20230517004 19

ÅRSREDOVISNING

för

KRAHN Nordics AB

Org nr 559234-8915

Styrelsen och verkställande direktör får härmed avlämna årsredovisning för räkenskapsåret 2022-01-01 - 2022-12-31

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Undertecknad styrelseledamot i KRAHN Nordics AB
intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på årsstämma den 4 maj 2023.
Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

Hisings Backa 2023-05-04

.....
Chatarina Schneider

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KRAHN Nordics AB

Org nr 559234-8915

FÖRVALTNINGSBERÄTTELSE

Verksamheten

Företaget bedriver import, export och distribution av kemikalier.

Företagets säte är Göteborg.

Flerårsjämförelse

	2022	2021	2020
Nettoomsättning (tkr)	478 703	0	0
Resultat efter finans poster (tkr)	38 838	85	0
Balansomslutning (tkr)	320 257	220 678	25
Soliditet (%)	86%	100%	100%
Medelantalet anställda	18	0	0

Koncernförhållanden

Företaget ägs till 64,67% av KRAHN Chemie GmbH, HRB 15084.
Övergripande koncernredovisning upprättas av:
OTTO KRAHN (GmbH & Co.) KG, HRA46692.

Viktiga händelser

Den 29 april 2022 fusionerades dotterföretagen Amphochem AB och Pemco Additives AB med Krahn Nordics AB. Företaget har fortsatt positiv och enligt vår långsiktiga strategiska plan. Situationen med stigande priser fortsatte under större delen av 2022. Rysslands invasion av Ukraina ledde till längre leveranstider för vissa produktgrupper under det första halvåret. Företaget har fortsatt att effektivisera de interna processerna.

Förväntad framtida utveckling och väsentliga risker och osäkerhetsfaktorer

Utvecklingen under början av 2023 är försiktigt positiv. Konjunkturen och världsmarknadsläget är företagets främsta risker och osäkerhetsfaktorer.

Miljöpåverkan

Företaget bedriver verksamhet under anmälningsnivå, U-verksamhet, men omfattas ändå av Miljöbalkens bestämmelser.

Verksamheten bedrivs på så sätt att de allmänna hänsynsreglerna samt bestämmelser om egenkontroll, förvaring och hantering av kemikalier, farligt avfall, tömning av oljeavskiljare, buller, lukt etc uppfylls. Företaget har i sin hantering exporttillstånd för speciella kemikalier, prekursorer och tillstånd för ykesmässig överlåtele av särskilt farliga kemiska produkter samt tillstånd för hantering av vissa hälsofarliga varor.

Lagerhållningen av produkterna medför, vid normal hantering, ingen påverkan på yttre miljö och människors hälsa. Buller alstras vid transporter till och från lager. Bullernivåerna överstiger inte omgivande verksamheter. Avfall som uppkommer på kontor och vid lagerhållning källsorteras och omhändertas av godkänd mottagare. Farligt avfall uppstår normal inte vid transport eller lagerhållning.

Hållbarhetsupplysning

Koncernen bedriver ett omfattande hållbarhetsarbete och det finns tydliga riktlinjer för jämställdhet, miljö- och arbetsmiljö, kvalitet och kompetensutveckling.

Eget kapital

KRAHN Nordics AB
Org nr 559234-8915

Antal aktier 25 000, kvotvärde 1 kr

	Aktiekapital	Fritt eget kapital
Belopp vid årets ingång	25 000	220 585 135
Erhållna aktieägartillskott		6 505 747
Resultatdisposition enligt beslut av årsstämman:		
Årets vinst		21 520 531
Belopp vid årets utgång	25 000	248 611 413

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Resultatdisposition
Förslag till disposition av bolagets vinst

Till årsstämmans förfogande står	
balanserad vinst	220 585 135
erhållna aktieägartillskott	6 505 747
årets vinst	21 520 531
	248 611 413
Styrelsen föreslår att:	
till aktieägarna utdelas	13 000 000
i ny räkning överföres	235 711 413
	248 711 413

Yttrande från styrelsen

Styrelsen anser att den föreslagna vinstutdelningen är försvarlig med hänsyn till de krav som verksamhetens art, omfattning och risker ställer på storleken av det egna kapitalet samt bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande tilläggsupplysningar och bokslutskommentarer.

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KRAHN Nordics AB

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RESULTATRÄKNING

	Not	2022-01-01 2022-12-31	2021-01-01 2021-12-31
	1, 2, 5		
Rörelsens intäkter			
Nettoomsättning	3	478 702 644	0
Övriga rörelseintäkter	4	8 667 247	141 931
	5	487 369 891	141 931
Rörelsens kostnader			
Handelsvaror		-417 106 495	0
Övriga externa kostnader	5, 7	-6 211 836	-56 393
Personalkostnader	8	-20 702 836	0
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar	11, 12	-9 849 263	0
		-453 870 430	-56 393
Rörelseresultat		**33 499 461**	**85 538**
Resultat från finansiella investeringar			
Resultat från andelar i koncernföretag	9	5 342 000	0
Ränteintäkter från koncernföretag		1 447	0
Ränteintäkter och liknande resultatposter		1 224	0
Räntekostnader och liknande resultatposter		-5 758	-411
		5 338 913	-411
Resultat efter finansiella poster		**38 838 374**	**85 127**
Bokslutsdispositioner			
Avsättning till periodiseringsfond		-10 500 000	0
		-10 500 000	0
Resultat före skatt		**28 338 374**	**85 127**
Skatt på årets resultat	10	-6 817 843	-17 534
Årets resultat		**21 520 531**	**67 593**

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KRAHN Nordics AB

Org nr 559234-8915

BALANSRÄKNING

	Not	2022-12-31	2021-12-31
TILLGÅNGAR	1, 2		
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Goodwill	11	137 851 473	0
		137 851 473	0
Materiella anläggningstillgångar			
Inventarier	12	202 542	0
		202 542	0
Finansiella anläggningstillgångar			
Andelar i koncernföretag	13	17 878 170	206 231 044
		17 878 170	206 231 044
Summa anläggningstillgångar		**155 932 185**	**206 231 044**
Omsättningstillgångar			
Varulager m m			
Färdiga varor och handelsvaror		51 160 923	0
		51 160 923	0
Kortfristiga fordringar			
Kundfordringar		29 374 425	0
Fordringar hos koncernföretag		0	14 428 427
Övriga fordringar		315 772	0
Förutbetalda kostnader och upplupna intäkter	14	767 711	0
		30 457 908	14 428 427
Kassa och bank		82 705 957	18 198
Summa omsättningstillgångar		**164 324 788**	**14 446 625**
SUMMA TILLGÅNGAR		**320 256 973**	**220 677 669**

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KRAHN Nordics AB

Org nr 559234-8915

BALANSRÄKNING

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital (25 000 aktier)		25 000	25 000
		25 000	25 000
Fritt eget kapital			
Balanserat resultat		220 585 135	0
Erhållna aktieägartillskott		6 505 747	220 517 542
Årets resultat		21 520 531	67 593
		248 611 413	220 585 135
Summa eget kapital		**248 636 413**	**220 610 135**
Obeskattade reserver			
Periodiseringsfond		33 400 000	0
Summa obeskattade reserver		**33 400 000**	**0**
Kortfristiga skulder			
Förskott från kunder		305 062	0
Leverantörsskulder		25 394 788	0
Skulder till koncernföretag		415 886	0
Aktuell skatteskuld		4 119 949	17 534
Övriga skulder		3 276 725	0
Upplupna kostnader och förutbetalda intäkter	15	4 708 150	50 000
Summa kortfristiga skulder		**38 220 560**	**67 534**
SUMMA EGET KAPITAL OCH SKULDER		**320 256 973**	**220 677 669**

KRAHN Nordics AB
Org nr 559234-8915

K A S S A F L Ö D E S A N A L Y S

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	Not	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Den löpande verksamheten			
Rörelseresultat	3	33 499 461	85 538
Ränteintäkter och liknande resultatposter		2 671	0
Räntekostnader och liknande resultatposter		-5 758	-411
Justeringar för poster som inte ingår i kassaflödet		-9 052 030	0
Betald inkomstskatt		-2 715 428	0
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**21 728 916**	**85 127**
Kassaflöde från förändringar av rörelsekapital			
Minskning(+)/ökning(-) av varulager		-16 700 115	0
Minskning(+)/ökning(-) av fordringar		44 365 834	-14 403 427
Minskning(-)/ökning(+) av kortfristiga skulder		-29 720 990	50 000
Kassaflöde från den löpande verksamheten		**19 673 645**	**-14 268 300**
Investeringsverksamheten			
Förvärv av inventarier, verktyg och installationer	12	-173 567	0
Förvärv av koncernföretag		0	-206 231 044
Utdelning från koncernföretag		5 342 000	0
Kassaflöde från investeringsverksamheten		**5 168 433**	**-206 231 044**
Finansieringsverksamheten			
Erhållna aktieägartillskott		0	220 517 542
Kassaflöde från finansieringsverksamheten		**0**	**220 517 542**
Årets kassaflöde		24 842 078	18 198
Likvida medel vid årets början		18 198	0
Likvida medel övertagna vid fusion		57 845 681	0
Likvida medel vid årets slut		**82 705 957**	**18 198**

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TILLÄGGSUPPLYSNINGAR

Allmänna upplysningar
Not 1

Redovisningsprinciper
Årsredovisningen upprättas med tillämpning av årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning (K3). Företaget har tillämpat Bokföringsnämndens allmänna råd BFNAR 2020:5 vid redovisning av fusion.

Värderingsprinciper m m
Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Leasingavtal
Samtliga leasingavtal, oavsett om de är finansiella eller operationella, redovisas som hyresavtal (operationella leasingavtal). Leasingavgiften kostnadsförs linjärt över leasingperioden.

Ersättningar till anställda
Ersättningar utgörs av lön, sociala avgifter, betald semester, betald sjukfrånvaro, sjukvård och bonus. Kortfristiga ersättningar redovisas som en kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning.

I företaget finns endast avgiftsbestämda pensionplaner. I avgiftsbestämda planer betalar företaget fastställda avgifter till ett annat företa och har inte någon legal eller informell förpliktelse att betala något ytterligare även om det andra företaget inte kan uppfylla sitt åtagande.

Inkomstskatt
Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen. Uppskjutna skatter värderas utifrån de skattesatser och skatteregler som är beslutade före balansdagen.
Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning.
Skattefordringar och skatteskulder nettoredovisas endast när det finns en legal rätt till kvittning.
Aktuell skatt, liksom förändring i uppskjuten skatt, redovisas i resultaträkningen om inte skatten är hänförlig till en händelse eller transaktion som redovisas direkt i eget kapital. I sådana fall redovisas även skatteeffekten i eget kapital.

Materiella och immateriella anläggningstillgångar
Materiella och immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar. Avskrivningar görs systematiskt över den bedömda nyttjandetiden. När en materiell anläggningstillgångs avskrivningsbara belopp fastställs, beaktas tillgångens restvärde.
Har en materiell eller immateriell anläggningstillgång på balansdagen ett lägre värde än det bokförda värdet skrivs tillgången ned till detta lägre värde om det kan antas att värdenedgången är bestående.
Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med avskrivningar. I anskaffningsvärdet ingår utgifter som direkt kan hänföras till förvärvet av tillgången.
Tillkommande utgifter som avser tillgångar som inte delas upp i komponenter läggs till anskaffningsvärdet till den del tillgångens prestanda ökar i förhållande till tillgångens värde vid anskaffningstidpunkten.

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TILLÄGGSUPPLYSNINGAR

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Utgifter för löpande reparation och underhåll redovisas som kostnader.
Realisationsvinst respektive realisationsförlust vid avyttring av en anläggningstillgång redovisas som Övrig rörelseintäkt respektive Övrig rörelsekostnad.
Följande avskrivningstider tillämpas:

Goodwill, 10 år
Inventarier, 5 år
Ingen avskrivning på konst.

Finansiella instrument
Finansiella instrument redovisas i enlighet med K3 kapitel 11, vilket innebär att värdering sker utifrån anskaffningsvärde. Finansiella instrument som redovisas i balansräkningen inkluderar värdepapper, kundfordringar och övriga fordringar, leverantörsskulder och låneskulder. Instrumenten redovisas i balansräkningen när företaget blir part i instrumentets avtalsmässiga villkor.
Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och företaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten.

Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt

Kundfordringar och övriga fordringar
Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än 12 månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar. Fordringar som är räntefria eller som löper med ränta som avviker från marknadsräntan och har en löptid överstigande 12 månader, redovisas till ett diskonterat nuvärde och tidsvärdeförändringen redovisas som ränteintäkt i resultaträkningen.

Andra långfristiga värdepappersinnehav
Posten består huvudsakligen av aktier samt ett mindre innehav av räntebärande tillgångar. Innehaven innehas på lång sikt. Tillgångar ingående i posten redovisas inledningsvis till anskaffningsvärde. I efterföljande redovisning värderas aktierna till anskaffningsvärde med bedömning av om nedskrivningsbehov föreligger. De räntebärande tillgångarna redovisas i efterföljande redovisning till upplupet anskaffningsvärde med tillämpning av effektivräntemetoden, minskat med eventuell reservering

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Kvittning av finansiell fordran och finansiell skuld
En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

Nedskrivningsprövning av finansiella anläggningstillgångar

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TILLÄGGSUPPLYSNINGAR

Vid varje balansdag bedömer företaget om det finns någon indikation på nedskrivningsbehov i någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående. Nedskrivning redovisas i resultaträkningsposten Resultat från övriga värdepapper och fordringar som är anläggningstillgångar. Nedskrivningsbehovet prövas individuellt för aktier och andelar och övriga enskilda finansiella anläggningstillgångar som är väsentliga.

Varulager
Varulagret är värderat till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet. Nettoförsäljningsvärdet har beräknats till försäljningsvärdet efter avdrag för beräknad försäljningskostnad. Inkuransavdrag har gjorts enligt individuell bedömning.
Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar.
Som likvida medel klassificerar företaget, förutom kassamedel, disponibla tillgodohavanden hos banker och andra kreditinstitut samt kortfristiga likvida placeringar som är noterade på en marknadsplats och har en kortare löptid än tre månader från anskaffningstidpunkten. Spärrade medel klassificeras inte som likvida medel. Förändringar i spärrade medel redovisas i investeringsverksamheten.

Aktier och andelar i dotterföretag
Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de lämnas. Utdelning från dotterföretag redovisas som intäkt.

Fordringar och skulder i utländsk valuta
Fordringar och skulder har omräknats till balansdagens kurs. Valutakursvinster och valutakursförluster på fordringar och skulder av rörelsekaraktär redovisas under övriga rörelseintäkter och övriga rörelsekostnader.
Intäktsredovisning
Intäkter från försäljning av varor redovisas vid leverans till kund, i enlighet med försäljningsvillkoren.

Koncernförhållanden
Bolaget är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning.
Företaget ägs till 64,67 % av KRAHN Chemie GmbH, HRB 15084.
Övergripande koncernredovisning upprättas av:
OTTO KRAHN (GmbH & Co.) KG, HRA46692.

Definition av nyckeltal
Soliditet - Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.

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KRAHN Nordics AB
Org nr 559234-8915

TILLÄGGSUPPLYSNINGAR

UPPLYSNINGAR TILL ENSKILDA POSTER

Not 2 Uppskattningar och bedömningar

Det finns inga väsentliga uppskattningar eller bedömningar.

