

Specs Compound Handling B.V.

in Zoetermeer

Annual Report 2021

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To the shareholders and management of
Specs Compound Handling B.V.
2712 PB Zoetermeer

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Leiden, 12 May 2022

Subject: Annual report 2021

Dear Members of the board,

Herewith we send you the annual report regarding the financial statements for the year 2021 of your company, which include the company balance sheet with a total of € 6.005.257 and the profit and loss account ending with a net result of € 569.227.

Accountant's compilation report

The financial statements of Specs Compound Handling B.V. based in Zoetermeer have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2021 and the profit and loss account for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, "Compilation engagements", which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Specs Compound Handling B.V.

During this engagement we have complied with the relevant ethical requirements prescribed by the "Verordening Gedrags- en Beroepsregels Accountants" (VGBA, Dutch Code of Ethics). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

Yours sincerely,
Grant Thornton Accountants en Adviseurs B.V.

J. Ruigendijk RA

GENERAL

Board of directors

On 31 December 2021 the board of directors is formed by A. Speksnijder and J. Tijhuis.

Appropriation of the 2020 net result

The appropriation of the 2020 net result is, in accordance with the proposition from the Board of Directors, approved by the General Meeting. Of the 2020 net result amounting to EUR 542.581 an amount of EUR 217.032 was paid as dividend, and the remainder amounting is added to the other reserves.

NET RESULT FOR THE PERIOD

Development of income and expenses

The result after taxation for 2021 amounts to € 569.228 compared to € 542.578 for 2020. The results for both years can be summarized as follows:

| | 2021 | | 2020 | | Difference |
|--|-----------|-------|-----------|-------|------------|
| | € | % | € | % | € |
| Sale of goods | 4.389.884 | 100,0 | 4.687.341 | 100,0 | -297.457 |
| Cost of sales | 907.640 | 20,7 | 1.152.770 | 24,6 | -245.130 |
| Gross margin on turnover | 3.482.244 | 79,3 | 3.534.571 | 75,4 | -52.327 |
| Costs | | | | | |
| Employee expenses | 1.472.951 | 33,6 | 1.649.443 | 35,0 | -176.492 |
| Depreciation/Amortization | 247.288 | 5,6 | 229.365 | 4,9 | 17.923 |
| Accommodation expenses | 614.777 | 14,0 | 574.425 | 12,3 | 40.352 |
| Office expenses | 131.404 | 3,0 | 143.685 | 3,1 | -12.281 |
| Car expenses | 33.377 | 0,8 | 31.438 | 0,7 | 1.939 |
| Selling expenses | 92.703 | 2,1 | 92.386 | 2,0 | 317 |
| General expenses | 254.706 | 5,8 | 114.673 | 2,5 | 140.033 |
| | 2.847.206 | 64,9 | 2.835.415 | 60,5 | 11.791 |
| Operating result | 635.038 | 14,4 | 699.156 | 14,9 | -64.118 |
| Financial income and expenses | 55.629 | 1,3 | -41.970 | -0,9 | 97.599 |
| Result from ordinary activities before taxation | 690.667 | 15,7 | 657.186 | 14,0 | 33.481 |
| Taxation | -146.674 | -3,3 | -149.647 | -3,2 | 2.973 |
| Share in result of participating interests | 25.234 | 0,6 | 35.042 | 0,8 | -9.808 |
| Net result | 569.227 | 13,0 | 542.581 | 11,6 | 26.646 |

Net turnover and gross margin

The net turnover decreased by 6,3%. The gross margin decreased by 1,5%.
The gross margin on turnover increased by 3,9% to 79,3%.

Costs

The total costs increased by 0,4%.

| | 2021 | | 2020 | | Difference |
|---------------------------|------------------|--------------|------------------|--------------|---------------|
| | € | % | € | % | € |
| Employee expenses | 1.472.951 | 51,7 | 1.649.443 | 58,2 | -176.492 |
| Depreciation/Amortization | 247.288 | 8,7 | 229.365 | 8,1 | 17.923 |
| Accommodation expenses | 614.777 | 21,6 | 574.425 | 20,3 | 40.352 |
| Office expenses | 131.404 | 4,6 | 143.685 | 5,1 | -12.281 |
| Car expenses | 33.377 | 1,2 | 31.438 | 1,1 | 1.939 |
| Selling expenses | 92.703 | 3,3 | 92.386 | 3,3 | 317 |
| General expenses | 254.706 | 9,0 | 114.673 | 4,0 | 140.033 |
| | <u>2.847.206</u> | <u>100,0</u> | <u>2.835.415</u> | <u>100,0</u> | <u>11.791</u> |

