FC DST Holding ApS

Merkurvej 27B, 6000 Kolding

Annual report

2022/23

Company reg. no. 42 76 78 24

The annual report was submitted and approved by the general meeting on the 17 January 2024.

Jacob Funk
Chairman of the meeting

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of FC DST Holding ApS for the financial year 2022/23.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2023, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 October 2022 – 30 September 2023.

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

We recommend that the annual report be approved at the Annual General Meeting.

Kolding, 17 January 2024

Managing Director

Jacob Funk

Board of directors

Arent Alexander Fock Chairman	Jacob Funk Board member	Ruben Dankaart Board member
Jeroen van Halteren Board member		

Independent auditor's report

To the Shareholders of FC DST Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of FC DST Holding ApS for the financial year 1 October 2022 to 30 September 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2023, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 October 2022 - 30 September 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 Parent Company Financial Statements” 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 (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management’s Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, 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 parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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 parent company 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 consolidated financial statements and parent company 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 risks of material misstatement of the consolidated financial statements and the parent company 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 Group´s and 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 consolidated financial statements and the parent company 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 Group´s and 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 consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements 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.

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

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the consolidated financial statements and the parent company 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, we conclude that Management’s Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management’s Review.

Kolding, 17 January 2024

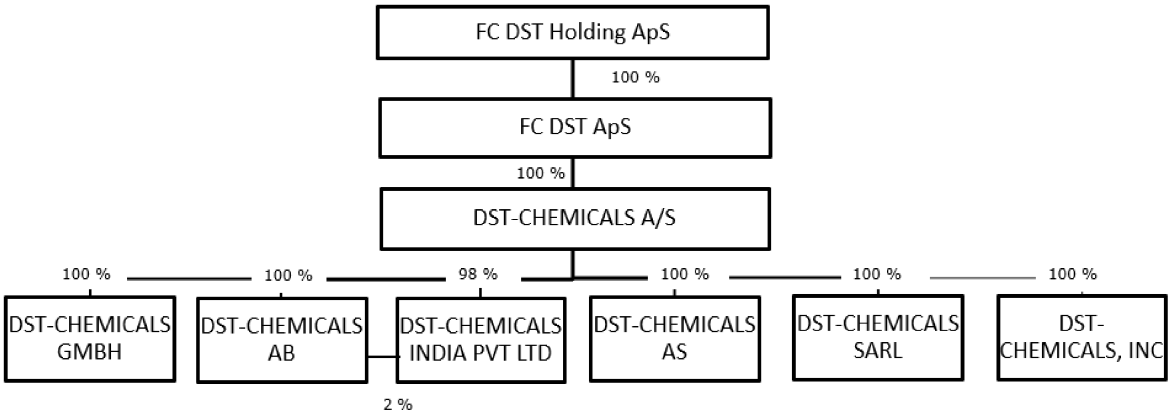
Martinsen
State Authorised Public Accountants
Company reg. no. 32 28 52 01

Jørn Dam Jensen
State Authorised Public Accountant
mne33686

Company information

The company	FC DST Holding ApS Merkurvej 27B 6000 Kolding
	Company reg. no. 42 76 78 24 Financial year: 1 October - 30 September 2nd financial year
Board of directors	Arent Alexander Fock, Chairman Jacob Funk, Board member Ruben Dankaart, Board member Jeroen van Halteren, Board member
Managing Director	Jacob Funk
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Jupitervej 2 6000 Kolding
Subsidiary	FC DST ApS, Kolding

Koncernoversigt



Consolidated financial highlights

DKK in thousands.	2022/23	2021/22
Income statement:		
Gross profit	59.285	44.019
Profit from operating activities	4.970	-2.803
Net financials	-9.734	-3.839
Net profit or loss for the year	-7.055	-9.176
Statement of financial position:		
Balance sheet total	250.475	263.014
Equity	81.241	89.040
Cash flows:		
Operating activities	10.066	-19.401
Investing activities	-1.086	-236.710
Financing activities	-10.331	259.954
Total cash flows	-1.351	3.843
Employees:		
Average number of full-time employees	73	70
Key figures in %:		
Solvency ratio	32,4	33,9
Solvency ratio including vendor loan	53,0	53,0
Return on equity	-8,3	-18,8