Not 3 Nettoomsättning

	2022	2021
Försäljning Sverige	215 529 573	0
Försäljning EU	234 226 855	0
Försäljning övriga länder	28 261 272	0
Provisionsintäkter	684 912	0
	478 702 612	**0**

Not 4 Övriga rörelseintäkter

	2022	2021
Övriga rörelseintäkter uppdelade på intäktsslag		
Valutadifferenser, netto	4 126 820	141 931
Vinst vid avyttring av anläggningstillgång	166 203	0
Koncernintern vidarefakturering av kostnader	4 349 421	0
Övrigt	24 803	0
	8 667 247	**141 931**

Not 5 Inköp och försäljning inom koncernen

	2022	2021
Andel av försäljningen som avser koncernföretag	3,77%	0%
Andel av inköpen som avser koncernföretag	1,83%	0%

Not 6 Leasingavtal

	2022	2021
Under året har företagets leasingavgifter uppgått till	5 145 192	0

Framtida leasingavgifter för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:

Inom 1 år	5 370 140	0
Inom 2 till 5 år	7 788 398	0
	13 158 538	**0**

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TILLÄGGSUPPLYSNINGAR

Not 7 Arvode och kostnadsersättning	2022	2021
Baker Tilly		
Revisionsuppdrag	69 000	0
Andra uppdrag	0	0
BDO		
Revisionsuppdrag	57 500	50 000
	126 500	**50 000**

Not 8 Personal	2022	2021
Medelantalet anställda, Sverige	16	0
varav kvinnor	12	0
Medelantalet anställda, Finland	1	0
varav kvinnor	0	0
Medelantalet anställda, Danmark	1	0
varav kvinnor	0	0

Löner, ersättningar m m
Löner, ersättningar, sociala kostnader och pensionskostnader har utgått med följande belopp:

Löner och ersättning:			
Styrelse och VD		1 560 354	0
Övriga anställda		12 820 017	0
		14 380 371	0
Sociala kostnader		5 924 040	0
varav pensionskostnader:			
Styrelse och VD	237 002		
Öviga anställda	1 204 782		
Övriga personalkostnader		398 425	0
		20 702 836	**0**

Bonus till styrelse/Vd har under året utbetalats med 417 000 kr.

Könsfördelning i företagsledning

Antal styrelseledamöter,	3	3
varav kvinnor	1	1
Antal övriga befattningshavare inkl. VD,	1	1
varav kvinnor	1	1

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TILLÄGGSUPPLYSNINGAR

Not 9 Resultat från andelar i koncernföretag	2022	2021
Utdelning	5 342 000	0
	5 342 000	**0**

Not 10 Skatt på årets resultat	2022	2021
Aktuell skatt	6 817 843	17 534
Skatt på årets resultat	**6 817 843**	**17 534**
Redovisat resultat före skatt	28 338 374	85 127
Skatt beräknad enligt gällande skattesats	5 837 704	17 534
Skatteeffekt av ej avdragsgilla kostnader	2 057 167	0
Skatteeffekt av ej skattepliktiga intäkter	-1 100 615	0
Skatteeffekt av schablonränta på periodiseringsfond	23 587	0
Redovisad skattekostnad	**6 817 843**	**17 534**

Not 11 Goodwill	2022-12-31	2021-12-31
Ingående anskaffningsvärde	0	0
Övertag till koncernmässiga anskaffningsvärden	147 698 001	0
Utgående ackumulerade anskaffningsvärden	147 698 001	0
Ingående avskrivningar	0	0
Årets avskrivningar	-9 846 528	0
Utgående ackumulerade avskrivningar	-9 846 528	0
Utgående planenligt restvärde	**137 851 473**	**0**

Goodwill avser den fusionsdifferens som uppkom vid fusionen av dotterföretagen.

Not 12 Inventarier	2022-12-31	2021-12-31
Övertag i samband med fusion	31 710	0
Inköp	173 567	0
Utgående ackumulerade anskaffningsvärden	205 277	0
Årets avskrivningar	-2 735	0
Utgående ackumulerade avskrivningar	-2 735	0
Utgående planenligt restvärde	**202 542**	**0**

Not 13 Andelar i koncernföretag			2022-12-31	2021-12-31
Företag		**Andel**		
Organisationsnummer	**Säte**	**Antal**		
BGM Logistics AB		100%	100 000	0
556728-5670	Göteborg	1 000		

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TILLÄGGSUPPLYSNINGAR

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Krahn Specialty Fluids AB		100%	17 778 170	0
556557-7839	Göteborg	1 000		
Amphochem AB		100%	0	111 872 820
556658-0881	Göteborg	4 000		
Pemco Additives AB		100%	0	94 358 224
556555-4309	Göteborg	5 000		
			17 878 170	**206 231 044**

Uppgifter om eget kapital och resultat	**Eget kapital**	**Resultat**
BGM Logistics AB	4 166 118	858 008
Krahn Specialty Fluids AB	29 049 293	13 319 022
Ingående anskaffningsvärde	206 231 044	0
Inköp	0	206 231 044
Fusionerade dotterföretag:		
Amphochem AB	-111 872 820	0
Pemco Additives AB	-94 358 224	0
Övertag i samband med fusion:		
BGM Logistics AB	100 000	0
Krahn Specialty Fluids AB	17 778 170	0
Utgående redovisat värde	**17 878 170**	**206 231 044**

Not 14	**Förutbetalda kostnader och upplupna intäkter**	**2022-12-31**	**2021-12-31**
	Förutbetalda försäkringar	138 255	0
	Övriga förutbetalda kostnader	281 140	0
	Upplupna provisionsintäkter	348 316	0
		767 711	**0**

Not 15	**Upplupna kostnader och förutbetalda intäkter**	**2022-12-31**	**2021-12-31**
	Upplupna lönerelaterade poster inkl sociala avgifter	4 220 640	0
	Övriga upplupna kostnader	487 510	50 000
		4 708 150	**50 000**

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KRAHN Nordics AB

Org nr 559234-8915

TILLÄGGSUPPLYSNINGAR

Not 16 Förslag till vinstdisposition

Till årsstämmans förfogande står	
balanserad vinst	220 585 135
Erhållna aktieägartillskott	6 505 747
årets vinst	21 520 531
	248 611 413
Styrelsen föreslår att:	
till aktieägarna utdelas	13 000 000
i ny räkning överföres	235 711 413
	248 711 413

Not 17 Fusion har genomförts under året

Amphochem AB, 556658-0881
Fusionsdag: 2022-04-29
Belopp som ingår i resultaträkningen före fusionsdagen:
Nettoomsättning: 67 915 584 kr
Rörelseresultat: 5 080 921 kr
Balansräkning i sammandrag före fusionsdagen:

Andelar i koncernföretag	17 878 170
Andra finansiella anläggningstillgångar	101 141
Varulager	18 059 930
Kortfristiga fordringar	24 312 227
Kassa och bank	21 721 378
	82 072 846
Eget kapital	28 467 724
Ej beskattat periodresultat	10 287 392
Obeskattade reserver	9 300 000
Kortfristiga skulder	34 017 730
	82 072 846

Pemco Additives AB, 556555-4309
Fusionsdag: 2022-04-29
Belopp som ingår i resultaträkningen före fusionsdagen:
Nettoomsättning: 107 248 522 kr
Rörelseresultat: 9 133 145 kr
Balansräkning i sammandrag före fusionsdagen:

Inventarier	31 710
Andra finansiella anläggningstillgångar	219 940
Varulager	16 400 878
Kortfristiga fordringar	36 083 088
Kassa och bank	36 124 303
	88 859 919
Eget kapital	36 571 066
Ej beskattat periodresultat	8 934 982
Obeskattade reserver	13 600 000
Kortfristiga skulder	29 753 871
	88 859 919

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KRAHN Nordics AB
Org nr 559234-8915

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Ordförande

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Thomas Olofsson
Auktoriserad revisor

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Revisionsberättelse

Till bolagsstämman i KRAHN Nordics AB
Org.nr 559234-8915

Rapport om årsredovisningen

Uttalanden
Vi har utfört en revision av årsredovisningen för KRAHN Nordics AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av KRAHN Nordics ABs finansiella ställning per den 2022-12-31 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden
Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till KRAHN Nordics AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Övriga upplysningar
Revisionen av årsredovisningen för räkenskapsåret 2021-01-01 - 2021-12-31 har utförts av en annan revisor som lämnat en revisionsberättelse daterad 2022-03-21 med omodifierade uttalanden i Rapport om årsredovisningen.

Styrelsens och verkställande direktörens ansvar
Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar
Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

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Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.

- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.

- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden
Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för KRAHN Nordics AB för räkenskapsåret 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Grund för uttalanden
Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till KRAHN Nordics AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

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Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller

- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Uddevalla den 27 april 2023

Baker Tilly SEK AB

Thomas Olofsson
Auktoriserad revisor

KRAH SkbcIeOm3-rJN5Ie_Qn 4-8915

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Consolidated Financial Statement

for Fiscal Year 2022

Otto Krahn Group

OTTO KRAHN (GmbH & Co.) KG

Hamburg

Consolidated Balance Sheet per December 31st 2022	Appendix 1
Consolidated Profit and Loss Account for the period from January 1st to December 31st 2022	Appendix 2
Notes to the Consolidated Financial Statements for the fiscal year 2022	Appendix 3
Consolidated Cash Flow Statement for the fiscal year 2022	Appendix 4
Consolidated Statement of Changes in Equity for the fiscal year 2022	Appendix 5
Group Management Report for the fiscal year 2022	Appendix 6
Independent Auditor's Report	Appendix 7

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Consolidated Balance Sheet for
OTTO KRAHN (GmbH & Co.) KG, Hamburg,

per December 31st 2022

A s s e t s

	31.12.2022 KEUR	31.12.2021 KEUR
A. Fixed assets		
I. Intangible assets		
1. Industrial property rights and similar rights and assets acquired for a consideration	961	1.549
2. Goodwill	20.773	24.068
3. Advance payments	786	146
	22.519	25.763
II. Property, plant and equipment		
1. Land, rights similar to land, and buildings, including buildings on land owned by third parties	36.092	30.089
2. Technical plant and machinery	20.932	24.813
3. Other plant, operational and office equipment	15.008	17.587
4. Advance payments and construction in progress	5.994	3.157
	78.026	75.645
III. Financial fixed assets		
1. Interests in associates		286
2. Other participating interests	501	501
	101.046	102.195
B. Current assets		
I. Inventories		
1. Raw materials and consumable supplies	40.975	38.926
2. Work in progress	6.344	2.950
3. Finished goods and merchandise	182.629	188.876
4. Advance payments to suppliers	917	1.440
	230.865	232.192
II. Receivables and other assets		
1. Trade receivables	174.147	181.800
2. Receivables from affiliated companies		1
3. Other assets	19.538	18.986
	193.686	200.787
III. Cash in hand and at banks and cheques	92.386	73.239
	516.937	506.218
C. Prepaid expenses and deferred charges	3.368	2.885
D. Deferred tax assets	1.561	1.879
	622.912	613.178

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Liabilities

		31.12.2022 KEUR	31.12.2021 KEUR
A.	**Equity**		
I.	Subscribed capital	25.000	25.000
II.	Revenue reserves	247.124	241.363
III.	Foreign currency translation reserve	-10.945	-7.071
IV.	Minority interests	18.639	16.610
		279.818	275.902
B.	**Provisions**		
1.	Provisions for pensions and similar obligations	123.169	108.416
2.	Tax provisions	3.260	6.285
3.	Other provisions	25.367	26.084
		151.796	140.785
C.	**Liabilities**		
1.	Liabilities to banks	60.097	38.569
2.	Advance payments received on orders	2.202	2.851
3.	Trade liabilities	71.342	94.376
4.	Liabilities to affiliated entities	2.444	2.326
5.	Liabilities to limited partners	15.396	19.661
6.	Other liabilities	39.817	38.709
		191.298	196.491
		622.912	613.178

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Consolidated Profit and Loss Account for
OTTO KRAHN (GmbH & Co.) KG, Hamburg

for the period from January 1st to December 31st 2022

	31.12.2022 KEUR	31.12.2021 KEUR
1. Revenue	**1.659.773**	**1.484.371**
2. Increase or decrease in finished goods and work in progress	4.136	21.346
3. Other operating income	19.049	27.219
	1.682.957	1.532.936
4. Cost of materials		
a) Cost of raw materials, consumable supplies and of purchased merchandise	1.331.152	1.182.415
b) Cost of purchased services	16.297	10.935
	1.347.449	1.193.350
5. Personnel expenses		
a) Wages and salaries	106.485	98.694
b) Social security and pension expenses	36.336	21.039
- thereof for pensions:	*15.494*	*1.858*
	142.821	119.734
6. Amortization and depreciation of intangible assets and property, plant and equipment	17.221	17.235
7. Other operating expenses	124.008	113.020
	51.458	89.597
8. Income from investments in associates		50
9. Other interest and similar income	308	263
10. Interest and similar expenses	6.752	12.930
	-6.445	-12.617
11. Taxes on income	23.269	25.944
12. Earnings after taxes	**21.744**	**51.036**
13. Other taxes	1.190	1.083
14. Consolidated net income for the year	**20.554**	**49.953**
15. Minority interests	4.237	2.992

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Notes to the Consolidated Financial Statements of OTTO KRAHN (GmbH & Co.) KG, Hamburg,

for the fiscal year 2022

1. Corporate information

OTTO KRAHN (GmbH & Co.) KG with seat at Grimm 10 in 20457 Hamburg is entered in the Commercial Register at the Municipal Court in Hamburg under the number HRA 46692.

2. General principles

The consolidated financial statements per December 31st 2022 have been prepared voluntarily in accordance with the regulations in the HGB (German Commercial Code), and are not intended for publication.

The profit and loss account has been prepared in accordance with the type of expenditure format.

The amounts presented in KEUR [thousands of euros] are rounded in accordance with standard commercial practice. This can result in rounding differences in totals and subtotals of +/- KEUR 1.

3. Scope of consolidation

Pursuant to Section 294 paragraph 1 HGB, OTTO KRAHN (GmbH & Co.) KG, Hamburg, as the parent company, and 50 (PY: 52) subsidiaries, in which OTTO KRAHN (GmbH & Co.) KG holds directly or indirectly at least 20 % of the voting rights, are included in the consolidated financial statements.

With effect from January 3rd 2022, KRAHN Chemie GmbH acquired a majority interest in KRAHN Iberia S.L. (formerly Pemco-Trigueros Additives Spain S.L.), which is now included instead of at equity in accordance with the full consolidation method.

AmphoChem AB and Pemco Additives AB were merged with effect from May 1st 2022 into KRAHN Nordics AB.

With effect from January 1st 2022, ALBIS Distribution GmbH & Co. KG acquired a non-controlling interest of 0.0029586 % in Albis Plastik TR Sanayi ve Ticaret Limited Sirketi, Turkey, from Krahn Verwaltungsgesellschaft mbH.

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Otherwise, the scope of consolidation was unchanged in the reporting period. The companies included in consolidation pursuant to Sections 290 and 294 HGB are listed in the schedule of investment holdings.

4. Business acquisitions and newly established entities

With effect from January 3rd 2022, KRAHN Chemie GmbH acquired KRAHN Nordics AB's 50 % interest in KRAHN Iberia S.L. (formerly Pemco-Trigueros Additives Spain S.L.). At the same time, a further 10 % interest was purchased from external shareholders. The interest in KRAHN Iberia was previously reported as an associated entity pursuant to Section 311 et seq. HGB. In the course of the transition to full consolidation, the assets and liabilities of Krahn Iberia were revalued.

