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DK-6700 Esbjerg
CVR no. 20 22 26 70

AMERICHEM DENMARK APS

BOHRSVEJ 8, 6760 RIBE

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 24 June 2024

Robert Kenneth Gudbranson

CVR NO. 41 60 46 89

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COMPANY DETAILS

Company	Americhem Denmark ApS Bohrsvej 8 6760 Ribe	
	CVR No.:	41 60 46 89
	Established:	20 August 2020
	Municipality:	Esbjerg
	Financial Year:	1 January - 31 December
Board of Directors	Robert Kenneth Gudbranson, chairman Barend Christoffel Du Plessis James Michael Figaniak	
Executive Board	James Michael Figaniak	
Auditor	BDO Statsautoriseret revisionsaktieselskab Dokken 8 6700 Esbjerg	

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Americhem Denmark ApS for the financial year 1 January - 31 December 2023.

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

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2023 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Ribe, 24 June 2024

Executive Board

James Michael Figaniak

Board of Directors

Robert Kenneth Gudbranson Chairman	Barend Christoffel Du Plessis	James Michael Figaniak

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Americhem Denmark ApS

Opinion
We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Americhem Denmark ApS for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2023 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2023 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 Consolidated Financial Statements and the Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company
Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements
Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

INDEPENDENT AUDITOR'S REPORT

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Esbjerg, 24 June 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mikael Grosbøl
State Authorised Public Accountant
MNE no. mne33707

FINANCIAL HIGHLIGHTS OF THE GROUP

	2023 DKK '000	2022 DKK '000	2020/21 DKK '000
Income statement			
Gross profit/loss	29,665	34,363	33,008
Operating profit/loss of main activities	-1,875	-861	6,111
Financial income and expenses, net	-3,750	-1,674	60
Profit/loss for the year	-7,003	-4,767	2,004
Balance sheet			
Total assets	237,507	285,658	235,792
Equity	180,186	187,190	191,957
Cash flows			
Cash flows from operating activities	37,542	-9,010	951
Cash flows from investing activities	-18,428	-25,058	-206,418
Cash flows from financing activities	-19,478	34,887	205,467
Investment in property, plant and equipment	-17,520	-24,432	-21,985
Key ratios			
Equity ratio	75.9	65.5	81.4
Return on equity	-3.8	-2.5	2.1

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio: $\frac{\text{Equity at year-end x 100}}{\text{Total assets, at year-end}}$

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

MANAGEMENT COMMENTARY

Principal activities
The company is a holding company with no actual operating activity. The Group's primary activity are research, development, production and sale of compounded plastic materials as well as color and additive masterbatch.

Development in activities and financial and economic position
Following the acqusition of Controlled Polymers A/S by Americhem Inc. the parent company has completed the merger of related companies in Denmark and created a corporate structure consistent with other international holdings. The structure has created no operational changes.

Profit/loss for the year compared to the expected development
Non-Financial Highlights: During the year, significant non-financial events have shaped our operational landscape. These include the depreciation of goodwill resulting from the merger of Danish companies and adjustments made under our inventory impairment policy.

Operational Developments: In 2023, we successfully completed the construction of a new "clean room" facility. This facility, which is set to be fully operational by mid-2024, represents a strategic milestone for our European operations. It will serve as our regional headquarters and support the execution of our healthcare growth strategy in Europe.

Market Dynamics: Despite challenges such as increased manufacturing material costs, our material margin exhibited a modest year-over-year increase. This improvement can be attributed to strengthened internal control processes and strategic pricing adjustments aimed at specific market segments and customer groups.

Management Assessment: Considering the changes and challenges encountered throughout the financial year, both internally and externally, management considers the year's financial result to be acceptable. These assessments are based on a comprehensive review of our operational performance and strategic initiatives undertaken during the period.

This report provides a summary of our financial and operational achievements, highlighting our resilience and strategic focus amidst a dynamic business environment.

The result for the year shows a loss of DKK 7,003K.for the group and the parent company. The result for the period has been negatively affected by higher costs due to the adverse impact of obsolescent raw materials and finished goods, partially offset by strict price management in a deflationary raw material environment.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

Financial risk
The group's revenue is invoiced primarily in EUR and DKK and the group's purchases are also made in DKK and EUR. The group thus does not have a significant currency risk on revenue and purchases. The group is financed only with variable short-term debt and the group thus has an interest rate risk on the financing side.