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The financial highlights for 2021/22 solely comprise the period 11 November 2021 - 30 September 2022 for the Group - the first year.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Solvency ratio

$$\frac{\text{Equity less non-controlling interests, closing balance x 100}}{\text{Total assets, closing balance}}$$

Return on equity

$$\frac{\text{*Profit x 100}}{\text{Average equity exclusive of non-controlling interests}}$$

***Profit**

Net profit or loss for the year less non-controlling interests' share hereof

Management´s review

Description of key activities of the company

Like previous years, the activities of the group and of FC DST Holding ApS are production and sales of environmentally friendly degreasing agents to metal-processed industry as tecnical and chemical know-how.

Development in activities and financial matters

The gross loss for the parent compagny for the year totals DKK -42.000 against DKK -58.000 last year. Loss from ordinary activities after tax totals DKK -7.055.000 against DKK -8.512.000 last year. The loss is expected based on the company's investment in shares in DST-CHEMICALS A/S as per November 2021 last year and therefore management considers the net loss as expected.

The gross profit for the group for the year totals DKK 59.285.000 against DKK 44.019.000 last year. Income or loss from ordinary activities after tax totals DKK -7.055.000 against DKK -9.176.000 last year. Management considers the net profit or loss for the year satisfactory.

Profit for the year has complied to management´s expectations. Management considers the net loss for the year satisfactory.

Expected developments

It is expected that the result for 2023/24 will improve compared to 2022/23, based on the positive industrial activities we have found and are working on after the start of the new financial year. Management continues to expect that the group will in future benefit financially from the historically made investments in expanding the organization and penetrating new markets. In the following years the group will continue benefitting from the increased focus on sustainability in the markets which leads to increased demands after products that provide energy savings.

Knowledge resources

It is essential for the group's continued growth to attract and retain qualified labor with expertise in, among other things, technical and chemical know-how, who help develop new products adapted to customers' needs.

To ensure development, the group invests in the necessary resources and employees are offered to improve their skills on relevant course programs.

Environmental issues

The group focuses on environmental matters, green transition and energy savings and is ISO 14001 certified, and therefore the group has committed itself to constantly improve in the environmental area. An obligation the group lives up to.

Management´s review

Based on our focus areas and the ESG and sustainability requirements, the group are in the process of determining the key figures that are important for our company in order to comply with the increasing green requirements. Green requirements that the group believe the group currently comply with. It is our expectation that within a short time the company will be able to report on the objectives and initiatives that the company worldwide wishes to work with.

Research and development activities

The group focuses on research and development and is also ISO 9001 certified. This happens because the group works organizationally to retain and attract highly qualified labor within research and development, just as professional expertise within the group's industry is a focus area.

The group's development activities consist of developing new products adapted to customers' needs and assessed based on market potential.

As a starting point research and development costs are expensed.

Events occurring after the end of the financial year

There are no events that will affect the group´s financial position.

Accounting policies

The annual report for FC DST Holding ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

Changes in the accounting policies

Due to a more accurate picture of the annual consolidated report, the accounting policies have been changed in the following areas:

Previously, the intercompany profit was adjusted to the zero value of the capital share of investments in subsidiaries, but the intercompany profit has subsequently been eliminated in full - and hereby the figures of the pre-tax profit, tax and gross profit has been changed as well as the financial statements of inventory, deferred tax and equity has been changed both for the year and the year 2021/22.