The impacts of the acquisitions on the consolidated balance sheet in 2022 (acquisition year) were as follows:

	Impact per 31.12.2022 KEUR	Impact per 1.1.2022 KEUR
Assets		
Goodwill	95	106
Intangible assets	0	
Property, plant and equipment	1	0
Inventories	583	550
Receivables and other assets	993	438
Liquid funds	343	176
	2,015	**1,270**
Liabilities		
Minority interest	208	128
Liabilities and sundry liability items	1,400	845
	1,608	**972**

KRAHN Iberia S.L. contributed KEUR 4,099 to revenue and KEUR 190 to consolidated net income for the year in 2022.

The impacts of the further changes in the scope of consolidation on the balance sheet ratios are immaterial.

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5. Consolidation principles and translation of foreign currencies

The consolidated financial statements are based on the separate financial statements of the consolidated entities.

The reporting date for the separate financial statements of all entities included in consolidation corresponds with the reporting date of the consolidated financial statements of December 31st 2022.

The capital consolidation of subsidiaries acquired by December 31st 2009 was carried out in accordance with the book value method by offsetting the acquisition costs of the interests against the proportionate equity of the subsidiaries at the acquisition date, or the credit balances from capital consolidation resulting from the retained profits of the subsidiaries on the respective acquisitions were allocated directly to equity in the revenue reserves.

The first-rime consolidation of subsidiaries from January 1st 2010 onwards is carried out in accordance with the revaluation method.

The non-controlling interests are based on the equity of the respective subsidiaries, taking into account uniform accounting and valuation methods.

Deferred taxes are recognized in accordance with Section 306 HGB, provided the difference between the German statutory (HGB) carrying amounts and the tax base will probably reverse again in later business years.

Deferred taxes are computed on the basis of the future tax burdens of the companies concerned. Deferred tax assets and deferred tax liabilities are reported net.

The tax rate used to calculate the deferred taxes, which mainly result from the elimination of intercompany profits, is 32%.

Assets and liabilities in balance sheets denominated in foreign currencies are translated to euros at the foreign currency mid-market spot rate as of the reporting date, apart from equity, which is translated with the historical rates. The profit and loss account is translated at the average rate for the year. Translation differences resulting from the historical translation of the capital on first-time consolidation and the group earnings of companies not maintained in euros are allocated directly to the "foreign currency translation reserve" in equity.

The principle of consistency of consolidation methods has been observed.

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6. Accounting policies

Foreign companies are included in the consolidated financial statements on the basis of annual financial statements prepared in accordance with the local regulations. The annual financial statements of the foreign and domestic group entities have been adjusted to the extent necessary in the course of consolidation to comply with uniform group accounting policies.

Fixed assets

Items of property, plant and equipment, and intangible assets acquired for a consideration, are valued at acquisition costs less systematic amortization and depreciation. Assessment of the useful lives is based on the experience of the business.

Fixed assets that can only be used for a limited period of time are generally amortized or depreciated straight-line. Amortization and depreciation are recorded over useful lives of between 1 and 50 years.

Amortization of goodwill is measured on the basis of the respective business model and the revenue-weighted average term of the supplier agreements. In these cases, the goodwill is amortized over 11 to 15 years. Goodwill acquired for a consideration since 2016 is being amortized over 10 years.

Current assets

Raw materials, consumable supplies and merchandise are valued at the lower of acquisition cost and net realizable value. Finished goods and work in progress are recognized at production costs observing the principle of loss-free valuation. In addition to the direct costs, the production costs also include production and material overheads, and depreciation, to the extent that it is caused by the operations.

Receivables and other assets are recognized at face value. Foreseeable risks are reflected by specific allowances and the general credit risk by a general allowance.

Other assets resulting from employer's pension liability insurance are valued with the amount of the covering capital fund per the insurance company's business plan plus credits resulting from premium refunds.

Cash in hand and at banks is valued at nominal value.

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Pension provisions

The value of the pension obligations is calculated with the settlement amount in accordance with the actuarial projected unit credit method applying Prof Dr Klaus Heubeck's current 2018 G mortality tables on the basis of the following parameters:

	2022	2021
Discounting rate per the Regulation on the Discounting of Provisions	1.78% p.a.	1.87% p.a.
Expectancy trend (e.g. salary)	2.00% p.a.	2.00% p.a.
Income threshold trend	2.00% p.a.	2.00% p.a.
Pension trend	2.00% p.a.	1.00% p.a.
Staff fluctuation rate	4.00% p.a.	4.00% p.a.

Pursuant to the legal regulation in Section 253 paragraph 2 sentence 1 HGB, the discounting rate is based in 2022 on the average market rate of interest for the past 10 years of 1.78% (PY: 1.87%).

When defining the discounting rate applicable for the respective term, an average term of 15 years is assumed, applying the option available under Section 253 paragraph 2 sentence 1 HGB.

If the average market rate of interest for the past 7 years had continued to be applied, the discounting rate per December 31st 2022 would have amounted to 1.44 % (PY: 1.35 %). Application of the previous average market rate of interest for the past 7 years results in a difference compared with application of the current average market rate of interest for the past 10 years of KEUR 6,549 (PY: KEUR 8,569).

Other provisions

The other provisions take into account all foreseeable risks and uncertain obligations, and contingent losses on pending contracts, and are valued at the settlement amount deemed necessary in accordance with reasonable commercial judgement.

Provisions with a term exceeding a year are discounted to the balance sheet date.

Prof Dr Klaus Heubeck's 2018 G mortality tables are similarly applied for the valuation of the provisions for partial early retirement and staff anniversary benefits. They are recognized with the settlement amount shown by the actuarial reports.

The discounting rate amounts to 1.44 % p.a. (PY: 1.35 % p.a.).

The projected unit credit method is used for the staff anniversary provision.

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Liabilities

All liabilities are recognized with the settlement amount.

Foreign currency

Receivables and liabilities in foreign currency with a remaining term of up to a year are valued with the respective foreign currency mid-market spot rate as of the reporting date or, in the event of possible valuation units with hedged items, at the forward rates that have been concluded. On a remaining term of more than a year, they are translated with the rate as of their creation date; in the event of changes in exchange rates by the balance sheet date, they are fundamentally valued with the respective foreign currency mid-market spot rate as of the reporting date, observing the principle of lower of cost and market on the assets side and the higher of cost and market on the liabilities side.

Liabilities, pending contracts and transactions from purchase contracts in foreign currency that are expected with a high degree of certainty are combined with foreign currency forward contracts to form valuation units in order to compensate contrary foreign currency changes.

Deferred taxes

Deferred taxes are set up on differences between the statutory (HGB) carrying amounts of pension provisions and sundry assets and liabilities, and their carrying amounts for German tax purposes, which will probably reverse in future years. If the netting of deferred tax assets and deferred tax liabilities results overall in a net deferred tax asset, the recognition of deferred taxes is waived in accordance with Section 274 paragraph 1 sentence 2 HGB.

7. Notes to the consolidated balance sheet

Fixed assets

The separately appended presentation of the consolidated statement of changes in fixed assets is an integral element of the notes to the consolidated financial statements.

In the course of the transitional consolidation, the amortized carrying amounts of the interests in the associated company, Krahn Iberia S.L., were transferred with KEUR 286.

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Receivables and other assets

Receivables from associated companies include trade receivables from the general partner of KEUR 0 (PY: KEUR 1).

Other assets include tax receivables for 2022 of KEUR 4,507. Other assets of KEUR 249 (PY: KEUR 217) have a remaining term of more than a year. As in the previous year, all remaining receivables and other assets have a remaining term of up to a year.

Deferred tax assets

Deferred tax assets take into account differences on intercompany profits resulting from transactions between companies included in consolidation. The resultant difference is calculated applying a tax rate of 32%.

Provisions

The other provisions mainly comprise staff-related costs.

Liabilities

in KEUR		31.12.2022	thereof residual term			31.12.2021	thereof residual term		
			< 1 year	1-5 years	>5 years		< 1 year	1-5 years	>5 years
1.	Liabilities to banks	60,097	26,270	33,827	-	38,569	30,063	7,606	900
2.	Advance payments received on orders	2,202	2,202	-	-	2,851	2,851	-	-
3.	Trade liabilities	71,342	71,342	-	-	94,376	94,376	-	-
4.	Liabilities to affiliated entities	2,444	2,444	-	-	2,326	2,326	-	-
5.	Liabilities to limited partners	15,396	15,396	-	-	19,661	19,661	-	-
6.	Other liabilities	39,817	38,031	1,786	-	38,709	36,802	121	1.786
Liabilities		**191.298**	**155,686**	**35,613**	**-**	**196,491**	**186,077**	**7,728**	**2,686**

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Other liabilities are made up as follows:

	in KEUR	31.12.2022	31.12.2021
1.	Tax liabilities	18,712	20.440
2.	Social security liabilities	923	836
3.	Sundry other liabilities	20,182	17.433
Other liabilities		**39.817**	**38,709**

Long-term liabilities to banks of KEUR 2,506 are secured by a land charge.

Liabilities to affiliated entities include with KEUR 2,444 (PY: KEUR 2,326) liabilities to the general partner, of which KEUR 2,250 (PY: KEUR 2,250) consist of financial loans. All other liabilities to affiliated entities are based, as in the previous year on deliveries and services of the general partner (trade liabilities).

The sundry other liabilities include amounts of KEUR 1,786 (PY: KEUR 1,786), which comprise contributions by silent partners to which a notice term of five years to the end of the year apply. They had not been terminated per December 31st 2022.

Other financial commitments

The following other financial commitments of altogether KEUR 24,713 (PY: KEUR 23,006) exist, which are made up as follows:

	due in		
	2023	2024-2027	2028 et seq.
Rental agreements	4,313	7,834	1,130
Leasing agreements	1,694	2,344	-
Service agreements	3,245	4,154	-
Total	9,251	14,331	1,130

Furthermore, capital commitments amounted as of the balance sheet date to KEUR 4,905 (PY: KEUR 502).

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8. Notes to the income statement

Revenues by activities (in million EUR)

	2022	2021
Trading with plastics, chemicals, rubber and other articles	1,309	1,164
Compounding and refining of plastics and other products	350	320
Other revenue	1	0
Total	**1,660**	**1,484**

Revenue by regions (in percent)

	2022	2021
Germany	37	38
Europe (excluding Germany)	53	54
Other regions	10	9
Total	**100**	**100**

Prior year income and expenses

Other operating income includes income of KEUR 2,620 (PY: KEUR 4,205) relating to prior periods and mainly resulting from the reversal of other provisions and value adjustments. Other operating expenses include expenses of KEUR 960 (PY: KEUR 679) relating to prior periods.

Extraordinary income and expenses

Other operating income includes no extraordinary income.

Amortization and depreciation includes no impairment losses.

The remaining other operating expenses include an extraordinary item of KEUR 987. This results from a contingent loss provision in connection with the freezing of the business operations in the Russian Federation.

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Gains and losses on the translation of foreign currencies

Translation losses of KEUR 18,009 (PY: KEUR 17,409) in the reporting period compared with translation gains of KEUR 13,140 (PY: KEUR 14,486).

Affiliated entities

Other operating income includes KEUR 2 (PY: KEUR 4) from the general partner, and other operating expenses include KEUR 134 (PY: KEUR 0) to the general partner.

Interest of KEUR 34 (PY: KEUR 34) was paid to affiliated entities.

Financial result

Interest expense includes KEUR 3,941 (PY: KEUR 8,714) from winding back the discounting on provisions for pensions, staff anniversaries and partial early retirement.

Taxes on income

Income taxes in Germany comprise trade tax and corporate income tax (including the solidarity surcharge), while abroad they comprise similar taxes based on income.

Taxes on income include deferred tax income of KEUR 441 (PY: KEUR 1,260).

9. Other disclosures

Participating interest

The separate disclosures on participating interests are an integral element of the notes to the financial statements.

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Number of employees

The average number of employees (including part-timers) in the reporting period was as follows:

	2022	2021
Salaried staff	1,274	1,210
Wage-earners	433	456
Total	**1,707**	**1,666**

Use is made with regard to the disclosure of the total compensation of the managing directors of the relief provided by the protection clause under Section 286 paragraph 4 HGB.

Use is made with regard to the disclosure of the total compensation of former managing directors and their surviving dependants and the pension provisions for this group of persons to the protection clause under Section 286 paragraph 4 HGB.

The number of pensioners amounted on December 31st 2022 to 372 (PY: 364).

Derivative financial instruments

The Group hedges itself against exchange rate risks under procurement and sales contracts by concluding the customary commercial foreign exchange forward contracts. The following foreign exchange forward contracts that are not included in a valuation unit existed as of the balance sheet date:

per 31.12.2022	Purchase in thousand	Translation to KEUR	Sale in thousand	Translation to KEUR
CHF	5,000	4,889	-	-
CNY			5,000	686
HKD	30,000	3,432		
JPY	8,100	58		
MXN			38,701	1,745
SEK	30,000	2,830		
TRY	-	-	7,938	395
USD	61	59	12,740	11,895

Provisions for contingent losses on pending contracts of KEUR 370 (PY: KEUR 733) concluded to hedge receivables from trading transactions are recognized with the fair value of the foreign exchange forward contracts, which report a negative market value as of the balance sheet date.

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The recognition of currency swaps, which are maintained in intragroup valuation units and have a positive market value as of the balance sheet date, resulted pursuant to Draft German Accounting Standard GAS 33 in an amount of KEUR 372 (PY: KEUR 652), which is reported in other assets.

Supplementary information on the consolidated statement of cash flows

The consolidated statement of cash flows complies with German Accounting Standard GAS 21.

The cash funds correspond with the liquid funds netted with short-term overdrafts and money market credits in some countries, and are made up as follows :

	2022	2021
Cash in hand and at banks and cheques	92,386	73,239
Overdrafts and money market credits	-14,719	-16,742
Cash funds at the end of the fiscal year	**77,667**	**56,497**

Cash flow from operating activities increased in 2022 by EUR 53.4 million from EUR -21.5 million to EUR 31.9 million. The significant driver is the slowdown in the build-up of net working capital in the course of better working capital management and higher prices in the second half of 2022. Instead of EUR -97.8 million in 2021, only EUR -18.5 million flowed into the build-up of working capital in 2022.

Payments from cash flow from operating activities fell by EUR 8.2 million to EUR -16.3 million. The decline is mainly explained by the fact that, following the high payments for the acquisition of KRAHN Nordics and KRAHN UK in the previous year, only minor funds were invested in the participating interests in the past year. The increase of EUR 5.4 million or 58.5 % in investments in property, plant and equipment and the lack of significant proceeds from disposals could only partly compensate this decrease.

New financial credits of EUR 35.2 million were taken up to refinance the ongoing investment activity. Loans repayable on maturity from 2017 for investments at the site in Duncan, USA, were replaced by new financial credits of EUR 6.3 million. Net inflows of EUR 9.9 million were generated by the financing activities.

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Supplementary information on the consolidated statement of changes in equity

The consolidated statement of changes in equity complies with German Accounting Standard GAS 22.

In accordance with the rules in GAS 22 on group equity, the amount by which consolidated net income for the year exceeds the net income for the year reported in the annual financial statements is reported in the revenue reserves. A corresponding adjustment to the prior year presentation and the consolidated statement of changes in equity was also made.

The other changes in the presentation of the non-controlling interests relate to the disclosure of non-controlling interests on first-time consolidations.

Reserves of KEUR 602 (PY: KEUR 548) were blocked for distribution by law per December 31st 2022. The difference between the application of the average interest rate for the past seven years and the application of the rate for the past 10 years for the valuation of the pension provisions amounts as of the reporting date to KEUR 6,549 (PY: KEUR 8,569).

No other bans on distribution existed as of the balance sheet date in 2022.

Partners and executive organs of the parent company

The general partner is Krahn Verwaltungs-Gesellschaft mit beschränkter Haftung, Hamburg, with share capital of EUR 350,000.00.