Stagflation and a possible EU, or global recession cannot be excluded in 2024 which may adversely affect performance.

Environmental situation
Sustainable Production Practices: We recognize the environmental impact of our products, particularly in terms of plastic consumption. To address this, we are committed to developing production processes that minimize our environmental footprint. We continuously measure and monitor our key environmental parameters to ensure ongoing improvement.

Sustainable Materials and Energy Use: In our production, we exclusively use raw materials that comply with REACH and RoHS standards. Our electricity supply is sourced entirely from wind energy, and we use wood pellets for heating. These initiatives are part of our broader efforts to enhance sustainability.

Environmental situation (continued)

Global Sustainability Efforts: the group actively participates in the parent company's Sustainability Council, contributing to the development of a Global Sustainability Strategy for Americhem. Recently, Americhem appointed a Global Sustainability Leader who reports directly to the European Vice President, underscoring our commitment to sustainability at a global level.

Knowledge resources

The group works on an ongoing basis to attract, retain, and develop employees to support the company business. This happens i.e. via extroverted activities, support of staff activities, continuing education etc. and not at least a striving to be a good and proper workplace.

Research and development activities

The group works continuously on the development of production methods and processes. Because of the current financial situation, development activities in the financial year have primarily been targeted solving direct customer-related issues.

Future expectations

Market Conditions: We anticipate that raw material availability and costs will ease in 2024. However, high inflation is expected to persist, potentially impacting customer demand and posing challenges to our performance targets.

Sector Concerns: The Building & Construction market segment in Europe remains a potential concern, as a significant slowdown in demand was observed towards the end of 2023.

Strategic Initiatives: Management is confident that new business opportunities, the execution of our sales strategy with a focus on healthcare, price maintenance, and improvements in operational efficiencies will support modest revenue growth in the next financial year.

Potential Risks: We remain vigilant to the risks of stagflation, a potential EU or global recession, and geopolitical instability, which could adversely affect our performance in 2024.

Taking the abovementioned into consideration we anticipate the result for the year 2024 to be a loss of DKK -4,7M for the group and Americhem Denmark ApS.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group 2023 DKK	Group 2022 DKK	Parent Company 2023 DKK	Parent Company 2022 DKK
GROSS PROFIT	1	**29,664,881**	**34,362,910**	**0**	**0**
Distribution costs	1	-20,075,341	-22,809,092	0	0
Administrative expenses	1	-11,464,654	-12,414,719	-56,001	-74,144
OPERATING LOSS		**-1,875,114**	**-860,901**	**-56,001**	**-74,144**
Income from investments in subsidiaries		0	0	-6,849,057	-4,515,769
Other financial income	2	746,835	143,341	0	0
Other financial expenses	3	-4,497,004	-1,817,504	-110,225	-193,151
LOSS BEFORE TAX		**-5,625,283**	**-2,535,064**	**-7,015,283**	**-4,783,064**
Tax on profit/loss for the year	4	-1,378,000	-2,232,000	12,000	16,000
LOSS FOR THE YEAR	5	**-7,003,283**	**-4,767,064**	**-7,003,283**	**-4,767,064**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2023 DKK	Group 2022 DKK	Parent Company 2023 DKK	Parent Company 2022 DKK
Completed development projects..		2,705,653	3,705,403	0	0
Acquired intangible assets..........		3,989	10,001	0	0
Goodwill...............................		113,670,866	125,317,878	0	0
Intangible assets.....................	6	**116,380,508**	**129,033,282**	**0**	**0**
Other plant, fixtures and equipment............................		29,061,621	25,994,273	0	0
Leasehold improvements...........		22,365,406	13,322,294	0	0
Property, plant and equipment...	7	**51,427,027**	**39,316,567**	**0**	**0**
Investments in subsidiaries..........		0	0	180,743,062	187,592,119
Rent deposit and other receivables............................		1,889,579	981,598	0	0
Financial non-current assets.......	8	**1,889,579**	**981,598**	**180,743,062**	**187,592,119**
NON-CURRENT ASSETS..............		**169,697,114**	**169,331,447**	**180,743,062**	**187,592,119**
Raw materials and consumables....		26,377,287	48,392,714	0	0
Finished goods and goods for resale..................................		7,897,889	7,623,926	0	0
Inventories............................		**34,275,176**	**56,016,640**	**0**	**0**
Trade receivables....................		26,472,729	47,592,018	0	0
Receivables from group enterprises............................		1,019,439	1,434,337	0	3,471,744
Other receivables....................		1,651,337	1,036,324	0	0
Corporation tax receivable..........		114,000	0	114,000	0
Joint tax contribution receivable..		0	0	1,728,000	2,062,000
Prepayments..........................	9	3,820,408	9,425,618	0	0
Receivables...........................		**33,077,913**	**59,488,297**	**1,842,000**	**5,533,744**
Cash and cash equivalents.........		**456,485**	**821,191**	**0**	**0**
CURRENT ASSETS....................		**67,809,574**	**116,326,128**	**1,842,000**	**5,533,744**
ASSETS.................................		**237,506,688**	**285,657,575**	**182,585,062**	**193,125,863**