The above changes have resulted in an inccrease of the consolidated pre-tax loss for the year of DKK 94.264 (2021/22: a decrease of DKK 1.104.061) and the tax is increased with 19.885 (2021/22: a decrease of DKK 241.647) whereas the post-tax loss for the year, the balance sheet total, and the equity is changed in both years. The balance sheet total of the year is increased with DKK 94.264 and the equity is increased with DKK 74.379. The balancesheet of 2021/22 is decreased with DKK 1.985.216 and the equity is decreased with DKK 1.426.353.

Except for the above, the accounting policies remain unchanged from last year.

The comparative consolidated figures have been adjusted to the changed accounting policies.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Accounting policies

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

The consolidated financial statements

The consolidated income statements comprise the parent company FC DST Holding ApS and those group enterprises of which FC DST Holding ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

Accounting policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Business combinations

Acquisitions completed by the 1 July 2018 or later (method of consolidation)

Acquisition of group enterprises are dealt with in accordance with the acquisition method, and afterwards the assets and liabilities of the acquired entity are measured at fair value at the date of acquisition. If it is possible to measure the value reliably, acquired contingent liabilities are measured at fair value under the item Equity investments in group enterprises.

The date of acquisition is the date when control of the acquired entity is obtained.

The cost of the acquired entity represents the fair value of the consideration agreed upon, including the considerations that are conditional on future events. Transaction costs directly attributable to the acquisition of group enterprises are recognised in the income statement as incurred.

Positive differences between the cost of the acquired entity and the identified assets and liabilities are recognised in the equity investment as goodwill, which is amortised on a straight-line basis in the income statement over the expected useful life. Amortisation of goodwill is allocated to the functions to which the goodwill relates. If the difference is negative, this is recognised immediately in the income statement.

Accounting policies

If the allocation of the purchase price is not final, positive and negative differences from acquired group enterprises may, as a result of changes in recognition and measurement of the identified net assets, be adjusted up to 12 months from the date of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including depreciation already made.

If the cost includes contingent considerations, these are measured at fair value at the date of acquisition. Subsequently, contingent considerations at fair value are measured again. Value adjustments are recognised in the income statement.

In case of step-by-step acquisitions, the value of the hitherto equity holding in the acquired entity is measured again at the fair value at the date of acquisition. The difference between the carrying amount of the hitherto equity investment and the fair value is recognised in the income statement.

Business combinations (the carrying amount method)
In case of intercompany business combinations, the carrying amount method is applied. By this method, the two enterprises are united at carrying amounts, and differences are not identified. Any considerations exceeding the carrying amount in the acquired entity are recognised directly in equity.

The carrying amount method is implemented on the acquisition date, and comparative figures are not modified.

Non-controlling interests
Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Gross profit
Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Accounting policies

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual entities are recognised in the income statement of the parent as a proportional share of the entities' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Accounting policies

Development projects, patents and licenses are measured at cost less accrued amortisation. The costs are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years and the development projects are amortised over 10 to 15 years determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised over the estimated useful life, which is determined on the basis of management’s experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set at between 10 and 15 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategical acquirees with a strong market position and an expected longterm earnings profile.

Property, plant, and equipment

Land and buildings is measured at cost plus revaluations and less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

Land and buildings is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The amortisation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying mount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Accounting policies

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	50 years
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Property, plant, and equipment in progress

Property, plant, and equipment in progress are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

All leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 10-15 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Accounting policies

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Accounting policies

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Income tax and deferred tax

As administration company, FC DST Holding ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Accounting policies

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows of the group for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and group' cash and cash equivalents at the beginning and the end of the year, respectively.

A cash flow statement for the parent has not been prepared as the cash flows of the enterprise are included in the consolidated cash flow statement, cf. section 86, subsection 4, of the Danish Financial Statements Act.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Accounting policies

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

Income statement 1 October - 30 September

DKK thousand.