OTTO KRAHN (GmbH & Co.) KG is managed by its general partner. The general partner's managing directors during the reporting period were:

- Philip O. Krahn (Managing Director), Business Graduate, resident in Hamburg
- Dr Jan Lösch (Managing Director), Doctor of Business Administration, resident in Wentorf by Hamburg
- Axel Sebbesse (Managing Director), Lawyer, resident in Hamburg (until February 28th 2023)

In accordance with its statutes, the Company has an advisory board, the members of which are

- Nils Erichsen (Chairperson), Business Economist, resident in Hamburg
- Prof Dr Jens Poll, (Deputy Chairperson), Lawyer, Tax Advisor and German Public Auditor, resident in Berlin
- Thorsten W. Albrecht, Lawyer, resident in Hamburg
- Stefan Sommer, Business Economist, resident in Frankfurt am Main

The compensation of the advisory board amounted in the reporting period to KEUR 535 (PY: KEUR 500).

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Fees and services of the group auditor

The fees expensed in the financial year 2022 for audit services amounted to KEUR 275 (PY: KEUR 275) and for other assurance services to KEUR 10 (PY: KEUR 10).

Consolidated financial statements

The general partner in OTTO KRAHN (GmbH & Co.) KG, Krahn Verwaltungs-Gesellschaft mbH, Hamburg, as the ultimate group parent company, prepares exempting consolidated financial statements in accordance with Section 264 HGB in conjunction with Section 290 HGB that include OTTO KRAHN (GmbH & Co.) KG, and publishes them in the German Federal Gazette.

Hamburg, May 2nd 2023

Philip O. Krahn

Dr Jan Lösch

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Consolidated Statement of Changes in fixed assets of OTTO KRAHN (GmbH & Co.) KG, Hamburg, in fiscal year 2022

Acquisition costs

	01.01.2022	Translation differences	Additions	Reclassifications	Disposals	Additions from changes in scope of consolidation	31.12.
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
I. Intangible Assets							
1. Industrial property rights and similar rights and assets acquired for a consideration	28.168	-49	117	142	1.010		27.369
2. Goodwill	74.364	-185	1.478			106	75.763
3. Advance payments	146		722	-82			786
	102.678	-234	2.317	60	1.010	106	103.918
II. Property, plant and equipment							
1. Land, rights similar to land, and buildings including buildings on land owned by third parties	54.634	661	4.456	2.599	3		62.346
2. Technical plant and machinery	88.208	407	2.128	191	2.753		88.181
3. Other plant, operational and office equipment	59.360	-107	2.348	27	2.061	1	59.569
4. Advance payments and construction in progress	3.157	-42	5.757	-2.877			5.994
	205.358	918	14.688	-60	4.816	1	216.090
III. Financial fixed assets							
1. Participations in associates	286					-286	
2. Bonds and securities							
3. Loans							
4. Other participating interests	501						501
	308.824	685	17.006		5.827	-179	320.509

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	Accumulated amortization, depreciation and write-downs							Book values	
01.01.2022 KEUR	Translation differences KEUR	Additions KEUR	Reclassifications KEUR	Disposals KEUR	Additions from changes in scope of consolidation KEUR	31.12.2022	31.12.2022 KEUR	31.12.2021 KEUR
26.620	-48	847		1.010		26.408	961	1.549
50.296	740	3.955				54.990	20.773	24.068
							786	146
76.915	692	4.802		1.010		81.399	22.519	25.763
24.545	99	1.601	13	3		26.254	36.092	30.089
63.395	203	6.133	1	2.484		67.248	20.932	24.813
41.774	-138	4.686	-15	1.745		44.561	15.008	17.587
							5.994	3.157
129.713	163	12.419		4.232		138.064	78.026	75.645
								286
							501	501
206.628	855	17.221		5.242		219.463	101.046	102.195

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Investment Holdings of
OTTO KRAHN (GmbH & Co.) KG, Hamburg
for financial year from 01.01. - 31.12.2022

The Company held direct and indirect participations in the following companies as of the balance sheet date.
Minority interests in individual companies are held by the utlimate parent company, Krahn Verwaltungs-Gesellschaft mit beschränkter Haftung, Hamburg (KVG)

Company	Currency	Participation in %	Participation of KVG in %	Most recent financial statements	
				Equity as of 31.12.2022 in currency in thousands	Earnings for 2022 in currency in thousands
Krahn Chemie GmbH, Hamburg, Germany	**EUR**	**100,0**		**46.151**	**18.401**
Krahn Chemie Deutschland GmbH, Hamburg, Germany[1)]	EUR	100,0		22.368	
KRAHN CHEMIE Benelux B.V., Zaandam, Netherlands	EUR	100,0		4.457	1.590
KRAHN CHEMIE Polska Sp. z o.o., Poznań, Poland	PLN	99,0	1	40.538	14.435
KRAHN France SAS, Avon, France	EUR	100,0		1.534	295
KRAHN Italia S.p.A., Milan, Italy	EUR	62,5		15.505	5.012
KRAHN Hellas A.E. , Athens, Greece	EUR	51,0		7.141	1.646
KRAHN Nordics AB , Hisings Backa, Sweden	SEK	64,7		265.336	21.453
BGM Logistics AB, Hisings Backa, Sweden	SEK	100,0		4.954	858
KRAHN Specialty Fluids AB, Hisings Backa, Sweden	SEK	100,0		36.594	13.319
KRAHN Iberia S.L., Aspe, Spain	EUR	60,0		525	203
Krahn U.K. Limited , Sandbach, United Kingdom	GBP	100,0		1.096	351
OK Kranich GmbH, Hamburg, Germany	**EUR**	**100,0**		**918**	**168**
Albis Duncan Real Estate LLC, Duncan/S.C., USA	USD	100,0		9.875	340
Otto Krahn Group GmbH, Hamburg, Germany	**EUR**	**100,0**		**132.493**	**28.575**
ALBIS PLASTIC Beteiligungs GmbH, Hamburg, Germany	EUR	100,0		443	159
WIPAG Deutschland GmbH, Neuburg a.d.D., Germany	EUR	100,0		2.073	-133
WIPAG Süd GmbH & Co. KG, Neuburg a.d.D., Germany	EUR	100,0		-8.235	-2.336
WIPAG Nord GmbH & Co. KG, Gardelegen, Germany	EUR	100,0		-4.121	-2.114
ALBIS Distribution GmbH & Co. KG, Hamburg, Germany	EUR	100,0		158.597	43.288
Albis (U.K.) Ltd., Knutsford, United Kingdom	GBP	100,0	0,0000294	14.531	3.061
Albis Benelux B.V., Breda, Netherlands	EUR	100,0		9.209	1.470
Albis Iberia S. A., Barcelona, Spain	EUR	100,0		13.102	2.111
Albis Impex AG, Meilen, Switzerland	CHF	100,0		12.248	1.793
Albis Plastic Kft., Tiszaújváros, Hungary	HUF	100,0		2.787.612	835.451

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Company	Currency	Participation in %	Participation of KVG in %	Most recent financial statements	
				Equity as of 31.12.2022 in currency in thousands	Earnings for 2022 in currency in thousands
Albis Plastic, OOO, Moscow, Russia	RUB	100,0		383.581	5.787
Albis Plastic SRL., Sibiu, Romania	RON	100,0		49.696	11.186
ALBIS PLASTIC (FAR EAST) LTD., Hunghom, Kowloon, Hong Kong	HKD	100,0		90.943	3.292
Albis Plastic Distribution (Guangzhou) Co. Ltd., Guangzhou, China	CNY	100,0		17.804	-858
Albis Plastic (Shanghai) Co. Ltd., Shanghai, China	CNY	100,0		28.301	-691
Albis Plastic CR s.r.o., České Budějovice, Czech Republik	CZK	100,0		365.869	46.574
ALBIS PLASTIC Italia s.r.l., Milan, Italy	EUR	100,0		890	-298
ALBIS NORDICS & BALTICS AB, Göteborg, Sweden	SEK	100,0		141.858	27.526
ALBIS Plastic Vertriebsgesellschaft m.b.H., Vienna, Austria	EUR	100,0		7.386	1.513
Albis Plastik TR Sanayi ve Ticaret Limited Sirketi, Istanbul, Turkey	TRY	100,0		86.121	33.301
ALBIS PLASTIQUE FRANCE S.A.R.L, Gif sur Yvette Cedex, France	EUR	100,0		20.808	2.821
Albis Plastic Tunisia S.A.R.L., Tunis, Tunisia	TND	100,0	0,01	263	9
Albis Polska Sp. z o.o., Poznań, Poland	PLN	100,0		90.883	10.639
ALBIS Distribution Verwaltung GmbH, Hamburg, Germany	EUR	100,0		103	0
MOCOM Compounds GmbH & Co. KG, Hamburg, Germany	EUR	100,0		68.144	-28.071
ALBIS PLASTIC MEXICO, S de R.L. de C.V., San Pedro Garza Garcia, Mexico	MXN	100,0		12.708	-8.111
Mocom Compounds (Changshu) Co. Ltd., Changshu, China	CNY	100,0		103.103	11.864
Mocom Compounds Corp., Duncan/S.C., USA	USD	100,0		1.777	-5.770
Mocom Compounds Verwaltung GmbH, Hamburg, Germany	EUR	100,0		102	0
OTTO KRAHN Corporate Functions GmbH & Co. KG, Hamburg, Germany	EUR	100,0		2.891	1.610
OTTO KRAHN Corporate Functions Verwaltung GmbH, Hamburg, Germany	EUR	100,0		109	2
Otto Krahn New Business GmbH & Co. KG, Hamburg, Germany	EUR	100,0		785	787
Krahn Ceramics GmbH, Hamburg, Germany	EUR	100,0		2.438	1.394
OTTO KRAHN New Business Verwaltungs GmbH, Hamburg, Germany	EUR	100,0		26	0
OTTO KRAHN Real Estate GmbH & Co. KG, Hamburg, Germany	EUR	100,0		16.304	297
Next Commerce Accelerator GmbH, Hamburg, Germany[2])	EUR	4,8		7.732	-229

[1]) Profit and loss pooling agreement

[2]) Prior year data, current financial data unavailable as of reporting date.

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Consolidated Cash Flow Statement of
OTTO KRAHN (GmbH & Co.) KG, Hamburg,
for the fiscal year 2022

		2022	2021
		KEUR	KEUR
+	Result for the period (consolidated net income for the year including minority interests)	20.554	49.953
+	Amortization and depreciation of fixed assets	17.221	17.235
+	Increase in provisions	11.011	11.111
+/-	Other non-cash Income/Expenses	2.665	-12.493
+/-	Decrease/Increase in inventories	1.877	-99.168
+/-	Decrease/Increase in trade receivables and other assets	7.373	-47.104
-/+	Decrease/Increase in liabilities and other liability items	-27.750	48.516
+/-	Gain on disposal of fixed assets	34	-6.207
+	Interest expense/income	6.445	12.617
+/-	Extraordinary income/expenses	987	0
+	Income tax expense	23.269	25.944
+	Proceeds from extraordinary income	0	0
-	Income tax payments	-31.813	-21.936
=	**Cash flow from operating activities**	**31.873**	**-21.531**
-	Payments for investments in intangible assets	-1.732	-329
+	Proceeds from disposals of property, plant and equipment	550	7.899
-	Payments for investments in property, plant and equipment	-14.688	-9.269
+	Proceeds from disposals of financial fixed assets	0	955
+/-	Payments for investments in financial fixed assets	0	0
-	Payments for additions to scope of consolidation	-636	-24.057
+	**Interest received**	**162**	**293**
=	**Cash flow from investing activities**	**-16.345**	**-24.508**
+	Proceeds from contributions of equity by other shareholders	0	7.694
+	Proceeds from borrowings of financial loans	41.483	0
-	Payments for the redemption of financial loans	-17.932	-7.596
+	**Proceeds from grants and subsidies received**	**12**	**21**
-	Interest paid	-1.551	-2.838
-	Dividends paid to shareholders of the parent company	-10.555	-22.253
-	Dividends paid to other shareholders	-1.535	-534
=	**Cash flow from financing activities**	**9.922**	**-24.508**
+/-	**Cash-effective changes in cash funds**	**25.451**	**-71.545**
-/+	Changes in cash funds due to changes in exchange ratesand changes in valuation	-4.456	406
+	Changes in cash funds due to changes in the scope in consolidation	176	3.269
+	Cash funds at beginning of the period	56.497	124.367
=	**Cash funds at end of the period**	**77.667**	**56.497**
+	Overdrafts and money market loans from banks	14.719	16.742
=	**Cheques, cash in hand and at banks**	**92.386**	**73.239**

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Consolidated Statement of Changes in Equity
OTTO KRAHN (GmbH & Co.) KG
for the fiscal year 2022

KEUR	Equity Of The Parent Company			
	Capital	Retained Earnings	Equity Difference From Currency Conversion	Total
Balance as of January 1st 2021	**25.000**	**217.388**	**-9.463**	**232.925**
Distribution of earnings to partners		-22.253		-22.253
Increase/decrease in capital shares				
Allocation to/withdrawal from reserves				
Foreign currency translation			2.392	2.392
Other changes				
Changes in scope of consolidation		-9		-9
Changes in accounting				
Changes in the consolidation method		-724		-724
Consolidated net income/loss for the year		46.961		46.961
Balance as of December 31st 2021	**25.000**	**241.363**	**-7.071**	**259.291**
Distribution of earnings to partners		-10.555		-10.555
Increase/decrease in capital shares				
Allocation to/withdrawal from reserves				
Foreign currency translation			-3.874	-3.874
Other changes				
Changes in scope of consolidation				
Changes in the consolidation method				
Consolidated net income/loss for the year		16.317		16.317
Balance as of December 31st 2022	**25.000**	**247.124**	**-10.945**	**261.179**

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				Group Equity
Non-Controlling Interests				
Non-controlling interests before equity difference from currency translation and profit for the year	Equity Difference from Currency Translation Attributable to Non-Controlling Interests	Gains/ Losses Attributable to Non-Controlling Interests	Sum Non-Controlling Interests	**Total**
1.096	**-4**	**5.479**	**6.571**	**239.496**
		-534	-534	-22.787
		7.694	7.694	7.694
	-101		-101	2.291
		-12	-12	-21
				-724
		2.992	2.992	49.953
1.096	**-105**	**15.619**	**16.610**	**275.902**
0		-1.535	-1.535	-12.090
11		-11		
	-753		-753	-4.627
10.822		-10.822		
128		-48	79	79
		4.237	4.237	20.554
12.057	**-858**	**7.440**	**18.639**	**279.818**

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Group Management Report

of OTTO KRAHN (GmbH & Co.) KG, Hamburg,

for the fiscal year 2022

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1 Bases of the Group

1.1 Organisation structure

Founded in 1909, Otto Krahn (GmbH & Co.) KG is the holding company of the Otto Krahn Group, which is engaged nationally and internationally in the distribution and compounding (i.e. the refinement) of plastics and the distribution of specialty chemicals and ceramic compounds. Thereby the plastics activities are taken over by ALBIS Distribution GmbH & Co. KG (ALBIS), MOCOM Compounds GmbH & Co. KG (MOCOM) and, with the main focus on recycling, by the WIPAG Group (WIPAG). The distribution of specialty chemicals is combined in KRAHN Chemie GmbH (KRAHN), and the production and distribution of ceramics in KRAHN Ceramics GmbH (KRAHN Ceramics). Overall the Otto Krahn Group is represented via ALBIS, MOCOM and KRAHN in more than 20 countries by own operative branches, and offers customers from the plastics processing, coatings, rubber processing and lubricants industries, and further sectors, a broad and deep product portfolio, including applications-related technical support and other services.