CHARACTERISTIC NUMBERS AND RATIO'S

Earning capacity

The earning capacity of the liabilities indicates the rate of expenses compared to liabilities operative in the company. The ratios presented below give insight into the earning capacity of the company.

| | 2021 | 2020 |
|---|-------|--------|
| Analysis net turnover <i>Index number (2020=100)</i> | 93,65 | 100,00 |
| Margin net result <i>Net result / net turnover</i> | 12,97 | 11,58 |

Liquidity

The ratios presented below give insight into the liquidity of the company.

| | 2021 | 2020 |
|--|------|------|
| Current ratio <i>Current assets / current liabilities</i> | 2,68 | 0,86 |
| Quick ratio <i>Receivables, securities and cash / current liabilities</i> | 2,63 | 0,82 |

Solvency

The level of this solvency depends on the nature of the company, no general principles can be given for this. By means of the ratios presented below insight can be gained into the solvency of the company.

| | 2021 | 2020 |
|--|-------|-------|
| Solvency <i>Equity / equity and liabilities</i> | 71,90 | 34,76 |
| Interest coverage ratio <i>Operating result / interest expenses</i> | 39,89 | 14,02 |

TAX POSITION

Taxable result 2021

The taxable result for 2021 is calculated as follows:

| | 2021 | |
|----------------------------------|---------|----------------|
| | € | € |
| Result before taxation | | 690.667 |
| <i>Differences in valuation:</i> | | |
| Fiscal lower in depreciation | | 3.134 |
| <i>Tax differences:</i> | | |
| Non-deductible expenses | 5.233 | |
| Investment allowance | -16.568 | |
| | | -11.335 |
| Taxable amount 2021 | | 682.466 |

Corporate income tax calculation

The corporate income tax due amounts to:

| | 2021 |
|---------------------------|---------|
| | € |
| 15.0% of € 245.000 | 36.750 |
| 25.0% of € 437.465 | 109.366 |
| Corporate income tax 2021 | 146.116 |

Corporate income tax

On report date the corporate income tax to be paid amounts to € 30.384. The corporate income tax to be paid for the year 2021 amounts to € 146.116.

| | Amount due at 1 January 2021 | Corporate income tax for 2021 | Paid/Received in 2021 | Amount due at 31 December 2021 |
|------|---------------------------------|-------------------------------------|--------------------------|--------------------------------------|
| | € | € | € | € |
| 2018 | 214 | - | - | 214 |
| 2020 | 22.361 | - | 22.361 | - |
| 2021 | - | 146.116 | 115.946 | 30.170 |
| | 22.575 | 146.116 | 138.307 | 30.384 |

FINANCIAL REPORT 2021

BALANCE SHEET AS AT 31 DECEMBER 2021
(after appropriation of result)

| | | 31 December 2021 | | 31 December 2020 |
|---|-----|------------------|---|------------------|
| | | € | € | € |
| ASSETS | | | | |
| Fixed assets | | | | |
| Property, plant and equipment | (1) | | | |
| Rebuilding | | 147.998 | | 150.774 |
| Other tangible assets | | 1.172.905 | | 1.339.457 |
| | | <u>1.320.903</u> | | <u>1.490.231</u> |
| Financial fixed assets | (2) | | | |
| Subsidiaries | | 114.376 | | 81.259 |
| Other receivables | | 61.887 | | 61.887 |
| | | <u>176.263</u> | | <u>143.146</u> |
| Current assets | | | | |
| Inventories | (3) | 80.261 | | 84.987 |
| Trade and other receivables | (4) | | | |
| Trade debtors | | 486.335 | | 223.234 |
| Receivable from group companies | | 203.837 | | 197.900 |
| Taxes and social securities | | 18.675 | | 36.331 |
| Other receivables, prepayments and accrued income | | 176.690 | | 126.520 |
| | | <u>885.537</u> | | <u>583.985</u> |
| Cash and cash equivalents | (5) | 3.542.293 | | 1.399.776 |
| | | <u>6.005.257</u> | | <u>3.702.125</u> |