Note		Group 2022/23	Group 2021/22	Parent 2022/23	Parent 2021/22
	Gross profit	**59.285**	**44.019**	**-42**	**-58**
1	Staff costs	-38.552	-32.336	0	0
	Depreciation, amortisation, and impairment	-15.763	-14.486	0	0
	Operating profit	**4.970**	**-2.803**	**-42**	**-58**
	Income from investments in group enterprises	0	0	-7.022	-8.452
	Other financial income	919	1.952	0	0
2	Other financial expenses	-10.653	-5.791	0	-3
	Pre-tax net profit or loss	**-4.764**	**-6.642**	**-7.064**	**-8.513**
	Tax on net profit or loss for the year	-2.291	-2.534	9	1
3	**Net profit or loss for the year**	**-7.055**	**-9.176**	**-7.055**	**-8.512**
	Break-down of the consolidated profit or loss:				
	Shareholders in FC DST Holding ApS	-7.055	-9.374		
	Non-controlling interests	0	198		
		-7.055	**-9.176**		

Balance sheet at 30 September

DKK thousand.

Assets

Note		Group 2023	Group 2022	Parent 2023	Parent 2022
	Non-current assets				
4	Completed development projects, including patents and similar rights arising from development projects	17.030	18.589	0	0
5	Acquired concessions, patents, licenses, trademarks, and similar rights	7.201	7.731	0	0
6	Goodwill	161.156	173.637	0	0
	Total intangible assets	185.387	199.957	0	0
7	Land and buildings	19.483	19.953	0	0
8	Other fixtures, fittings, tools and equipment	2.033	1.857	0	0
9	Property, plant and equipment in progress and prepayments for property, plant and equipment	528	399	0	0
	Total property, plant, and equipment	22.044	22.209	0	0
10	Investments in group enterprises	0	0	81.334	90.526
11	Deposits	345	330	0	0
	Total investments	345	330	81.334	90.526
	Total non-current assets	**207.776**	**222.496**	**81.334**	**90.526**
	Current assets				
	Raw materials and consumables	8.688	7.423	0	0
	Work in progress	400	1.003	0	0
	Manufactured goods and goods for resale	9.406	10.060	0	0
	Total inventories	18.494	18.486	0	0

Balance sheet at 30 September

DKK thousand.

Note	**Assets**	Group 2023	Group 2022	Parent 2023	Parent 2022
	Trade receivables	18.204	15.651	0	0
	Tax receivables from group enterprises	0	0	6.469	3.018
	Other receivables	1.213	1.369	0	0
12	Prepayments	1.553	1.124	0	0
	Total receivables	20.970	18.144	6.469	3.018
	Cash and cash equivalents	3.235	3.888	2	2
	Total current assets	**42.699**	**40.518**	**6.471**	**3.020**
	Total assets	**250.475**	**263.014**	**87.805**	**93.546**

Balance sheet at 30 September

DKK thousand.

Equity and liabilities

		Group		Parent	
Note		2023	2022	2023	2022
	Equity				
	Contributed capital	100	100	100	100
	Share premium	98.400	98.400	98.400	98.400
	Retained earnings	-17.259	-9.460	-17.259	-8.034
	Equity before non-controlling interest.	81.241	89.040	81.241	90.466
	Total equity	**81.241**	**89.040**	**81.241**	**90.466**
	Provisions				
	Provisions for deferred tax	765	1.462	0	0
	Total provisions	**765**	**1.462**	**0**	**0**
	Liabilities other than provisions				
	Mortgage debt	9.972	10.549	0	0
	Bank loans	73.946	86.764	0	0
	Income tax payable	1.676	2.210	1.676	2.004
	Income tax payable to group enterprises	0	0	1.677	1.013
	Other payables	53.850	51.778	0	0
13	Total long term liabilities other than provisions	139.444	151.301	3.353	3.017

Balance sheet at 30 September

DKK thousand.