The following changes in the organization structure took place in the past fiscal year.

On February 24th 2022, the interests in KRAHN Ceramics GmbH were sold to Otto Krahn New Business GmbH & Co. KG.

With an entry in the Swedish Commercial Register dated September 7th 2022, ALBIS Scandinavia AB, Sweden changed its name to ALBIS Nordics & Baltics AB.

With an entry in the Swedish Commercial Register dated April 29th 2022, AmphoChem AB, Sweden and Pemco Additives AB, Sweden were merged into their wholly-owned parent company, KRAHN Nordics AB, Sweden.

With an entry in the Swedish Commercial Register dated September 2nd 2022, Temper Technology AB, Sweden changed its name to KRAHN Specialty Fluids AB.

With effect from January 1st 2022, the 50 % interest in Pemco-Trigueros Additives Spain SL, Spain, that was held by Pemco Additives AB, Sweden, was transferred to Krahn Chemie GmbH. In addition, Krahn Chemie GmbH, similarly with effect from January 1st 2022, acquired 10 % of the interests in Pemco-Trigueros Additives Spain SL from Trigueros Química SL (external third party). With an entry in the Spanish commercial register dated May 18th 2022, Pemco-Trigueros Additives Spain SL changed its name to KRAHN Iberia SL.

With an entry in Companies House dated April 29th 2022, Petrico Ltd., UK, changed its name to KRAHN UK Ltd.

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With effect from February 12th 2022, InterActive S.A., Greece, changed its name to KRAHN Hellas S.A..

With effect from January 1st 2022, the interest of Krahn Verwaltungsgesellschaft mbH in ALBIS Plastik TR Sanayi ve Ticaret Limited Sirketi was sold to ALBIS Distribution GmbH & Co. KG.

ALBIS, KRAHN and KRAHN Ceramics have had distribution partnerships for many years with well-known producers in the chemical industry. In MOCOM and WIPAG, in addition to own products, technical plastics are also made by polymer producers on a licence and tolling basis. KRAHN Ceramics also makes its own products.

Production facilities for the refinement of thermoplastics or for recycling are located in Hamburg (D), Zülpich (D), Erlenbach (D), Neuburg (D), Gardelegen (D), Changshu (CN) and Duncan/South Carolina (USA).

1.2 Structure of the sector and competitive environment

The subsidiaries of Otto Krahn (GmbH & Co.) KG differ from one another with regard to their customer industries, suppliers and product portfolios.

1.2.1 Distribution

The distribution business model is based on longer-term contractual agreements between producers in the chemical industry and distributors, under which the producer grants the distributor marketing and distribution rights for certain products, regions or customer segments.

Not only the distribution of plastics, but also the distribution of specialty chemicals is characterized by intensive competition between the distribution companies. In addition, the distributors compete with independent dealers and the producers themselves. The competitiveness of a distributor is dependent to a large degree on the scope and attractiveness of the product portfolio. Commensurate economies of scale also allow the distributor to provide optimum support to customers from medium-sized and smaller business entities. While oligopolistic structures generally prevail on the supplier side, the distributor normally faces polypolistic structures on the customer side. Compared with the distribution of specialty chemicals, the plastics distribution sector has a higher degree of consolidation.

1.2.2 Compounding

Compounding is the refining of polymer raw materials with additives and pigmentation in order to optimize the properties profile of the finished item that is to be manufactured from the polymer material.

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The sector has considerably more members than the plastics distribution sector. Competition in individual product-customer segments is very intensive, due to overcapacities. The earning power of compounders is based either on economies of scale, i.e. savings from the size of the operations through concentration on a single or a small number of product classes, or on specialization on particular application niches.

1.2.3 Research and development

The subsidiaries of the Otto Krahn Group do not engage in any research in the sense of acquiring the bases for new knowledge.

1.3 Definition of performance indicators

The management of the Otto Krahn Group and the evaluation of the development of the business and the Company's financial position are primarily carried out with the following defined financial and non-financial performance indicators.

The amounts presented in KEUR or million EUR are commercially rounded. This can result in rounding differences of +/- KEUR 1 or +/- EUR 0.1 million in totals and subtotals.

1.3.1 Financial performance indicators

Sales volume: the sales volume is the quantity of products sold in a period. The sensible unit of measurement can vary depending on the product or service (e.g. quantity in kilograms or quantity in pieces).

Revenue: revenue is the total sales proceeds for a period, which an enterprise has generated through the sale of its products or services.

EBIT: EBIT stands for Earnings before Interest and Taxes and is the operative profit of an enterprise before taking into account the financial result and taxes.

Debt ratio: the debt ratio is the ratio of the enterprise's debt to its equity.

Liquidity: liquidity shows how quickly an enterprise can settle its short-term liabilities through its short-term assets.

1.3.2 Non-financial performance indicators

Fluctuation rate: the fluctuation rate expresses as a percentage how many employees leave the Company during the year as a ratio of the total workforce. It provides the basis for assessing the corporate culture or employee satisfaction.

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Average length of service: this is calculated by dividing the total length of service by the total number of employees. The ratio provides an indication of the stability of the workforce and can be an indicator of job satisfaction.

Female share: the female share is the ratio of female staff employed by the company compared with the total number of employees, and provides an indication of the development of the equality of the sexes in the company. The ratio however includes no information on the nature and scope of the work carried out.

2 Economic report

2.1 Macroeconomic and sector-related environment

In 2022, the significance of the global covid-pandemic gradually receded. Its economic consequences such as strained global supply chains, the shortage of key raw materials and components, and, associated with this, significant price increases for intermediate and final products, initially remained highly noticeable.

The Russian war of aggression against Ukraine, which viewed in economic terms resulted in globally increasing raw material prices and an abrupt increase in inflation, started in early 2022. In Europe, the economic and monetary consequences were initially highly visible, due in particular to considerable dependence on the supply of energy from Russia.

Despite this, the global economy grew in 2022 (global GDP) by about 3.2 % compared with the prior year. On a regional basis, the highest economic growth took place in China (+3.2 %) and Europe (+1.9 %). North America reported growth 1.8 %. The global growth forecasts for the current year however vary at the present time.

The total revenue of the plastics processing industry in Germany increased in the past year by 12.6 % to EUR 78.9 billion, of which some EUR 46.2 billion represented domestic revenues (+7.6 % compared with the previous year) and EUR 32.7 billion foreign revenues (+19.7 % compared with the previous year).

Altogether 13.6 million mt of plastic (-3.0 % compared with the previous year) were processed in the past year in Germany, of which about 4.2 million mt related to packing materials (-4.5 %), 5.1 million mt to plastics in the construction sector (-1.9 %), 2.9 million mt to plastics in technical components (-3,3 %) and 1.4 million mt to plastics in consumer goods (+/- 0.0 %). In relation to the total volume of plastics processed in Germany in 2022, recycled plastics had a share of about 21.3 %, representing a volume of 2.4 million mt.

2.1.1 Market development of customer sectors in plastics distribution and plastics compounding

ALBIS, MOCOM and WIPAG produce or supply plastic granules as a raw material to the plastics processing industry. This very largely comprises processing companies that produce plastic

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components in injection moulding processes for a large number of sectors, such as the automobile industry, the packaging sector, medical technology, the electrical and electronic industries, the construction and furniture industries, and the cosmetics, sport and leisure industries. Processors of plastics that purchase their raw materials via ALBIS produce on average for at least two customer sectors, reducing in turn their economic dependence on individual sectors.

The industries of relevance for ALBIS, MOCOM and WIPAG developed in 2022 as follows:

Global automobile sales were also failed in 2022, in the second year following the slump in the international **automobile markets** in 2020 induced by the corona pandemic, to achieve the pre-crisis level of 2019. Viewed globally, a slight decline in motor vehicle sales of up to 3.5 mt of 3.1 % to some 76.1 million units was recorded in 2022. In **Europe,** altogether some 13.0 million vehicles were sold, representing a decline of 86,000 units (-6.2 %), in 2022. In the **USA**, automobile sales similarly recorded a decrease compared with the previous year of 7.9 % to some 13.9 million in 2022. In **China**, on the other hand, the recovery continued in 2022, even if only slightly: Automobile sales increased by 1.1 % compared with 2021 to 24.2 million vehicles.

Global demand for conventional internal combustion engines has been falling continuously for several years. While the share in 2019 still amounted to 94 % of new registrations, it was already only 79 % in 2022. In particular BEVs (Battery Electric Vehicles) on the other hand were able to increase their share of new registrations in the period from 2019 to 2022 from 1.7 % to about 10 %.

With EUR 224.6 billion, the revenue of the German **electrical and electronic sector** exceeded the prior year figure of EUR 199.5 billion in 2022 by 12.6 %. Revenue with domestic customers accounted for about 48%, and with foreign customers for about 53%. The order intake of the German electrical and electronic sector also improved. An increase of about 10 % in orders compared with the previous year was achieved in 2022.

At the global level, the **medical technology market** grew in 2022 by 7.8 % to USD 499 billion. This market growth was therefore somewhat higher than forecast in prior years. The growth drivers here were in particular short-term investment and procurement measures induced by the global covid pandemic. In the five-year forecast (CAGR 2023 - 2028), somewhat weaker market growth of 5% is expected. The largest market with a volume of USD 195 billion (39%) remained North America. The switch in market shares from Europa (USD 130 billion or 26 %) to North America (+8.5 %) already noted in the previous year intensified further, while exports to Asia (USD 135 billion or 27 %) declined slightly in the first half of the year, due in particular to lockdowns and travel restrictions in China. The main reason for the further switch in market shares from Europe to other regions was stricter regulatory requirements in Europe: As a result of the implementation of the European Medical Devices Regulation (MDR), European medical technology manufacturers have to fulfil severe additional documentation and regulatory obligations.

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In Germany, the medical technology sector recorded total revenue in 2022 of some EUR 37.7 billion, representing an increase of 3.5 %. In addition to the new EU Medical Devices Regulation, in particular the war in Ukraine, delivery bottlenecks, increasing material and energy costs and a shortage of skilled staff burdened the business. The export share of medical technology products made in Germany went up slightly to 67 %. Despite a crisis-ridden period with great challenges, the Spectaris German Industry Association for Medical Technology is forecasting moderate growth. According to the Ifo-Economic Survey as of October 2022, the mood in the industry is however increasingly gloomy. The majority expect a deterioration in the business situation in the coming six months: 90 % report disruptions to production due to the shortage of materials, and 40 % a shortage of skilled staff. For the current year 2023, the association nevertheless expects moderate revenue growth.

2.1.2 Development of customer markets in the distribution of specialty chemicals

KRAHN supplies specialty chemicals to diverse processing industries. The coatings, construction chemicals, adhesives & sealants, technical ceramics, plastics, rubber and lubricants industries can be mentioned as direct customers. They in turn supply other processing industries, end-buyer industries or the final customers directly. The heat carrier liquids segment supplies these to production operations in which process heat and heat transfer play a decisive role.

In 2022, the chemical industry in Germany in particular faced the challenge that considerably lower demand was resulting in unoccupied capacities. Output fell accordingly by 6.6 % compared with the previous year. The decline in output without pharmaceuticals of 11.9 % was even more significant. The revenue of the chemical-pharmaceutical industry on the other hand increased by 16.6 % compared with the previous year.

The risks (e.g. energy and raw material costs) of the German **coatings industry** continued to exist in 2022. On the other hand, there were also positive developments in 2022 that give rise to hope. For instance, the coatings industry generated better results in the crisis than expected, and revenue increased by 8 % due to inflation.

The weak development in the construction industry led to a 7 % reduction in unit sales in 2022 of architectural coatings. This affected the DIY segment and the professional sector.

Industrial coatings recorded price-related revenue growth of 11 % in 2022, but the quantities on the other hand could only be increased by 1 %. Car series coatings, car repair coatings, other vehicle construction and the electrical industry reported positive developments, whereas sales in the wood and furniture industry and metal products fell.

The **rubber industry** was marked in 2022 by a sharp increase in the costs. Multiple external shocks such as the corona lockdowns, the Ukraine war, the chip crisis and natural catastrophes led to extreme cost increases for raw materials in the high double-digit percentage range. Despite the challenges, the business environment recovered slightly compared with the previous year: Unit sales increased by 2.5 %. The tyres business reported a decline of 5.3 % in revenue.

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The **plastics processing industry** recorded an increase in revenue in 2022 of 12 % to EUR 78 billion, mainly due to higher prices as a consequence of the sharp cost increases. Sales on the other hand fell slightly in 2022 to 13.6 million mt. This decrease was due among other things to the unfavourable economic situation in the chemical and automotive industries and the decline in demand for fast moving consumer goods. Bottlenecks in the procurement of materials and price increases continue to represent huge challenges for the industry.

The German **adhesives industry** recorded a strong first half-year in 2022. Nevertheless, the challenges resulting from the energy crisis continued. The revenue growth was unable to cover the higher costs, and problems continued in the supply of raw materials.

Compared with the previous year, most of the individual product groups in the **lubricants industry** recorded a decline in sales: turbine oils (-18.5 %), hydraulic oils (-1.6 %) and lubricating grease (-8.2 %). Motor oils reported a weak increase in sales (+0.9 %).

2.1.3 Development of customer markets in ceramic distribution and ceramic compounding

KRAHN Ceramics supplies ceramic powder raw materials in the technical ceramics sector and produces own binding agents, process additives and feedstocks for ceramic injection moulding processes.

According to the publications of the Federal Statistical Office, the German ceramic industry comprises a market of more than EUR 5 billion. Following the 4.8 % slump in 2020 due to the pandemic, the German ceramic market recovered quickly and with growth of 10.3 % in 2021 achieved revenue of EUR 5.9 billion. Based on the foreign trade data, this growth trend continued in the reporting period. The value of ceramic products imported by Germany amounted in 2022 to EUR 3.6 billion. This represents growth of 7.7 % compared with the previous year. Exports also recorded an increase of 8.7 % to a product value of EUR 4.1 billion.

The technical ceramic segment, in which KRAHN Ceramics is engaged, is the third largest segment of the German ceramic industry with a share most recently of 16.8 %. This share has increased continuously in recent years. In addition to high demand from various established customer industries, innovative production technologies such as ceramic injection moulding that requires the use of ceramic raw materials and compounds in new markets are mainly responsible for the strong revenue growth.

KRAHN Ceramics generated its revenue mainly in Germany and Europe. The year 2022 was marked by the continuing economic developments from the previous year in these geographical markets. The principal customer sectors for the ceramic raw materials and compounds of KRAHN Ceramics are the medical technology industry (dental sector and other medical products), the automobile industry, the electronics and engineering sectors and the luxury products industry (especially the high-end watches market).

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2.2 Business trends and economic situation

Comparing the fiscal year 2022 with the planning for 2022, the Otto Krahn Group considerably exceeded the forecasted revenue increases, but remained on the sales side below the expectations. Overall, the planned operating earnings were lower than expected, due especially to special effects.

The revenue of the Otto Krahn Group increased in 2022 compared with the previous year by 11.8 % to EUR 1,659.8 million, due in particular to the higher selling prices. In the same period, the total quantity sold fell by 9.3 % or 47,929 mt to 465,068 mt.

Of the total group revenue, 78.9 % (PY: 78.4 %) resulted from distribution and trading in plastics, chemicals, rubber and other articles and 21.1 % (PY: 21,6 %) from the compounding and refining of plastics and other products. Not only the revenue with compounded and refined products (+9.4 %) but also the trading revenue (+12.3 %) increased compared with the previous year.