| | 31 December 2021 | 31 December 2020 |
|--------------------------------|------------------|------------------|
| | € | € |
| EQUITY AND LIABILITIES | | |
| Shareholders' equity | (6) | |
| Issued share capital | 340.317 | 223.321 |
| Share premium reserve | 2.575.000 | - |
| Legal and statutory reserves | 5.922 | -1.959 |
| Other reserves | <u>1.396.462</u> | <u>1.065.457</u> |
| | 4.317.701 | 1.286.819 |
| Provisions | | |
| Deferred tax liability | 3.161 | 2.603 |
| Current liabilities | (7) | |
| Current portion long term loan | - | 354.735 |
| Trade creditors | 91.387 | 148.214 |
| Taxes and social securities | 70.010 | 83.752 |
| Accruals and deferred income | <u>1.522.998</u> | <u>1.826.002</u> |
| | 1.684.395 | 2.412.703 |
| | <u>6.005.257</u> | <u>3.702.125</u> |

PROFIT & LOSS ACCOUNT FOR THE YEAR 2021

| | | 2021 | | 2020 | |
|---|------|------------------|-----------------------|----------------|-----------------------|
| | | € | € | € | € |
| Sale of goods | | | 4.389.884 | | 4.687.341 |
| Cost of sales | (8) | | 907.640 | | 1.152.770 |
| Gross margin | | | <u>3.482.244</u> | | <u>3.534.571</u> |
| Costs | | | | | |
| Employee expenses | (9) | 1.472.951 | | 1.649.443 | |
| Depreciation/Amortization | (10) | 247.288 | | 229.365 | |
| Other operating expenses | (11) | <u>1.126.967</u> | | <u>956.607</u> | |
| | | | 2.847.206 | | 2.835.415 |
| Operating result | | | <u>635.038</u> | | <u>699.156</u> |
| Financial income and expenses | (12) | | 55.629 | | -41.970 |
| Result before tax | | | <u>690.667</u> | | <u>657.186</u> |
| Taxation | (13) | | -146.674 | | -149.647 |
| | | | <u>543.993</u> | | <u>507.539</u> |
| Share in result of participating interests (14) | | | <u>25.234</u> | | <u>35.042</u> |
| Result after tax | | | <u><u>569.227</u></u> | | <u><u>542.581</u></u> |

NOTES TO THE STATEMENTS

Activities

The activities of Specs Compound Handling B.V., domiciled in Zoetermeer, consists actually of trade, production and transport of (bio) chemical compounds, as well as providing compound management services.

Registered office, legal form and registration number at the chamber of commerce

Specs Compound Handling B.V. is according to the Articles of Association registered in Zoetermeer.

The address of Specs Compound Handling B.V. is Bleiswijkseweg 55, 2712 PB Zoetermeer and is registered in the Commercial Register of the Chamber of Commerce under the file number: 27274228.

Group structure

Specs Compound Handling B.V. in Zoetermeer is the head of a group of legal entities.

Group structure

In accordance with article 2:407 part 2A of the Dutch Civil Code no consolidated financial statements have been prepared.

LIST OF PARTICIPATING INTERESTS

Specs Compound Handling B.V. in Zoetermeer is the head of a group of legal entities. The overview of the data as required in accordance with Articles 2:379 and 2:414 of the Dutch Civil Code is included below:

| Name, statutory registered office | Share in issued capital |
|---|-------------------------|
| | % |
| Specs Chemical Services Inc. Cumberland, USA | 100,00 |
| Specs LD B.V. Zoetermeer, NL | 100,00 |

Acquisitions

An acquisition of a business combination is accounted for by applying the carry over accounting method.

Acquisition between parties under joint management

In 2021 restructuring took place within the Specs Compound Handling group. Specs Compound Handling B.V. has taken over the 100% participation in Specs LD B.V. This concerns a so-called take over between companies under joint management.

The purpose of the acquisition was to facilitate the group structure.

Acquirer:

Specs Compound Handling B.V. has taken over since January 2021 that participation in Specs LD B.V. at its net asset value at that time.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

The financial statements of the company are presented in euros, which is the company's functional currency.