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BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2023 DKK	Group 2022 DKK	Parent Company 2023 DKK	Parent Company 2022 DKK
Share Capital	10	1,000,000	1,000,000	1,000,000	1,000,000
Reserve for net revaluation under the equity method		0	2,154,957	0	0
Retained earnings		179,186,429	184,034,755	179,186,429	186,189,712
EQUITY		**180,186,429**	**187,189,712**	**180,186,429**	**187,189,712**
Provision for deferred tax	11	920,000	1,258,000	0	0
PROVISIONS		**920,000**	**1,258,000**	**0**	**0**
Other non-current liabilities		1,676,669	1,439,276	0	0
Non-current liabilities	12	**1,676,669**	**1,439,276**	**0**	**0**
Bank debt		6,357,937	15,919,815	0	0
Trade payables		14,627,475	29,486,229	34,999	35,000
Debt to Group companies		30,195,180	40,526,581	2,363,634	0
Corporation tax payable		0	2,046,000	0	2,046,000
Other liabilities		3,542,998	7,791,962	0	3,855,151
Current liabilities		**54,723,590**	**95,770,587**	**2,398,633**	**5,936,151**
LIABILITIES		**56,400,259**	**97,209,863**	**2,398,633**	**5,936,151**
EQUITY AND LIABILITIES		**237,506,688**	**285,657,575**	**182,585,062**	**193,125,863**

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EQUITY

DKK	Group			
	Share Capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2023	1,000,000	0	186,189,712	187,189,712
Proposed profit allocation, see note 5			-7,003,283	-7,003,283
Equity at 31 December 2023	**1,000,000**	**0**	**179,186,429**	**180,186,429**

DKK	Parent Company		
	Share Capital	Retained earnings	Total
Equity at 1 January 2023	1,000,000	186,189,712	187,189,712
Proposed profit allocation, jf. note 5		-7,003,283	-7,003,283
Equity at 31 December 2023	**1,000,000**	**179,186,429**	**180,186,429**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2023 DKK	2022 DKK
Profit/loss for the year	-7,003,283	-4,767,064
Depreciation and amortisation, reversed	18,062,343	16,969,525
Tax on profit/loss, reversed	1,378,000	2,232,000
Corporation tax paid	-3,876,000	-3,662,000
Change in inventories	21,741,464	-12,459,509
Change in receivables (ex tax)	26,109,485	-27,189,716
Change in other provisions	237,393	-2,135
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	-19,107,718	19,868,979
CASH FLOWS FROM OPERATING ACTIVITY	**37,541,684**	**-9,009,920**
Purchase of intangible assets	0	-625,456
Purchase of property, plant and equipment	-17,520,028	-24,432,046
Purchase of financial assets	-907,981	0
CASH FLOWS FROM INVESTING ACTIVITY	**-18,428,009**	**-25,057,502**
Incurrence of debt to group enterprises	-9,916,503	35,183,052
Change in bank debt	-9,561,878	-295,774
CASH FLOWS FROM FINANCING ACTIVITY	**-19,478,381**	**34,887,278**
CHANGE IN CASH AND CASH EQUIVALENTS	**-364,706**	**819,856**
Cash and cash equivalents at 1. januar	821,191	1,335
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**456,485**	**821,191**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	456,485	821,191
CASH AND CASH EQUIVALENTS	**456,485**	**821,191**

NOTES

	Group		Parent Company		
	2023 DKK	2022 DKK	2023 DKK	2022 DKK	Note
Staff costs					1
Average number of full time employees	76	79	0	0	
Wages and salaries	37,418,725	39,618,642	0	0	
Pensions	3,885,820	3,824,015	0	0	
Social security costs	1,988,290	1,985,535	0	0	
	43,292,835	**45,428,192**	**0**	**0**	

Information on remuneration to management has been omitted as per ÅRL § 98b paragraph 3.