The breakdown of the revenue of the Otto Krahn Group by regions changed slightly compared with the previous year. In 2022, the Group generated 37 % (PY: 38 %) of its total revenue in Germany, 53 % (PY: 54 %) in Europe (excluding Germany) and 10 % (PY: 9 %) in the rest of the world. It can be expected for the future that revenue growth outside Germany will exceed that in the German home market, so that the revenue shares in Europe and in the rest of the world will therefore increase further.

2.2.1 ALBIS

ALBIS got off to a very good start in 2022. As in prior years, the willingness of customers to buy was at its highest in the first quarter of the year. Due to the start of Russia's war of aggression on Ukraine in the first quarter and increasing inflation, the economic environment and demand took a turn for the worse since the second quarter. From the second quarter onwards, sales quantities were therefore below the prior year level.

The year 2022 was marked by a very high price level. Producer partners to a large extent passed on the higher energy costs to the customers via price increases. With the lower demand in the course of the year, it became increasingly difficult to pass on the higher purchase prices, so that the margins in the second half of the year showed a negative trend. Nevertheless, the specific margins in the first three quarters were above the prior year level.

Since the fourth quarter 2022, the supply chains have largely stabilised and the customers have sufficient finished products and raw materials. Materials have short delivery times and intensive competition prevails in some product sectors, due among other things to the resumption of competition from Asia. Sharply lower freight rates for routes from Asia to Europe and the demand shock in China due to the high incidences of covid fuelled the excess offering of Chinese materials in Europe. Uncertainty continues to prevail regarding the economic developments, and customers react on a short-term basis.

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The consolidated sales of the ALBIS Group in 2022 amounted to 313,300 mt, representing a decline of 12,1 % or 43,100 mt compared with the previous year. The decrease resulted with 11.1 % or 23,200 mt from the Engineering Plastics (EP) segment and with 13.5 % or 19,900 mt from the Standard Polymers (SP) segment.

The majority of the lower sales quantity relates to the Sales Region Central and the Sales Region East, which together explain -40,100 mt or 93.1 % of the decline in quantities. ALBIS Germany with sales of 141,200 mt or 45.1 % (PY: 45.3 %) is the most important national company of the ALBIS Group and recorded a quantity reduction of 20,200 mt.

In the Sales Region East, the development in the Russian subsidiary with -7,800 mt is mainly responsible for the decline in quantities, after the business activity due to the EU sanctions and the decision to withdraw from the Russian market led to a collapse of the business. The Russian business activity contributed EUR 0.2 million to the earnings in 2022.

In the Sales Region Asia-Pacific, a comparison with the previous year is operatively difficult, because the transfer of customers from ALBIS to MOCOM continued into the first quarter of 2022. In 2022, -5,700 mt are therefore missing in the year-on-year comparison (-41.7 %). The Asian companies are developing positively and increasing the customer basis, but they faced lower demand at the end of the year due to the covid situation.

The Sales Region South-West recorded quantity growth of 600 mt (+0.8 %), borne in particular by the Turkish company (+5,200. Mt or +36.4 %). The Sales Region North on the other hand with -1,500 mt (-4.5 %) was below the prior year level.

Because of the large price increases in particular in the first half of the year and the stronger EP product mix, revenue in 2022 increased by 6.5 % to more than EUR 1.1 billion.

With the exception of the Sales Region East (due to the collapse of revenue in Russia (-EUR 13.0 million compared with the previous year)) and the Sales Region Asia-Pacific (-EUR 17.8 million) due to the transfer of customers to MOCOM, the remaining sales regions succeeded in 2022 in increasing their revenue despite lower quantities, primarily due to the product mix and the higher selling prices.

Despite the higher revenue, ALBIS's EBIT of EUR 63.3 million was EUR 20.3 million lower than in 2021 (EUR 83.0 million) due to higher cost of materials and, as a consequence, lower margins, and higher indirect costs.

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In order to explain the downturn year-on-year, it must be remembered that 2021 was a historical year for the ALBIS Group with positive special effects and structural changes. The earnings for 2021 included a profit of some EUR 3.7 million on the sale of the production site in the UK that was no longer needed and a EUR 0.8 million higher profit from the Russian company. Furthermore, the shortage situation in ALBIS's BOPS business in 2021 made possible an extraordinary margin effect of about EUR 2.0 million. The 2022 earnings were burdened by lower margins than in the previous year. The EP segment partly compensated the negative development of the quantities by the high margin level compared with the previous year. A supplier bonus of EUR 1.8 million received in the previous year was no longer recorded in 2022, and, in addition, higher structural service costs from the Otto Krahn Group burdened the ALBIS result with EUR 1.6 million. Moreover, negative exchange rate effects of EUR 1.9 million and pension valuation effects of EUR 1.3 million burdened the earnings in 2022 more than in the previous year.

ALBIS continues to find itself on a positive strategic growth course.

2.2.2 MOCOM

Following the strong sales year 2021, the MOCOM Group got off to a good start in 2022. The sales figures in the first quarter were almost at the prior year level. As a result of the war in Ukraine, increasing inflation, high energy costs and a gloomier overall global economic assessment, the sales figures fell continuously as the year progressed. The overall sales volume of the MOCOM Group fell compared with the previous year by 7.8 % to 127,561 mt. The decline in sales took place both in the own compounds segment and in toll compounding.

Raw material prices increased further in 2022: The average cost of materials per kilogram was 33 % higher than in the previous year. The production costs also increased, due in particular to the sharply higher energy costs, as the energy costs in Germany increased in the course of the year by 77.4 %. Compared with the previous year, the electricity costs went up by as much as 86% or EUR 7.4 million. The large cost increase, both for raw materials and in the own production, could only be compensated to a certain degree via price increases in the market, although the selling prices could be increased by 25 % compared with the previous year. This led, despite declining sales quantities, to an increase in revenue from EUR 311 million in 2021 to EUR 361 million in 2022.

While the product margin of the MOCOM Group fell in 2022 by 9 % to EUR 43.1 million, the product margin per kilogram remained constant, due to a larger share of high-margin specialty compounds. Ultimately what was missing, in order to achieve the previous year's absolute margin, was quantities.

The EMEA region with MOCOM Germany accounted with 87,498 mt (-11 %) and revenue of EUR 283 million (+12 %) for the largest share of the business of the MOCOM Group. MOCOM Germany was therefore particularly in sales considerably below the expectations. Own compounds (Specialties, Advanced, Recycling Compounds) with 62,686 mt were 7,896 mt under the prior year figure. Thereby, sales of higher margin Specialty Compounds slumped by 6 %, while the demand for Advanced Compounds and the strategically important Recycling Compounds declined in each case by 13 %. Toll Compounding for the large partners of the Otto Krahn Group also fell by 14 % to 17,360 mt. The licence business with ALBIS on the other hand recorded an increase of 5.7 % to 4,764 mt. As a result of the

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poor sales, occupation at the three German production locations fell from 69 % in 2021 to only 64 % in 2022.

In the Americas Region with companies in the USA and Mexico, sales increased by 13 % to 19,749 mt and revenue by 46 % to EUR 50.2 million. Sales of the high-margin Specialty Compounds however fell by 11 %. Quantity and revenue growth was achieved in particular in the low-margin Toll Compounding (+20 %). Higher material and production costs also resulted in the Americas region in lower margins. Occupation of the production capacities increased from 47 % to 60 %. Higher administrative expenses however also burdened the earnings, which were considerably below the prior year and the expectations.

The APAC region with the company in Changshu also generated weaker earnings in 2022. The sales of 22,092 mt were 14 % lower than in the previous year. Revenue increased by 7.4 % to EUR 35 million. Mainly responsible for the development of the sales was the collapse in demand in the Advanced Compounds segment (-11 %) and in Toll Compounding (-16 %). High-margin Specialty Compounds were virtually stable, while a sales increase of 4.5 % could in fact be achieved with Recycling Compounds. The APAC region was affected compared with Europe in particular by the postponed effects of the covid pandemic. Isolation measures severely restricted the demand. ALBIS customers in the region were taken over organizationally by MOCOM's direct customer support. This led to an increase in the margin, but also to higher organization costs, especially in the sales force. Occupation of the production at the Changshu location fell from 88 % to 73 %. Despite the difficult environment, the region generated good earnings, even if these were lower than in the previous year.

Because of the described environmental conditions, the MOCOM Group's earnings in 2022 were considerably below the expectations. The higher cost level could only be passed on to the market to a certain degree. In addition, the poor occupation of the production locations resulted in inadequate coverage of the costs. The economic situation remains uncertain and customers react on a short-term basis.

2.2.3 WIPAG

For the WIPAG Group, 2022 was once again a year marked by uncertainty and fluctuating demand. After the impacts of the covid pandemic appeared to have been largely overcome, the Russian assault on Ukraine opened a new geopolitical venue that resulted in strong economic distortions. The automobile sector, in which the majority the company's products are sold, was in particular once again severely affected. As in prior years, disrupted supply chains led again and again to interruptions to the production and therefore sales. This was exacerbated, in view of the energy crisis also triggered by the war of aggression, by a considerably higher price level for various basis polymers and recycling raw materials. In the first three quarters, this necessitated significant price increases. Not all customers were prepared or in a position to accept these price adjustments and reduced their call-off quantities accordingly. The situation however eased in the fourth quarter, and the prices of some intermediate products fell again. In view of these developments, the Company's ambitious growth targets were not accomplished.

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The consolidated sales of the WIPAG Group amounted in 2022 to 10,014 mt, representing a slight decline of 222 mt or 2.2 % compared with the previous year. The generally declining overall development compared with significantly divergent increase rates within the product portfolio. Thus, sales of carbon fibre filled compounds could once again be increased sharply and went up by 439 mt or +40.5 %. Growth was also achieved in the Open Loop segment, comprising standard products on the basis of recycled polymers: Sales increased compared with the previous year by 312 mt or 5.4 %.

The business with recycling-services that is managed under the Closed Loop on the other hand continued to decline. A reduction of 156 mt or 8.8 % was recorded here. Toll processing for MOCOM Compounds similarly declined. This business declined by 817 mt or 49.5 %.

Despite a stagnating sales trend, the company recorded strong revenue growth in 2022. Revenue increased compared with 2021 by 28.6 % and reached a record level of EUR 19.5 million. This development was firstly driven by passing on higher purchase prices for intermediate products and secondly by shifts in the product mix. The disproportionate growth in carbon products already mentioned also contributed to the increase in revenue, because the selling prices were significantly higher than the average here.

The price increases led to an absolute increase of KEUR 656 in the marginal revenue on standard costs.

This pleasing trend was achieved due in particular to improvements in the price management and a significant strengthening of the purchasing in the segment of raw and valuable materials for recycling products. Contrary to the general market trend, good availability of our products could be ensured in this way and scarcity scenarios, as still occurred several times in 2021, avoided.

The WIPAG Group's two production locations manufactured 9,419 mt (only extrusion) in the past fiscal year, representing a decrease of 321 mt or 3.3 % compared with the previous year. At the Neuburg location, 3,634 mt were produced, representing a year-on-year decline of 288 mt, and 5,785 mt were produced at the Gardelegen location, a decrease of 33 mt. The average occupation of the factories amounted to 50 % (PY: 51 %).

Despite the higher revenue, an improvement in the annual earnings could not be achieved. In the expectation of much higher production quantities, we invested in manpower at the production locations, also in order to improve the process stability and availability of the plant. As a result of the failure to increase the output quantities, this resulted in high idle facility costs. Meanwhile, the further cost basis also increased, due for instance to the strengthening of the purchasing function already mentioned, but also to higher costs for services by the Group's service units. Ultimately, the annual earnings (EBIT) deteriorated compared with the previous year by EUR 1.7 million to EUR 4.4 million.

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The go-ahead for the expansion of the production location in Gardelegen represented a milestone in the history of the WIPAG Group. In a first step, the free space bordering the current production site was acquired from the Municipality of Gardelegen. It is planned that the capacities at the location will be increased in a gradual expansion process, beginning with an additional production line for carbon products. Following the completion of the detailed planning for the first phase, the start of construction has been announced for the first half of 2023. The planned total investment in the expansion project amounts to EUR 9.3 million.

2.2.4 KRAHN Chemie

Following the record earnings in 2021, the KRAHN Chemie Group once again generated very good earnings in 2022. For the sake of better comparability, Krahn Ceramics, which was sold to Otto Krahn New Business, is eliminated in the comments that follow. Although the sales quantity of 65,805 mt was 8,680 mt (11.7 %) below the prior year figure, revenue increased by EUR 41.7 million (13.8%). Annual revenue at KRAHN Chemie in 2022 amounted to EUR 343.4 million. High growth was also achieved operatively in EBIT, which was also influenced by the extraordinary effect "Disposal of KRAHN Ceramics". In total, the KRAHN Chemie Group posted EBIT of EUR 36.0 million, or 65.2 % more than in the prior year.

The first quarter reported the highest sales in 2022. KRAHN recorded a continuous decline in sales in the following quarters. The fourth quarter was the weakest overall. While the sales in the first months were limited by delivery shortages, the decline in demand as a consequence of the war in Ukraine, high inflation and the associated economic downturn predominated as the year progressed. Parallel to this, passing on the high energy and raw material prices led to a sharp price increase, so that the decline in sales was compensated at the revenue level.

Lubricants that accounts altogether for 36 % of the total revenue of the KRAHN Group was the segment with the highest revenue in 2022. Because of very good demand and limited availability in the market, revenue here went up by 22.9 % compared with the previous year. Revenue in the Plastics, Rubber and Adhesives and Sealants segment increased overall by 3.7 % compared with the previous year and accounted for 26 % of the total revenue. The share of the Coatings and Construction segment, which recorded an increase in revenue of 5.8 % compared with the previous year, was at the same level. On account of expanded distribution rights and new projects, the Heat Transfer Fluids segment recorded revenue growth of 35.3 % and increased its share to 5 %. The revenue share of the Detergents and Personal Care segment amounted in 2022 to 4 % and here too the revenue was considerably increased by 30.3 %.

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With a share of 45 %, KRAHN Chemie Germany, the largest subsidiary in the KRAHN Group, generated revenue growth of 6.4 % compared with the previous year. The second largest company, KRAHN Italia, was able to grow much more strongly (+12.5 %). The Swedish subsidiaries, AmphoChem AB and Pemco Additives AB, in which KRAHN acquired a majority holding in 2021, were merged as of May 1st 2022 into the newly established KRAHN Nordics AB. KRAHN Nordics holds the subsidiaries, KRAHN Specialty Fluids AB (formerly Temper Technology) and BGM Logistics. The KRAHN Nordics subgroup, which contributes 15 % to the group revenue, generated revenue growth of 28.7 % compared with the previous year. The subsidiaries in Poland (+16.1 %), Benelux (+20,4 %) and Greece (+20.7 %) also contributed to the Group's sharp increase in revenue. The growth of KRAHN France was somewhat weaker (+11.2 %). Because of the switch of business to other subsidiaries of the KRAHN Group, the revenue of KRAHN UK (formerly Petrico) remained at the prior year level. The former joint-venture, Pemco-Trigueros Additives Spain (today KRAHN Iberia) is integrated for the first time in KRAHN's group earnings due to the increase in the holding in the fiscal year 2022 to 60 %.

2.2.5 KRAHN Ceramics

After very strong earnings in 2021, KRAHN Ceramics succeeded in the fiscal year 2022 in further improving its financial performance indicators.