Equity and liabilities

Note		Group 2023	Group 2022	Parent 2023	Parent 2022
13	Current portion of long term liabilities	13.395	12.403	0	0
	Bank loans	703	5	0	0
	Trade payables	4.762	4.535	17	0
	Payables to group enterprises	0	0	88	63
	Income tax payable	2.303	0	2.092	0
	Income tax payable to group enterprises	0	0	1.013	0
	Other payables	7.862	4.268	1	0
	Total short term liabilities other than provisions	29.025	21.211	3.211	63
	Total liabilities other than provisions	**168.469**	**172.512**	**6.564**	**3.080**
	Total equity and liabilities	**250.475**	**263.014**	**87.805**	**93.546**

14 Charges and security

15 Contingencies

16 Related parties

Consolidated statement of changes in equity

DKK thousand.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 October 2021	40	0	0	40
Cash capital increase	60	98.400	0	98.460
Profit or loss for the year brought forward	0	0	-9.374	-9.374
Exchange rate	0	0	478	478
Other adjustments	0	0	-564	-564
Equity 1 2022	100	98.400	-9.460	89.040
Profit or loss for the year brought forward	0	0	-7.055	-7.055
Exchange rate	0	0	-744	-744
	100	**98.400**	**-17.259**	**81.241**

Statement of changes in equity of the parent

DKK thousand.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 October 2021	40	0	0	40
Cash capital increase	60	98.400	0	98.460
Profit or loss for the year brought forward	0	0	-8.512	-8.512
Exchange rate	0	0	478	478
Equity 1 October 2021	100	98.400	-8.034	90.466
Profit or loss for the year brought forward	0	0	-7.055	-7.055
Exchange rate	0	0	-744	-744
Other adjustments	0	0	-1.426	-1.426
	100	**98.400**	**-17.259**	**81.241**

Statement of cash flows 1 October - 30 September

DKK thousand.

Note		Group 2022/23	2021/22
	Net profit or loss for the year	-7.055	-9.176
17	Adjustments	25.661	22.762
18	Change in working capital	2.972	-28.707
	Cash flows from operating activities before net financials	21.578	-15.121
	Interest received, etc.	919	1.952
	Interest paid, etc.	-10.653	-5.791
	Cash flows from ordinary activities	11.844	-18.960
	Income tax paid	-1.778	-441
	Cash flows from operating activities	**10.066**	**-19.401**
	Purchase of intangible assets	-76	-213.106
	Purchase of property, plant, and equipment	-995	-23.274
	Purchase of fixed asset investments	-15	-330
	Cash flows from investment activities	**-1.086**	**-236.710**
	Long-term payables incurred	2.072	162.060
	Repayments of long-term payables	-577	-566
	Cash capital increase	-11.826	98.460
	Cash flows from investment activities	**-10.331**	**259.954**
	Change in cash and cash equivalents	**-1.351**	**3.843**
	Cash and cash equivalents at 1 October 2022	3.883	40
	Cash and cash equivalents at 30 September 2023	**2.532**	**3.883**
	Cash and cash equivalents		
	Cash and cash equivalents	3.235	3.888
	Short-term bank loans	-703	-5
	Cash and cash equivalents at 30 September 2023	**2.532**	**3.883**

Notes

DKK thousand.

		Group		Parent	
		2022/23	2021/22	2022/23	2021/22
1.	**Staff costs**				
	Salaries and wages	34.259	28.631	0	0
	Pension costs	2.517	2.066	0	0
	Other costs for social security	1.776	1.639	0	0
		38.552	**32.336**	**0**	**0**
	Average number of employees	73	70	0	0

There is only one management category that receives remueration, and with reference to the exceptional provisions in §98b of the Annual Accounts Act the remuneration is not disclosed.

		Group		Parent	
2.	**Other financial expenses**				
	Other financial costs	10.653	5.791	0	3
		10.653	**5.791**	**0**	**3**

		Parent	
3.	**Proposed distribution of net profit**		
	Allocated from retained earnings	-7.055	-8.512
	Total allocations and transfers	**-7.055**	**-8.512**

Notes

DKK thousand.