There are no emplotees in the parent company apart from the executive board. The executive board has not received remuneration.

	Group 2023 DKK	Group 2022 DKK	Parent Company 2023 DKK	Parent Company 2022 DKK	Note
Other financial income					2
Other interest income	746,835	143,341	0	0	
	746,835	**143,341**	**0**	**0**	
Other financial expenses					3
Interest expenses to group enterprises	2,610,545	465,184	0	0	
Other interest expenses	1,886,459	1,352,320	110,225	193,151	
	4,497,004	**1,817,504**	**110,225**	**193,151**	
Tax on profit/loss for the year					4
Calculated tax on taxable income of the year	1,716,000	2,046,000	-12,000	-16,000	
Adjustment of deferred tax	-338,000	186,000	0	0	
	1,378,000	**2,232,000**	**-12,000**	**-16,000**	
Proposed distribution of profit					5
Allocation to reserve for net revaluation under the equity method	0	0	0	-2,154,957	
Retained earnings	-7,003,283	-4,767,064	-7,003,283	-2,612,107	
	-7,003,283	**-4,767,064**	**-7,003,283**	**-4,767,064**	

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Intangible assets 6

DKK	Group: Completed development projects	Group: Acquired intangible assets	Group: Goodwill
Cost at 1 January 2023	6,231,812	506,981	152,493,969
Cost at 31 December 2023	**6,231,812**	**506,981**	**152,493,969**
Amortisation at 1 January 2023	2,526,409	496,980	27,176,091
Amortisation for the year	999,750	6,012	11,647,012
Amortisation at 31 December 2023	**3,526,159**	**502,992**	**38,823,103**
Carrying amount at 31 December 2023	**2,705,653**	**3,989**	**113,670,866**

Completed development projects is costs related to a new ERP system, that was implemented in 2020 and have been further developed in 2021 and 2022.

Property, plant and equipment 7

DKK	Group: Other plant, fixtures and equipment	Group: Leasehold improvements
Cost at 1 January 2023	54,691,437	19,264,594
Additions	7,742,222	9,777,806
Cost at 31 December 2023	**62,433,659**	**29,042,400**
Depreciation and impairment losses at 1 January 2023	28,697,163	5,942,300
Depreciation for the year	4,674,875	734,694
Depreciation and impairment losses at 31 December 2023	**33,372,038**	**6,676,994**
Carrying amount at 31 December 2023	**29,061,621**	**22,365,406**

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Financial non-current assets 8

DKK	Group Rent deposit and other receivables
Cost at 1 January 2023	981,598
Additions	907,981
Cost at 31 December 2023	**1,889,579**
Carrying amount at 31 December 2023	**1,889,579**

DKK	Parent Company Investments in subsidiaries
Cost at 1 January 2023	189,952,931
Cost at 31 December 2023	**189,952,931**
Revaluation at 1 January 2023	14,450,338
Profit/loss for the year	355,723
Revaluation at 31 December 2023	**14,806,061**
Impairment losses and amortisation of goodwill at 1 January 2023	16,811,150
Amortisation of goodwill	7,204,780
Impairment losses and amortisation of goodwill at 31 December 2023	**24,015,930**
Carrying amount at 31 December 2023	**180,743,062**

Investments in subsidiaries

Name and domicil	Ownership
Controlled Polymers A/S, Esbjerg	100 %

Prepayments 9

Prepayments include prepaid insurance, leasing, licensing agreements and prepayments for goods.

Share Capital 10

Allocation of share capital:

Ordinary Shares, 10,000 unit in the denomination of 100 DKK	1,000,000	1,000,000
	1,000,000	**1,000,000**

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Provision for deferred tax 11

The provision for deferred tax is related to differences between the carrying amount and tax value of inventories, receivables, intangible and tangible fixed assets.

