**2.644.990**
Employee benefits expense	1	-1.467.752	-1.537.625
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-225.406	-68.213
Profit from ordinary operating activities		**1.654.480**	**1.039.152**
Other finance income	2	677.052	115.169
Finance expences	3	-654.277	-279.391
Profit from ordinary activities before tax		**1.677.255**	**874.930**
Tax expense on ordinary activities	4	-373.383	-193.248
Profit		**1.303.872**	**681.682**

Proposed distribution of results			
Retained earnings		1.303.872	681.682
Distribution of profit		**1.303.872**	**681.682**

Balance Sheet as of 31 December

	Note	2020 kr.	2019 kr.
Assets			
Fixtures, fittings, tools and equipment		77.985	244.168
Leasehold improvements		450.242	426.488
Property, plant and equipment		**528.227**	**670.656**
Fixed assets		**528.227**	**670.656**
Manufactured goods and goods for resale		4.436.050	4.038.276
Inventories		**4.436.050**	**4.038.276**
Short-term trade receivables		1.081.360	2.202.936
Short-term receivables from group enterprises		2.868.843	3.994.133
Current deferred tax		96.825	0
Other short-term receivables		48.742	388
Prepaid expenses		514.754	3.412
Receivables		**4.610.524**	**6.200.869**
Cash and cash equivalents		**8.275.248**	**5.646.597**
Current assets		**17.321.822**	**15.885.742**
Assets		**17.850.049**	**16.556.398**

Balance Sheet as of 31 December

	Note	2020 kr.	2019 kr.
Liabilities and equity			
Contributed capital		3.100.000	3.100.000
Retained earnings		8.076.966	6.773.090
Equity		**11.176.966**	**9.873.090**
Provisions for deferred tax	5	0	2.330
Provisions		**0**	**2.330**
Trade payables		1.695.058	999.472
Payables to group enterprises		3.387.674	4.257.885
Tax payables		500.527	98.495
Other payables		676.438	1.302.071
Deferred income		413.386	23.055
Short-term liabilities other than provisions		**6.673.083**	**6.680.978**
Liabilities other than provisions within the business		**6.673.083**	**6.680.978**
Liabilities and equity		**17.850.049**	**16.556.398**
Significant events occurring after end of reporting period	6		
Related parties	7		

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	3.100.000	6.773.090	9.873.090
Profit (loss)	0	1.303.872	1.303.872
Equity 31 December 2020	**3.100.000**	**8.076.962**	**11.176.962**

The share capital has remained unchanged for the last 5 years.

Notes

1. Employee benefits expense

	2020	2019
Wages and salaries	1.069.522	1.253.972
Post-employement benefit expense	117.672	167.782
Other employee expense	280.558	115.871
	1.467.752	**1.537.625**
Average number of employees	4	4

2. Other finance income

Other finance income	677.052	115.169
	677.052	**115.169**

3. Finance expenses

Other finance expenses	654.277	279.391
	654.277	**279.391**

4. Tax expense

Income tax expense	472.538	55.975
Income Tax - Foreign Deferred	-99.155	137.273
	373.383	**193.248**

5. Provisions for deferred tax

Operating equipment	-11.500	15.508
Other temporary differences	0	-13.178
Leasehold equipment	9.387	0
Prepayments	-81.206	0
Provisions	-13.506	0
	-96.825	**2.330**

6. Significant events occurring after end of reporting period

The company have been identified as essential to key industies and so continue to produce and supply. Supplies from group companies have not been interupted as a result of this. The company does not expect supply to be restricted as there is stock within the group to ensure it can meet demand. The company do not expect to see a major impact as a result on the business.

No major impact of COVID-19 is expected.

7. Related parties

The immediate parent company is Chemviron S.A., a company incorporated in Belgium.

The ultimate holding company, and controlling party, is Kuraray Co., Ltd., Ote Center Building, 1-1-3, Otemachi, Chiyoda-ku, Tokyo 100-8115, Japan

The largest and smallest group that prepares consolidated financial statements, which include the company, is Kuraray Co., Ltd.

Notes

The consolidated financial statements of this group are available to the public and may be obtained from Kuraray's website on the "Investor Relations" page: http://www.kuraray.com/ir/.

8. Contingent assets, liabilities and other financial obligations

	2020	2019
Rental and lease obligations	0	226.960

Lease obligations, period of non-terminability 12 months