		Group		Parent	
		30/9 2023	30/9 2022	30/9 2023	30/9 2022
4.	**Completed development projects, including patents and similar rights arising from development projects**				
	Cost 1 October 2022	19.644	0	0	0
	Additions during the year	0	19.644	0	0
	Cost 30 September 2023	**19.644**	**19.644**	**0**	**0**
	Amortisation and write-down 1 October 2022	-1.055	0	0	0
	Amortisation for the year	-1.559	-1.055	0	0
	Amortisation and write-down 30 September 2023	**-2.614**	**-1.055**	**0**	**0**
	Carrying amount, 30 September 2023	**17.030**	**18.589**	**0**	**0**

Notes

DKK thousand.

		Group		Parent	
		30/9 2023	30/9 2022	30/9 2023	30/9 2022
5.	**Acquired concessions, patents, licenses, trademarks, and similar rights**				
	Cost 1 October 2022	8.290	0	0	0
	Additions during the year	76	8.290	0	0
	Cost 30 September 2023	**8.366**	**8.290**	**0**	**0**
	Amortisation and writedown 1 October 2022	-559	0	0	0
	Amortisation for the year	-606	-559	0	0
	Amortisation and writedown 30 September 2023	**-1.165**	**-559**	**0**	**0**
	Carrying amount, 30 September 2023	**7.201**	**7.731**	**0**	**0**

The costs includes licenses and trademarks amortised over 10 to 15 years determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

6.	**Goodwill**				
	Cost 1 October 2022	184.898	0	0	0
	Additions during the year	0	184.898	0	0
	Cost 30 September 2023	**184.898**	**184.898**	**0**	**0**
	Amortisation and write-down 1 October 2022	-11.261	0	0	0
	Amortisation for the year	-12.481	-11.261	0	0
	Amortisation and write-down 30 September 2023	**-23.742**	**-11.261**	**0**	**0**
	Carrying amount, 30 September 2023	**161.156**	**173.637**	**0**	**0**

Notes

DKK thousand.

		Group		Parent	
		30/9 2023	30/9 2022	30/9 2023	30/9 2022
7.	**Land and buildings**				
	Cost 1 October 2022	20.385	0	0	0
	Additions during the year	0	20.385	0	0
	Cost 30 September 2023	**20.385**	**20.385**	**0**	**0**
	Depreciation and write-down 1 October 2022	-432	0	0	0
	Depreciation for the year	-470	-432	0	0
	Depreciation and write-down 30 September 2023	**-902**	**-432**	**0**	**0**
	Carrying amount, 30 September 2023	**19.483**	**19.953**	**0**	**0**
8.	**Other fixtures, fittings, tools and equipment**				
	Cost 1 October 2022	2.536	0	0	0
	Additions during the year	866	2.536	0	0
	Disposals during the year	-43	0	0	0
	Cost 30 September 2023	**3.359**	**2.536**	**0**	**0**
	Depreciation and write-down 1 October 2022	-679	0	0	0
	Depreciation for the year	-687	-679	0	0
	Writedown for the year	40	0	0	0
	Depreciation and write-down 30 September 2023	**-1.326**	**-679**	**0**	**0**
	Carrying amount, 30 September 2023	**2.033**	**1.857**	**0**	**0**

Notes

DKK thousand.

		Group 30/9 2023	Group 30/9 2022	Parent 30/9 2023	Parent 30/9 2022
9.	**Property, plant and equipment in progress and prepayments for property, plant and equipment**				
	Cost 1 October 2022	399	0	0	0
	Additions during the year	129	399	0	0
	Cost 30 September 2023	**528**	**399**	**0**	**0**
	Carrying amount, 30 September 2023	**528**	**399**	**0**	**0**