Comparative figures

The figures of the preceding year are changed for comparison purposes.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Specs Compound Handling B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under section 362, sub 1, book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant financial statement item.

Leasing

Operational leasing

The company has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the profit and loss account for the duration of the contract.

Financial instruments

Under financial instruments the monetary assets and liabilities, such as receivables and liabilities, and the financial derivatives are included. For a description of the accounting principles of the monetary assets and liabilities, reference is made to the notes per balance sheet item.

Translation of foreign currency

The financial statements of the company are presented in euros, which is the company's functional currency.

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates at balance sheet date. Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates at transaction date. The exchange differences are recognised in the profit and loss account as financial income or expenditure respectively.

Foreign group companies and non-consolidated participations outside the Netherlands qualify as independent foreign entities. For the translation of the financial statements of these foreign entities the balance sheet items are translated at the exchange rate at balance sheet date and the profit and loss account items at the date of the transaction. If this is not available, the average rate over the reporting period is used. The translation differences arising from the translation of foreign entities are directly recognised in the reserve for exchange differences.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Property, plant and equipment

Property, plant and equipment for own use are carried at the cost of acquisition or production (less any investment grants) net of accumulated depreciation and, if applicable, accumulated impairment losses.

Property, plant and equipment carried at cost do not include capitalized interest charges.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful economic lives, taking into account the residual value.

Tangible fixed assets are depreciated as follows:

- Rebuilding and other fixed operating assets are depreciated on a straight-line basis over their estimated useful economic lives of five to ten years.

If the expected depreciation method, useful economic life and/or residual value are subject to changes over time, they are treated as a change in accounting estimate.

The carrying amount includes capitalized major maintenance costs when incurred and if the recognition criteria are met. The carrying amount of the components to be replaced will be regarded as a disposal and recognized directly in the income statement. All other repair and maintenance costs are recognized directly in the income statement.

Financial fixed assets

Participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of the net asset value. This net asset value is based on the same accounting principles as applied by Specs Compound Handling B.V. Participating interests with a negative net asset value are valued at nil. In the case that the company fully or partly guarantees for the debts of the respective participating interest, a provision is recognised.

Impairment of non-current assets

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined.

An impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

Inventories

Inventories are carried at the cost of acquisition or production or net realizable value, whichever is lower.

Trade and other receivables

The receivables are initially valued at its fair value, and subsequently valued at amortised cost, which is similar to the face value, after deduction of any provisions if necessary.

Cash and cash equivalents

Cash and cash equivalents are valued at nominal value.

Liabilities

Current liabilities are initially valued at its fair value, and subsequently valued at amortised cost, which is similar to the face value. Accruals are valued at its face value.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is defined as the difference between the revenue from goods delivered and services performed on one hand and on the other hand the costs and expenses for that year, valued at historical costs.

Determination of the result

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and value added taxes.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. Transfers of risks and rewards vary depending on the individual terms of the contract of sale. Examples of transfers are receipts of products at the customer's warehouse or upon receipt by the customer (international shipments).

The income and expenses are accounted for in the period to which they relate.

Sale of goods

Income from the sale of goods is recognized in the income statement once all the major rights to economic benefits and significant risks relating to the goods have been transferred to the buyer, the income can be reliably measured and the income is probable to be received.

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Services

If the result of a transaction relating to a service can be reliably estimated and the income is probable to be received, the income relating to that service is recognized in proportion to the service delivered. Stage of completion is based on the costs incurred in providing the services up to the balance sheet date in proportion to the estimated costs of the total services to be provided.

Expenses general

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Employee expenses

The benefits payable to personnel are recorded in the profit and loss account on the basis of the employment conditions.

Amortization/depreciation

The depreciation on tangible fixed assets is calculated by using a fixed rate on the acquisition cost or cost of conversion.

Gains and losses on disposal of (in)tangible fixed assets are recorded under amortization/depreciation.

Financial result

Financial income and expenses comprise interest income and expenses on loans as accounted for in the current reporting period.

Share in result from investments in participating interests

The share in the result of associates consists of the share of the group in the result of these associates. This result is based on the accounting principles applied by Specs Compound Handling B.V.

Results on transactions, where the assets and liabilities transfer between the group and the participating interests and mutually between non-consolidated participating interests themselves, are not recognised as they can be deemed as not realised. The results of participating interests acquired or sold during the financial year are stated in the group result from the date of acquisition or until the date of sale respectively.