The high customer demand continued in 2022 and resulted in sharply higher business activity: the first quarter reported an increase in revenue of 78 % and of 86 % in the sales quantity compared with the first quarter of the previous year. The second and third quarters with commensurate revenue increases of 47 % and 31 % were also significantly higher than in the previous year. A slight decline in revenue of 7 % compared with the previous year was not recorded until the fourth quarter. The increase in the sales quantities was due to high demand from our customers in the dental segment. Altogether 1,129 mt or 111 mt more than in 2021 were sold in the fiscal year 2022. Revenue amounted to KEUR 39,906, an increase of KEUR 10,458 or 36 % compared with the previous year. The revenue growth is 32 % due to quantity effects and 68 % to product mix effects.

KRAHN Ceramics generated a product margin of KEUR 3,270 in the fiscal year 2022, which lies KEUR 871 or, similar to the revenue, 36 % above the prior year level. Of this result, 83 % was achieved through the distribution business with ceramic powders, such as aluminium oxide and zirconia, and 15 % can be attributed to the binding agent business and the business with own process additives that was newly developed in the previous year. A two percentage share of the total product margin can be attributed to Compounding, the segment in which KRAHN Ceramics develops and produces highly specialised ceramic feedstocks in close cooperation with customers. Looking at 2022 as a whole, the Compounding segment reported with +76 % compared with the previous year the largest revenue growth. In order to cover the demand for ceramic special products, the production capacities were considerably expanded at the end of the year.

Thanks to the positive developments, record earnings were achieved in the fiscal year 2022. EBIT amounted to KEUR 1,383 and was therefore 23 % higher than in the previous year.

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2.3 Financial performance of the Group

Key financial performance ratios

in KEUR; in %	2022	2021
Operating result (EBIT)	50,267	88,514
Return on revenue (on the basis of EBIT)	3.0%	6.0%
Consolidated net income for the year before taxes	43,823	75,897
Consolidated net income for the year (CNI)	20,554	49,953
ROI of the equity and liabilities (CNI / average equity and liabilities)	3.3%	8.9%

A 11.8 % increase in revenue was recorded compared with the previous year. The gross profit for the calendar year went up compared with the previous year by 1.3 % from EUR 312,367 million to EUR 316,459 million. In addition to changes in the product mix, the smaller increase in the gross profit compared with revenue resulted mainly from the higher price level for raw materials, which could not be passed on entirely by corresponding increases in the selling prices in the sales market.

Compared with EUR 119.7 million in 2021, the personnel expenses increased by EUR 23.1 million or 19.3% to EUR 142.8 million. The higher personnel expenses result primarily from an increase in the average headcount in the previous year (+156 employees), the increase in the average headcount in the reporting period (+41 employees) and necessary allocations to the pension provisions of EUR 13.6 million taking into account utilization.

Amortization and depreciation of EUR 17.2 million in 2022 were at the prior year level (EUR 17.2 million).

Other operating expenses went up by 9.7 % or EUR 11.0 million to EUR 124.0 million, of which EUR 7.4 million related to the increase in the electricity costs for MOCOM Germany and EUR 1.0 million to the expense for the contingent loss provisions for ALBIS Russia.

Other operating income fell compared with 2021 by EUR 8.2 million to EUR 19.0 million. The decrease is mainly due to the EUR 4.5 million attributable in the previous year to the gain on the sale of ALBIS UK's former company site in Knutsford.

In the reporting period, the net exchange gain was EUR 1.9 million higher than in the previous year.

EBIT, as the main control number for the Group, fell by altogether EUR 38.2 million or 43.2 % from EUR 88.5 million in the previous year to EUR 50.3 million in 2022.

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The net financial expense (net balance of interest income and interest expense) of EUR 6.5 million was EUR 6.2 million lower than in the previous year. The main effect here is the decrease of EUR 4.8 million in the interest expense from winding back the discounting on the pension, staff anniversary and partial early retirement to EUR 3.9 million.

The pre-tax earnings of EUR 43.8 million are EUR 32.1 million or 42.3 % lower than the earnings in 2021. The return on revenue based on EBIT of 3.0 % was 3.0 percentage points lower than the prior year figure of 6.0 %.

The adjusted tax rate of 30.5 % based on the pre-tax earnings is considerably higher than in the previous year (25.5%).

After deducting all taxes, consolidated net income for the year of EUR 20.6 million was generated in the fiscal year 2022. Based on the consolidated net income for the year of EUR 50.0 million generated in 2021, this is EUR 29.4 million lower than in the previous year.

2.4 Financial position of the Group

Key numbers on the financial position of the Group

in KEUR	2022	2021
Cash flows in accordance with GAS 21:		
Cash funds at the beginning of the period	56,497	124,367
Cash flows from operating activities	31,873	-21,531
Cash flows from investing activities	-16,345	-24,508
Cash flows from financing activities	9,922	-25,506
Cash funds at the end of the period	-4,456	406
Cash funds at the beginning of the period	77,667	56,497

Cash flows from operating activities increased in 2022 by EUR 53.4 million from -EUR 21.5 million to EUR 31.9 million. The main driver was the slowdown in the build-up of net working capital in the wake of better working capital management and stagnating prices in the second half of 2022. Instead of -EUR 97.8 million in 202, only -EUR 18.5 million flowed into the build-up of working capital in 2022.

Cash flows from investing activities increased by EUR 8.2 million to -EUR 16.3 million. In the previous year, the acquisitions of Petrico Ltd. and KRAHN Nordics can mainly be mentioned as the drivers of the higher than average investing activity.

Cash flows from financing activities include dividends of EUR 10,6 million (PY: EUR 22.3 million) to the partners of the parent company. These compare with proceeds from the issuance of bonds and taking up financial loans of EUR 41.5 million. In addition, payments of EUR 17.9 million were made in the fiscal year for the redemption of financial loans.

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Liquid funds increased by altogether EUR 19.1 million to EUR 92.4 million.

Solvency was ensured at all times in the fiscal year 2022. This continues to be the case in the current fiscal year 2023.

Credit facilities of EUR 105.5 million (including EUR 3.1 million for guarantees) were available to the Otto Krahn Group at the balance sheet date (PY: EUR 92.9 million). Utilization amounted to EUR 15.0 million (PY: 16.7 million). In addition, long-term bank loans of EUR 45.3 million (PY: EUR 21.8 million) were available, which were granted in addition to the existing credit facilities. These loans were mainly used for expansions and acquisitions.

2.4.1 Capital structure of the Group

Key ratios on capital structure

	2022	2021
Equity ratio *(debt/equity ratio)*	44.9 %	45.0 %
Capital turnover ratio *(ratio of revenue to average total equity and liabilities)*	2.7	2.6

Group equity increased in the calendar year 2022 compared with the previous year by EUR 3.9 million from EUR 275.9 million to EUR 279.8 million. On an increase of 1.6 % in total equity and liabilities to EUR 622.9 million, the equity reserve fell slightly from 45.0 % in the previous year to 44.9 %.

Pension provisions, which account for a significant portion of the Group's external obligations, increased in 2022 by EUR 14.8 million from EUR 108.4 million to EUR 123.2 million. The pension provisions account for 19.8% of the total equity and liabilities (PY: 17.7 %).

Liabilities to banks increased compared with the previous year by EUR 21.5 million from EUR 38.6 million to EUR 60.1 million and therefore account for 9.6% of the total equity and liabilities (PY: 6.3 %).

Trade liabilities and advance payments received fell by EUR 23.7 million or 24.4 % to EUR 73.5 million.

2.4.2 Capital expenditure

Capital expenditure amounted in 2022 to EUR 17.1 million, of which EUR 14.7 million related to property, plant and equipment and equipment, whereby investments of EUR 2.1 million for the acquisition of the property at Mühlenhagen 32 and EUR 1.3 million for the new sprinkler system in the factory in Zülpich, as well as EUR 1.6 million for a new compounding line Duncan were the largest individual components.

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2.5 Net assets situation of the Group

Key ratios on the net assets situation

	2022	2021
Capitalization ratio *(property, plant and equipment and intangible assets as % of total equity and liabilities)*	16.2 %	16.7 %
Working capital as % of revenue *(inventories plus trade receivables less trade liabilities as % of revenue)* Capitalization ratio	20.0 %	21.3 %

The book value of the fixed assets fell in 2022 by EUR 1.1 million to EUR 101.0 million. Thereby the decrease amounted to EUR 0.9 million for property, plant and equipment and intangible assets (including goodwill) and EUR 0.3 million for financial fixed assets.

Assets tied up in the short term in inventories and receivables fell by EUR 9.0 million or 2.2 % from EUR 414.0 million in the previous year to EUR 405.0 million due in particular to lower trade receivables per December 31st 2022 because of the declining volume of business in the fourth quarter of 2022.

2.6 Non-financial performance indicators of the Group

2.6.1 Number of employees

The main personnel ratios of the Otto Krahn Group developed as follows compared with the previous year:

Personnel ratios

	2022	2021
Female share in %	36.2 %	30.7 %
Staff fluctuation in %	12.3 %	9.3 %
Average length of service	9.7	10.1

The female share in the Otto Krahn Group increased compared with the previous year by 5.5 percentage points. Staff fluctuation in percent also went up by 3.0 percentage points to 12.3 %.

The Otto Krahn Group continues to increase the attractiveness of the workplace and is investing in sustainability and digital progress.

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A success in 2022 was the implementation of SuccessFactors. This included the integration of our umantis learning management in the SuccessFactors Learning Module and the implementation of a leading human resources master data system in the Employee Central Module. Based on this implementation, the People & Culture functions in SuccessFactors will be expanded in future.

In addition, the Otto Krahn Group started together with Company Bike Solution GmbH and Qualitrain GmbH two projects to promote the health of its employees and reduce its ecological footprint.

With Company Bike, employees can choose a modern leasing bike. The leasing agreement runs for 36 months, and the bike is also available during this period for private use. With Qualitrain, employees can use a reasonably priced company fitness membership that can be terminated monthly that enables employees to train in 5,000 gymnasia throughout Germany or at home via a Fitness-App.

In 2022, 150 employees, who can choose between the two options, were using the offering. A monthly subsidy of about EUR 20.00 on the utilization rate was granted by the employer. The residual amount is withheld from the employee's salary.

3 Forecast report

The planning of the Otto Krahn Group for the fiscal year 2023 is based on a dynamic economic situation assuming slight growth, whereby a recovery and increase is only assumed until the second half of 2023.

The high inflation rate currently burdens the German consumer and construction economy through declining purchasing power and considerably higher financing costs. At the same time, the industrial economy is recovering because of declining delivery shortages for intermediate products and sharp reductions in the energy prices.

Adjusted for inflation, GDP will in 2023 stagnate roughly at the prior year level (-0.1 %) and in the following year improve by 1.7 %. The average inflation rate of 6.2 % in 2023 will only be slightly lower than in 2022. A decline in the inflation rate to 2.2 % is only expected in the following year.

The German economy has been shrinking since the end of last year, after still recovering fairly strongly until the late summer. Although the significance of the supply shocks that restricted the production capacities perceptively as a consequence of the corona and energy crisis is gradually receding, demand for goods and services has been declining to an increasing degree since the autumn of 2022. On the one hand, the reserved development of the global economy is curbing the German export business. On the other hand, the high inflation rates burden the consumer and construction economy through declining purchasing power and considerably higher financing costs.

Inflation spread increasingly in the course of the past year and has prevailed for several months at historically record levels. While the direct contribution of the energy prices has gradually receded since the autumn, inflation on all other products and services has continuously increased and in February reached 7.6 %. In addition to higher production costs, which were passed on by companies to consumers, a perceptible increase in the profit margins in some especially consumer-related sectors of the economy also contributed to this.

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The peak of the inflation wave has probably in the meantime been reached. In particular, a further boost from the energy prices is no longer expected in the coming months. The procurement prices for electricity and gas have fallen perceptively since the late summer of last year. According to the surveys of the ifo Institute for Economic Research, noticeably fewer price increases are therefore planned in manufacturing industry in the coming months, so that the increase in the producer prices will probably slow down further.

A marked slowdown in the increase in consumer prices is not however expected soon, because energy suppliers only pass on the lower procurement prices to their customers following a delay. For private households, energy prices will fall below their prior year level at the earliest from the end of 2023 onwards. The same applies to factories in consumer-related sectors of the economy, which also mainly obtain their energy from utilities. Price pressure from labour costs will increase, because a perceptible increase in the collective pay scales can be expected in the course of this year.

The core inflation rate (i.e. the increase in consumer prices without energy) will probably therefore only fall slowly overall in the further course of the year and with on average 6.3 % for the year 2023 will even be much higher than last year (4.9 %). Since however the contribution of inflation to the energy prices in the coming months will decline significantly, the overall inflation rate of 6.9 % in 2022 should fall in 2023 to 6.2 %. The increase in prices will probably only return to normal again in the coming year. Assuming that raw materials and energy do not became significantly more expensive in the forecast period, in line with the current expectations of the markets, and that the European Central Bank increases its prime rate further, the inflation rate will probably fall in 2024 to 2.2 % and the core rate to 2.8 %.

The economy will recover in almost all economic sectors in the further course of the year. This is suggested by the noticeable improvement in the ifo business expectations since October 2022. Order intake in the manufacturing sector has been increasing again since the beginning of the year, and the global economy will probably gain momentum. Slowly declining inflation rates and increasing wages will probably result in an increase in real wages again at the latest from mid-year onwards and support the domestic economy. On the other hand, the construction industry will probably slow this down, also if surprisingly high growth in output was recorded there at the beginning of the year. The demand for construction work has fallen considerably, not least as a result of rapidly increasing financing costs.

For China, the forecasts currently assume higher GDP growth of 4.8 % in 2023 compared with 2022 (3.2 %), mainly due to the opening of the country following the restrictive corona containment measures and the accompanying positive economic effects.

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The Otto Krahn Group is planning net revenue of EUR 1,768 million and a sales volume of 493,000 mt for 2023. For EBIT, a falling profit margin is assumed for 2023 and EUR 56.1 million planned.

The **global automobile industry** looks forward confidently to 2023. Globally, an increase of 4.8 million (+6.1 %) is expected in vehicle sales, whereby an increase of 1.0 million vehicles (+6.2 %) is forecast for Europe, similarly of some 1.0 million vehicles (+6.4 %) for North America and of some 1.7 million vehicles (+7.0 %) for China.

Consolidation at a high level is expected for the **German electrical engineering and electrical industry** in 2023, whereby the market will be influenced in particular by the energy crisis and will stagnate at the level of the prior year 2022. The sector drivers remain the ever-increasing electrification, the modernization of the electricity network, the automation and digitalization of processes and business models, to which the electrical engineering and electrical industry is contributing.

Despite the great challenges, the trade association expects moderate revenue growth for the Health Care industry in 2023. The development will however be driven less by stronger sales than by the continuing high price level in the procurement of raw materials and sharply higher personnel expenses. The definition of action plans to retain the sustainability objectives is regarded throughout Europe as a further intensifying trend. The user markets, such as hospital companies, are coming here increasingly under pressure. The increasing development and implementation of commensurate plans will result in intensified utilization of sustainable raw and input materials, especially in medical technology and in the packaging area (here in particular the specialized packaging of medicinal products and pharmaceuticals). In the diagnostic application sector, for instance an increase in the demand for IVDs is generally expected following the abatement of the pandemic.

4 Opportunities and risks report

4.1 Risk report

The Otto Krahn Group enters into entrepreneurial risks, if this can be expected to contribute appropriately to the increase in corporate value. At the same time, the control instruments include strategic corporate planning and a differentiated risk management system, which identifies, evaluates and observes the opportunities and risks, so that trends and implement measures can be identified in good time. In addition, the ongoing reporting system provides current information on the development of the business for all levels of the Group, ensuring short-term control of the operational processes. The Otto Krahn Group's global behavioural codex communicates to all internal and external participants in the business the outstanding importance attached by company management to adherence to the legal and ethical regulations.