		Group 30/9 2023	Group 30/9 2022	Parent 30/9 2023	Parent 30/9 2022
10.	**Investments in group enterprises**				
	Acquisition sum, opening balance 1 October 2022	0	0	98.500	0
	Additions during the year	0	0	0	98.500
	Cost 30 September 2023	**0**	**0**	**98.500**	**98.500**
	Revaluations, opening balance 1 October 2022	0	0	-7.974	0
	Translation by use of the exchange rate ultimo	0	0	-744	478
	Results for the year	0	0	-7.022	-8.452
	Other movements	0	0	-1.426	0
	Revaluation 30 September 2023	**0**	**0**	**-17.166**	**-7.974**
	Carrying amount, 30 September 2023	**0**	**0**	**81.334**	**90.526**

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, FC DST Holding ApS
FC DST ApS, Kolding	100 %	81.333.670	-7.021.881	81.334
		81.333.670	**-7.021.881**	**81.334**

Notes

DKK thousand.

		Group		Parent	
		30/9 2023	30/9 2022	30/9 2023	30/9 2022
11.	**Deposits**				
	Cost 1 October 2022	330	0	0	0
	Additions during the year	15	330	0	0
	Cost 30 September 2023	**345**	**330**	**0**	**0**
	Carrying amount, 30 September 2023	**345**	**330**	**0**	**0**
12.	**Prepayments**				
	Prepaid insurance	1.553	835	0	0
	Other prepayments	0	289	0	0
		1.553	**1.124**	**0**	**0**

13. Long term labilities other than provisions

	Total payables 30 Sep 2023	Current portion of long term payables	Long term payables 30 Sep 2023	Outstanding payables after 5 years
Group				
Mortgage debt	10.550	578	9.972	0
Bank loans	86.763	12.817	73.946	0
Other payables	53.850	0	53.850	0
	151.163	**13.395**	**137.768**	**0**
Parent				
Income tax payable	1.676	0	1.676	0
Income tax payable to group enterprises	1.677	0	1.677	0
	3.353	**0**	**3.353**	**0**

GROUP: Other payables bears interest at 4% p.a. and remains free of charge until the group repays the loan in whole or in parts.

Notes

DKK thousand.

14. Charges and security

PARENT

As collateral for bank loans and bank loans of subsidiary in total DKK 88.703.000, security has been granted on the shares of the subsidiary with a carrying amount of DKK 81.333.670 at 30 September 2023 and a deposit account with a carrying amount of DKK 0 at 30 September 2023.

GROUP

As collateral for bank loans in total DKK 88.703.000, security has been granted in the assets corresponding to the equity of subsidiary with a total carrying amount of DKK 81.333.670 at 30 September 2023.

As collateral for mortgage loans, DKK 10.550.000, security has been granted on land and buildings representing a carrying amount of DKK 19.483.000 at 30 September 2023.

15. Contingencies

Contingent liabilities

GROUP Lease liabilities

The Group has entered into operational leases with an average annual lease payment of DKK 2.347.807. The leases have 1-36 months to maturity and total outstanding lease payments total DKK 3.517.597.

GROUP Recourse guarantee commitments:

The Group has provided a creditor with a payment guarantee of DKK 52.200.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation from 12 November 2021 is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

TheThe company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Notes

DKK thousand.

15. Contingencies (continued)

16. Related parties

Controlling interest

FC Chemical Invest B.V.	Majority shareholder
Zuidplein 202	
1077XV Amsterdam	
Netherlands	

Transactions

With reference to Section 98 c, subsection of the Annual Accounts Act. 7, the company's transactions with related parties are carried out on market terms.

	Group 2022/23	2021/22
17. Adjustments		
Depreciation, amortisation, and impairment	15.806	14.486
Other financial income	-919	-1.952
Other financial expenses	10.653	5.791
Tax on net profit or loss for the year	2.291	2.776
Deferred tax	0	1.661
Other adjustments	-2.170	0
	25.661	**22.762**

18. Change in working capital		
Change in inventories	1.977	-19.367
Change in receivables	-2.826	-18.144
Change in trade payables and other payables	3.821	8.804
	2.972	**-28.707**