Taxation

Corporate income tax expense comprises current and deferred tax. Corporate income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The corporate income tax at the subsidiary is calculated as if the subsidiary is independantly liable to pay taxes. Deferred taxes recognised at the subsidiary are in fact deferred receivables and/or deferred liabilities towards the parent company.

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2021

1. Property, plant and equipment

| | Rebuilding | Other tangible assets | Total |
|--|----------------|-----------------------------|------------------|
| | € | € | € |
| <i>Book value as at 1 January 2021</i> | | | |
| Acquisition costs | 200.097 | 3.325.681 | 3.525.778 |
| Accumulated depreciation | -49.323 | -1.986.224 | -2.035.547 |
| | <u>150.774</u> | <u>1.339.457</u> | <u>1.490.231</u> |
| <i>Changes</i> | | | |
| Investments | 20.253 | 57.707 | 77.960 |
| Depreciation/Amortization | -23.029 | -224.259 | -247.288 |
| | <u>-2.776</u> | <u>-166.552</u> | <u>-169.328</u> |
| <i>Book value as at 31 December 2021</i> | | | |
| Acquisition costs | 220.350 | 3.383.388 | 3.603.738 |
| Accumulated depreciation | -72.352 | -2.210.483 | -2.282.835 |
| Carrying amount as of 31 December 2021 | <u>147.998</u> | <u>1.172.905</u> | <u>1.320.903</u> |
| <i>Rate of depreciation</i> | | | % |
| Rebuilding | | | 10 |
| Other tangible assets | | | 10-20 |

2. Financial fixed assets

| | 31-12-2021 | 31-12-2020 |
|------------------------------|----------------|---------------|
| | € | € |
| Subsidiaries | | |
| Specs Chemical Services Inc. | 114.375 | 81.259 |
| Specs LD B.V. | 1 | - |
| | <u>114.376</u> | <u>81.259</u> |

| | 2021 | 2020 |
|-------------------------------------|----------------|---------------|
| | € | € |
| <i>Specs Chemical Services Inc.</i> | | |
| Balance as at 1 January | 81.259 | 53.321 |
| Result | 25.234 | 35.042 |
| Exchange differences | 7.882 | -7.104 |
| Balance as at 31 December | <u>114.375</u> | <u>81.259</u> |

| | | |
|---------------------------|----------|----------|
| <i>Specs LD B.V.</i> | | |
| Balance as at 1 January | - | - |
| Investments | 1 | - |
| Balance as at 31 December | <u>1</u> | <u>-</u> |

| | 31-12-2021 | 31-12-2020 |
|--------------------------|---------------|---------------|
| | € | € |
| Other receivables | | |
| Deposit | <u>61.887</u> | <u>61.887</u> |

3. Inventories

Trade inventory

| | | |
|---------------------|---------------|---------------|
| Inventory net value | 218.293 | 228.311 |
| Obsolete inventory | -138.032 | -143.324 |
| | <u>80.261</u> | <u>84.987</u> |

4. Trade and other receivables

| | 31-12-2021 | 31-12-2020 |
|----------------------|------------|------------|
| | € | € |
| Trade debtors | | |
| Trade receivables | 486.335 | 223.234 |

A provision for doubtful debts is not deemed necessary by the board.

Receivable from group companies

| | | |
|---------------|---------|---------|
| Specs LD B.V. | 203.837 | 197.900 |
|---------------|---------|---------|

An interest rate of 3% has been calculated.

Specs LD B.V.

| | 2021 | 2020 |
|---------------------------|---------|---------|
| | € | € |
| Balance as at 1 January | 197.900 | 157.500 |
| Mutations | - | 32.500 |
| Interest | 5.937 | 7.900 |
| Balance as at 31 December | 203.837 | 197.900 |

| | 31-12-2021 | 31-12-2020 |
|------------------------------------|------------|------------|
| | € | € |
| Taxes and social securities | | |
| VAT | 18.675 | 36.331 |