Deferred tax relates to:				
Intangible asseets	595,000	815,000	0	0
Property, plant and equipment	2,345,000	1,428,000	0	0
Inventories	-2,270,000	-1,123,000	0	0
Receivables	250,000	138,000	0	0
	920,000	**1,258,000**	**0**	**0**
Deferred tax, beginning of year	1,258,000	1,072,000	0	0
Deferred tax of the year, income statement	-338,000	186,000	0	0
Provision for deferred tax 31 December 2023	**920,000**	**1,258,000**	**0**	**0**

Long-term liabilities 12

	Group			
DKK	**31/12 2023 total liabilities**	**Repayment next year**	**Debt outstanding after 5 years**	**31/12 2022 total liabilities**
Other non-current liabilities	1,676,669	0	1,439,276	1,439,276
	1,676,669	**0**	**1,439,276**	**1,439,276**

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Contingencies etc. 13

Contingent liabilities

	Group		Parent Company	
	2023 DKK	2022 DKK	2023 DKK	2022 DKK
lease agreements until maturity in total	1,294,103	536,382	0	0
	1,294,103	**536,382**	**0**	**0**
Rental commitments, the remaining non-cancellable period being:				
Liabilities under rental until maturity in total	42,830,409	1,899,600	0	0
	42,830,409	**1,899,600**	**0**	**0**

Joint liabilities
The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

The group's jointly taxed income amounts to a receivable on the balance sheet date.

Charges and securities 14

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on goodwill, other fixtures and fittings, tools and equipment and leaseholdimprovements off DKK. 1,900k nominal.

Furthermore bank loans are secured by receivables charges of DKK 11,000k. nominal.

The carrying amount of mortgaged goodwill, other fixtures and fittings, tools and equipment and leasehold improvements is DKK 81,042k, the carrying amount of mortgaged recievables is DKK 26,473k.

Collateral provided for group enterprises
Bank loans and guarantiees are secured på pledge of shares in Controlled Polymers A/S. The carrying amount of the investment is DKK 180,743k.

NOTES

Note

Related parties **15**

The Company's related parties include:

Controlling interest

Americhem Inc.
2000 Americhem Way
Cuyahoga Falls, OH, 44221 USA

The parent does not publish a group annual report.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

ACCOUNTING POLICIES

The Annual Report of Americhem Denmark ApS for 2023 has been presented in accordance with the provisions of the Danish medium-size Financial Statements Act for enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements
The Consolidated Financial Statements include the Parent Company Americhem Denmark ApS and the subsidiaries in which Americhem Denmark ApS directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Equity interests in subsidiaries are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the date of takeover.

INCOME STATEMENT

Net revenue
Net revenue from sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and the risk has passed to the buyer.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets.

Production costs
Production costs comprise the costs of manufacture and procurement paid to achieve the net revenue for the year, including costs of raw materials and consumables, wages and salaries, energy, maintenance, leasing and depreciation of production plant, and adjusted for changes in inventory of finished goods and work in progress.

Distribution costs
The costs paid for the distribution of goods sold during the year and for sales campaigns, etc. carried out during the year are recognised in distribution costs. The cost of sales personnel, advertising and exhibition costs and amortisation of distribution and sales related assets are also recognised in distribution costs. Common losses on bad debts are also recognised.

Administrative expenses
Administrative expenses recognise costs incurred during the year regarding management and administration, inclusive of costs relating to the administrative staff, Executives, office premises, office expenses, etc., and related amortisation.

ACCOUNTING POLICIES

Income from investments in subsidiaries

The Income Statement of the Parent Company recognises the proportional share of the results of subsidiaries determined according to the Parent Company's accounting policies and after full elimination of intercompany profits/losses and deduction of amortisation of goodwill. resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

Profits from sale are recognized, if the economic rights related to the sold subsidiaries are transferred. However, not before the profit is realised or regarded as realisable. Moreover, realised losses besides impairments are recognised when they are demonstrated.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 15 years. The period of amortisation is determined based on an assessment of the acquired Company's position in the market and earnings profile, and the industry-specific conditions.

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Completed development projects are amortised on a straight-line basis using their estimated useful lives. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5-7 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment...	3-8 years	0 %
Leasehold improvements..	25 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets
Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises' carrying Equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses, and with addition of remaining additional values and goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement upon acquisition of the Equity interest. Where the negative goodwill is related to takeover of contingent liabilities, the negative goodwill is not recognised before the contingent liabilities are settled or cancelled.

Net revaluation of investments in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Profit and loss at disposal of investments in subsidiaries are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

ACCOUNTING POLICIES

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

ACCOUNTING POLICIES

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include cash at bank.