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4.1.1 Macroeconomic and economic risks

Economic fluctuations are reflected relatively early in the development of the business of the Otto Krahn Group as a supplier of industrial raw materials. A further factor is the political situation at home and abroad, which is associated in some cases with country-specific risks that can affect the development of the business. The same applies to geopolitical developments, such as the war in Ukraine and the sanctions imposed on Russia in this connection. An economic downturn can lead to reduced utilization of the available production capacities in the compounding sector. The width and depth of the product portfolio and diversification in divergent customer sectors ensure greater independence from individual sectors and their cycles.

4.1.2 Market and sector risks

As a general rule, the Otto Krahn Group, endeavours to counter market risks by continuous observance of its markets, careful selection of its suppliers and the creation of efficient framework conditions. Our aim is therefore to ensure the availability and quality of the raw materials and products at competitive prices for the Group's customers.

Higher raw material prices and intensified cost pressure can lead to a change in demand and an increase in the intensity of the competition. Greater price competition harbours the risk of declining margins, which the Company counters by continuous expansion of the product portfolio and the development of new thermoplastic compounds.

The economic success of a distribution company in the plastics and specialty chemicals sector is determined in the long term by the diversity and scope of the available product portfolio. Long-term contracts are accordingly concluded wherever possible with the manufacturers of the plastic raw materials sold by the distributor, which regulate the distribution in specific sales regions and/or segments.

As a consequence of significant structural changes in the market and competitive situation on the part of the manufacturers of polymers, there is a fundamental risk for the distributors that the existing business models in the cooperation will change. In the past, the Otto Krahn Group succeeded in limiting such losses of business through professional supplier management and continuous further development of the existing portfolio. As a result of the cultivation of existing supplier links and the gaining of new suppliers, the Company has even tended to benefit from developments in the chemical industry.

Longer disruption of the production and the loss of producers as a result of insolvencies represent a risk to the development of the business, because not every supplier for a defined product portfolio can be replaced immediately and directly. This risk is countered by the careful selection of suppliers.

On the cost side, the main risk for the Otto Krahn Group is price increases for the products sold. These effects are countered by active inventory management, a change in the purchasing behaviour and passing on price increases to the sales market. In addition, increases in the personnel expenses and growing expenditure on energy are significant factors.

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4.1.3 Financial risks

Liquidity and financing risks are countered by continuous optimization of the working capital, a broad spread of the banking relationships and central Group liquidity management. The existing credit facilities at the banks have been confirmed in full. Covenants on the achievement of a specific equity ratio exist in individual cases. With the current very good ratio, the risk of falling below the covenant limit is highly improbable.

The Company is exposed to foreign currency risks on the procurement of raw materials and merchandise and the sale of finished products and goods. Most of the added value is however generated in the eurozone. Exchange rate risks are countered by the appropriate conclusion of standard foreign exchange forward contracts or by adjusting the financing structure to achieve natural hedges. Our strategy is to keep foreign currency risks as low as possible.

The risk of possible customer insolvencies is limited throughout the Group by commercial credit insurance. The Otto Krahn Group carefully monitors the development of the outstanding customer receivables and the payment behaviour, to minimize the risk of bad debts and avoid sudden defaults.

4.1.4 IT risks

IT systems are used for the business processes, including the internal and external communications of the Otto Krahn Group, significant interruptions to or even the breakdown of which can result globally and regionally in a loss of data and a serious disruption of the business processes.

In order to minimize this risk and to safeguard the systems to the necessary degree, the systems are ranked in accordance with their relevance for the business processes. Based on the availability and security requirements agreed with the divisions and the resultant Service Level Agreements (SLAs), the Group's systems are protected by numerous measures against risks such as the loss of data, interruptions and manipulation.

In addition, group-wide IT security guidelines apply to the employees. These are augmented by far-reaching measures to ensure the data protection requirements.

External IT threats and fending them off continue to be of central importance. Subjects such as encryption attacks or ransomware, or attempted attacks via so-called social engineering methods, have been increasingly observed. The number of firms, authorities and institutions that suffered significant damage due to successful cyberattacks was once again very high in 2022. Our own IT security team had to fend off a large number of highly diversified attacks, especially sophisticated phishing campaigns.

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So that such attacks remain unsuccessful, the Otto Krahn Group relies, in addition to comprehensive cyber-security measures, on the regular sensitization of all of its staff worldwide. For instance, comprehensive training aimed at educating and sensitizing all employees to the virtual risks caused by digital attacks, for instance through phishing and viruses, was again carried out last year.

Two factor authentication introduced a few years ago is in the meantime fully established as an important component of the protective measures and also proved indispensable in the past year.

The capabilities in the area of identification of and defence against cyber-attacks were further optimized overall in 2022. In addition to increasing the number of staff in the IT security team and various technical measures, a Security Operations Centre that reacts around the clock and can immediately implement countermeasures was implemented at the end of the year.

Permanent improvement of the IT security level will continue to have considerable importance for the Group.

4.1.5 Environmental risks

The subsidiaries, MOCOM Compounds GmbH & Co. KG and WIPAG Germany GmbH, have management systems in accordance with ISO 14001:2015 at each of their production locations. Similarly, KRAHN Chemie Deutschland GmbH, as a chemical distributor, has been certified in accordance with this system. The identification of potential opportunities and risks and the derivation from this of measures are part of the standard requirements and therefore integrated in the Company's processes.

No particular environmental risks result from the business activities of the other subsidiaries of the Otto Krahn Group.

4.1.6 Other risks

We counter the risks in the personnel area resulting from demographic change and an increasingly perceived shortage of skilled staff with strategic personnel measures as already described above. These measures are addressed firstly to the Group's employees and secondly to potential employees. In addition, the Group participates regularly in HR fairs, in order to strengthen the employer brand and present the Group as an attractive employer in the market for potential employees.

Various risk aspects exist in conjunction with integration processes. Significant risk components include unexpected resignations of key personnel, the incompatibility of EDP systems, higher than expected integration costs, or also the discontinuation of business relationships. The risk aspects of acquisitions are observed and analysed in advance with the help of detailed due diligence reviews. Integration of the acquisitions that have been carried out is progressing as planned. Similarly, significant investments are monitored intensively also following the implementation phase.

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Compliance and regulatory risks result from laws and regulations that are based on penalties or sanctions, in order to regulate a company's business activities, such as corruption, fraud/infidelity, competition law, market manipulation, and export controls.

Our objective is to anchor good business conduct in the actions and thinking of all employees. We have therefore created a compliance function organized in accordance with the 3-line model. With this, all companies and sectors are responsible for the effectiveness of the Compliance Management System.

The Compliance Management System consists of the following elements:

- Risk evaluation: identification of internal and external critical risks in the regular business operations

- Guidelines and procedures: global guidelines, especially behavioural codex, anti-corruption and anti-cartel guidelines

- Training courses and awareness: focused training sessions for employees and executives

- Internal control system (ICS): internal controls that reflect significant operative and financial corporate risks and reduce them to an acceptable level for the company

- Whistle-blower system to identify and combat abuses in the Group

The Group Compliance Officer reports yearly to the Audit Committee the status, progress and developments in the Compliance area.

The mission of internal audit is to enhance and protect the value of an organisation through risk-oriented and objective audit, consulting and insights in accordance with the international standards for the professional practice of internal audit.

- Interne audit renders independent and objective audit and consulting services, which are oriented towards creating added value and improving the business processes. It supports the organization in the achievement of its objectives, by evaluating with its systematic and target-oriented approach the effectiveness of the risk management, the controls and the management and monitoring processes and helps to improve these.

- In accordance with the Otto Krahn Group's Corporate Internal Audit Activity Charter, the audit universe comprises all activities and subsidiaries.

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In the internal audit area, an audit was carried out at KRAHN Hellas in accordance with the Annual Audit Plan for the audit year 2022 approved by the Management Board and the Audit Committee. Further audits at ALBIS Plastic in Vienna, KRAHN Chemie Polska and ALBIS Polska will be carried out by the end of March 2023. The audits will be supported to the extent necessary by auditors from EY.

The data analysis of SAP processes is automated through the implementation of audit software ("zapAudit" from zapliance): zapAudit extracts our SAP data on the company's own server, reconstructs the SAP processes and audits the data on the basis of over 150 questions. In addition to financial accounting, the MM, SD and plant processes are also reconstructed. A first test is already running at KRAHN Ceramics.

The Director Tax & Legal reports to the CFO and once a year to the Audit Committee.

4.2 Assessment of the overall risk situation

The geopolitical risks especially with regard to the war in Ukraine and the tense situation in the Asian economic area are influencing the overall development of the Otto Krahn Group, both directly and indirectly. The main risks currently in particular include higher inflation and the expected reduced demand resulting from this, in addition to an increasing shortage of skilled staff. To this can be added the continued shortage of materials, disrupted supply chains and a large number of new regulations.

A forecast of the further course or the ongoing economic consequences of these developments is unpredictable. The Otto Krahn Group continues to adhere to a general prudence principle. With regard to Russia's war in Ukraine, commensurate measures to assess and minimize the risk have been initiated, and the operative business in Russia was largely discontinued in 2022.

Overall, the markets in the two countries only have a small influence on the business of Otto Krahn GmbH & Co. KG.

In 2022, the main risk of ALBIS Plastic OOO in Russia, a wholly-owned subsidiary of ALBIS, lay in the settlement of customer claims on the Russian subsidiary. This risk was already since March 2022 actively countered by a complete switch to cash in advance.

Because of the capital endowment and the funds available, the continuation of the Group's activities in the coming years is ensured.

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4.3 Opportunities report

Good opportunities for growth also continue to exist in the distribution and compounding of plastics and in the distribution of specialty chemicals. The subgroups of the Otto Krahn Group are well positioned for this in the market segments occupied by them. Growth opportunities will result not only from expansion and optimization of the product portfolio but also from the exploitation of new foreign markets.

4.3.1 ALBIS

Good opportunities for growth also continue to be available in the distribution of plastics.. The ALBIS Group is well positioned for this. Growth opportunities result not only from expansion and optimization of the product portfolio, but also the intensive handling of the customer industries, among other things through established sales campaigns and the expansion of the industry segment for healthcare applications. Further profitable growth is expected especially from the expansion of market shares in Asia, Morocco and Italy. Growth through established country strategies is also being promoted in the established markets in Europe.

Growth opportunities in the distribution of plastics are not identified alone by the general economic trends, but also by the organization of the cooperation with strategic partners (manufacturers of polymers). Consequently, markets that are less interesting for a producer can nevertheless be attractive for a distributor due to the delegation of a larger business share by the polymer manufacturer. In addition, growth potentials result from taking over further agency rights in regions not so far covered.

4.3.2 MOCOM

Growth opportunities are continuing to emerge in the plastics compounding area. Together with its foreign subsidiaries, MOCOM is well positioned for this in the market segments that it occupies. Growth opportunities arise not only from the expansion and optimization of the product portfolio but also from the exploitation of new markets at home and abroad.

In the plastics compounding area, product innovations are resulting in the exploitation of new application areas, and regional expansion to business growth. To make optimum use of these opportunities, the Company invests in personnel and product development resources and emphasizes its global presence.

4.3.3 WIPAG

With the acquisition of WIPAG at the beginning of 2018, the Otto Krahn Group broadened its product portfolio on the basis of recycled carbon fibres and with a broad spectrum of compounds, which can be 100 % produced with mechanically recycled polymers.

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Carbon fibre compounds combine low density with excellent properties at an attractive price. They are therefore predestined for use in all kinds of lightweight construction applications and employed for instance in automobile construction, electrical equipment and sport and leisure products. This innovative product category has only been on the market for a few years and has the potential, through replacing other materials (glass fibre reinforced plastics or metal), to continuously grow much faster than the respective total markets. In the past, the development of the business concentrated on the German, and, to a lesser extent, on the European market. Intensified exploitation of the European foreign markets and the international markets, especially in America and Asia, harbours additional growth potentials.

The second sector in which WIPAG is engaged is the mechanical recycling of technical plastics. WIPAG's experience in this sector goes back over many years and it works with self-developed procedures for the separation and preparation of the material flows. The market for recycled plastics was, in the past, in many cases price-driven and the products served as cheaper alternatives for new product. In the meantime, a clear change can be observed here: The climate crisis has reached the general consciousness, and environmental protection and recycling are increasingly becoming an important competitive factor. The subject is driven in addition from the regulatory point of view.

Within the framework of the Green Deal, the EU has announced the aim that the European economy should be climate neutral by 2050. Thereby the plastics industry has an important task. Within the framework of the Circular Plastics Alliance, the sector is being challenged to increase the recycling share of the plastics market throughout the entire added value chain to initially 10 million mt by 2025. In the long term, the aim is for a completely circular economy.

This development will make possible huge growth opportunities in the coming years in the market for plastics recycling. With its integration in a capital and sales-strong group of companies and its own recycling technologies and the broad purchasing network, WIPAG is well placed to participate in this market development.

4.3.4 KRAHN

Growth opportunities result from the identification and development of new applications and customers and the support of new projects at existing customers. Further growth potential lies in the expansion and optimization of the product portfolio for the customer industries supported.

The exploitation of new foreign markets is also an important growth approach for KRAHN Chemie. In addition to the development of own structures or the acquisition of existing market participants, there is an opportunity to transfer the successful cooperation with existing producer partners to new regions or to satisfy new, reputable producers about the Group's competence.

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4.3.5 KRAHN Ceramics

The acquisition of eMBe Products & Service GmbH by KRAHN Chemie in May 2019 created the basis for the present business of KRAHN Ceramics with own products as an extension of the distribution business with ceramic powders that had existed and been expanded continuously since the end of the eighties. The amalgamation of KRAHN Chemie's ceramic powders distribution business with eMBe's binding agents in KRAHN Ceramics GmbH at the beginning of 2020 was the start of the implementation of the strategy of establishing a technology supplier of from raw materials to finished components. This broad approach makes possible manifold future growth and development opportunities.

The commissioning of a first production line for ceramic injection moulded masses in December 2022 at the site at Mühlenhagen 35 created the conditions for participation in the rapidly growing ceramic injection mould market and generating additional growth options through its own activities in the sector of the plastics industry. For this, KRAHN Ceramics can exploit the good market access of the Otto Krahn Group in this industry.

Due to the orientation to divergent customer industries, the comprehensive product offering, marked sales competence and the good organizational structure, Otto Krahn assesses the future growth and development opportunities of the Group positively.

Hamburg, May 2nd 2023

Philip O. Krahn Dr Jan Lösch

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INDEPENDENT AUDITOR'S REPORT

To OTTO KRAHN (GmbH & Co.) KG

Opinions

We have audited the consolidated financial statements of OTTO KRAHN (GmbH & Co.) KG and its subsidiaries (the Group), which comprise the consolidated balance sheet per December 31st 2022, the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year from January 1st to December 31st 2022 and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of OTTO KRAHN (GmbH & Co.) KG for the fiscal year from January 1st to December 31st 2022.

In our opinion, on the basis of the knowledge obtained in the audit:

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group per December 31st 2022 and of its financial performance for the fiscal year from January 1st to December 31st 2022 and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB *[Handelsgesetzbuch: German Commercial Code]*, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the German Generally Accepted Standards of Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer *[Institute of Public Auditors in Germany]* (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group

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Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Responsibilities of Management for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 this group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report 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 these systems.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. 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 to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with *[German]* law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

Hamburg, May 3rd 2023

Baker Tilly GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft
(Hamburg)

Michael Esser
Wirtschaftsprüfer
[German Public Auditor]

Oliver Pegelow
Wirtschaftsprüfer
[German Public Auditor]