Other receivables, prepayments and accrued income

| | | |
|--------------------------------|---------|---------|
| Other receivables | 49.350 | 32.143 |
| Prepayments and accrued income | 127.340 | 94.377 |
| | 176.690 | 126.520 |

| | 31-12-2021 | 31-12-2020 |
|-------------------------------|---------------|---------------|
| | € | € |
| Other receivables | | |
| Current accounts participants | 33.068 | 15.411 |
| Other current accounts | 16.282 | 16.732 |
| | <u>49.350</u> | <u>32.143</u> |

Prepayments and accrued income

| | | |
|---------------------------------|----------------|---------------|
| Prepayments consignments | 5.611 | 5.470 |
| Prepaid expenses | 90.567 | 70.530 |
| Prepaid insurance contributions | 31.162 | 18.377 |
| | <u>127.340</u> | <u>94.377</u> |

5. Cash and cash equivalents

| | | |
|------------------------|------------------|------------------|
| ING Bank N.V. .352 USD | 645.295 | 96.788 |
| ING Bank N.V. .098 EUR | 1.338.758 | 501.108 |
| ING Bank N.V. .356 EUR | 2.633 | 2.633 |
| ING Bank N.V. .244 USD | 404.875 | 317.393 |
| ING Bank N.V. .855 EUR | 1.150.325 | 481.479 |
| Cash | 407 | 375 |
| | <u>3.542.293</u> | <u>1.399.776</u> |

The cash and cash equivalents are free of disposal.

6. Shareholders' equity

In the reporting period, the company issued ordinary shares (total 1.478.264) amounting to € 2.691.996. The deposit was made in cash.

| | 31-12-2021 | 31-12-2020 |
|--|------------------|--------------------|
| | € | € |
| Issued share capital | | |
| 1.701.585 ordinary shares at a par value of € 0,20 | 340.317 | 223.321 |
| | <u>340.317</u> | <u>223.321</u> |
| | | Ordinary shares |
| | | € |
| Balance as at 1 January 2021 | | 223.321 |
| Shares issued | | 116.996 |
| Balance as at 31 December 2021 | | <u>340.317</u> |
| Shares issued | | 1.701.585 |
| Nominal value | | - |
| | 2021 | 2020 |
| | € | € |
| Share premium reserve | | |
| Balance as at 1 January | - | - |
| Premiums on shares issued | 2.575.000 | - |
| Balance as at 31 December | <u>2.575.000</u> | <u>-</u> |
| | 31-12-2021 | 31-12-2020 |
| | € | € |
| Legal and statutory reserves | | |
| Foreign currency translation reserve | <u>5.922</u> | <u>-1.959</u> |

| | 2021 | 2020 |
|---|--------------|---------------|
| | € | € |
| <i>Foreign currency translation reserve</i> | | |
| Balance as at 1 January | -1.959 | 5.145 |
| Exchange differences | 7.881 | -7.104 |
| Balance as at 31 December | <u>5.922</u> | <u>-1.959</u> |

Other reserves

| | | |
|---------------------------------|------------------|------------------|
| Balance as at 1 January | 1.065.457 | 739.908 |
| Appropriation of the net result | 569.227 | 542.581 |
| Dividend to be paid | -238.222 | -217.032 |
| Balance as at 31 December | <u>1.396.462</u> | <u>1.065.457</u> |

Proposal for profit appropriation

The General Meeting will be asked to pay from the 2021 result amounting to € 569.227 an amount of € 238.222 as dividend, and to add the remainder amounting to € 331.005 to the other reserves.

The financial statements reflect this proposal.

Deferred tax liability

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
The liability is calculated at the current tax rate of 25%.

| | | |
|---------------------------|--------------|--------------|
| Balance as at 1 January | 2.603 | 2.680 |
| Charged to provision | 558 | -77 |
| Balance as at 31 December | <u>3.161</u> | <u>2.603</u> |

7. Current liabilities

| | 31-12-2021 | 31-12-2020 |
|---|------------|----------------|
| | € | € |
| Current portion long term loan | | |
| Subordinated loans | - | 266.679 |
| Repayment obligations of non-current borrowings | - | 88.056 |
| | <u>-</u> | <u>354.735</u> |

| | 31-12-2021 | 31-12-2020 |
|------------------------------------|---------------|---------------|
| | € | € |
| Taxes and social securities | | |
| Corporate income tax current year | 30.384 | 22.575 |
| Pay-roll tax | 39.626 | 61.177 |
| | <u>70.010</u> | <u>83.752</u> |

Corporate income tax current year

| | | |
|--------------------------------------|---------------|---------------|
| Corporate income tax 2021 | 30.170 | 22.361 |
| Corporate income tax three years ago | 214 | 214 |
| | <u>30.384</u> | <u>22.575</u> |

Accruals and deferred income

| | | |
|-------------------------|------------------|------------------|
| Holiday pay | 77.399 | 68.103 |
| Invoiced in advance | 897.465 | 1.024.394 |
| Accrued consignment fee | 20.983 | 19.257 |
| Cost payable | 157.409 | 330.364 |
| Subsidy prepayment | 131.520 | 166.852 |
| Dividend to be paid | 238.222 | 217.032 |
| | <u>1.522.998</u> | <u>1.826.002</u> |

Off-balance sheet commitments

Performance commitments

The company has concluded long-term sales contracts with performance commitments up to and including 2029.

Credit limit

The credit limit at ING Bank N.V. amounts € 200.000. A right of pledge has been established on moveable tangible fixed assets as security.

Maintenance commitments

The company has concluded a contract for maintenance commitments up to and including 2024. The commitment amounts € 21.439 each year.

Long-term financial obligations

Lease

The Company has liabilities arising from operational lease commitments until July 31, 2026. The lease contracts for cars and inventory. The obligation for lease contracts for cars and inventory amounts € 44.472 in 2022.

Rental commitments buildings

The Company has a long-term rental commitments until July 31, 2026. The rental obligation for 2022 amounts around € 240.230.

Other rental commitments

The company has a long-term rental commitments until March 31, 2026. The rental obligation for 2022 amounts € 1.840.

NOTES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR 2021

| | 2021 | 2020 |
|------------------------------------|------------------|------------------|
| | € | € |
| 8. Cost of sales | | |
| Handling cost projects | 594.605 | 862.139 |
| Cost price components | 98.562 | 148.316 |
| Production costs | 127.371 | 59.397 |
| Consignment compensation | 42.097 | 37.174 |
| Handling costs and quality control | 45.005 | 45.744 |
| | <u>907.640</u> | <u>1.152.770</u> |
| 9. Employee expenses | | |
| Wages and salaries | 1.070.197 | 1.258.884 |
| Social security charges | 171.675 | 179.938 |
| Pension expenses | 93.293 | 89.654 |
| Other personnel expenses | 137.786 | 120.967 |
| | <u>1.472.951</u> | <u>1.649.443</u> |
| Wages and salaries | | |
| Gross wages | 1.170.265 | 1.168.919 |
| Vacation accruals | 90.635 | 83.689 |
| Subsidy 2016 paid back | - | 88.168 |
| Subsidy received | -190.703 | -81.892 |
| | <u>1.070.197</u> | <u>1.258.884</u> |
| Other personnel expenses | | |
| Illness expense insurance | 56.929 | 53.443 |
| Travel expenses | 35.330 | 33.083 |
| Training and educational costs | 1.981 | 2.408 |
| Canteen costs | 8.844 | 8.465 |
| Fixed reimbursement costs | 2.760 | 5.520 |
| Other personnel expenses | 14.302 | 18.048 |
| Recruitment costs | 17.640 | - |
| | <u>137.786</u> | <u>120.967</u> |

Staff

During the 2021 financial year, the average number of employees, converted into full-time equivalents, amounted to 24 (2020: 23).

| | 2021 | 2020 |
|---|-----------|---------|
| | € | € |
| 10. Depreciation/Amortization | | |
| Property, plant and equipment | 247.288 | 229.365 |
| Depreciation tangible fixed assets | | |
| Rebuilding | 23.029 | 20.204 |
| Other tangible assets | 224.259 | 209.161 |
| | 247.288 | 229.365 |
| 11. Other operating expenses | | |
| Accommodation expenses | 614.777 | 574.425 |
| Office expenses | 131.404 | 143.685 |
| Car expenses | 33.377 | 31.438 |
| Selling and distribution expenses | 92.703 | 92.386 |
| General expenses | 254.706 | 114.673 |
| | 1.126.967 | 956.607 |
| Accommodation expenses | | |
| Office rent in the Netherlands | 196.937 | 182.064 |
| Exploitation costs foreign offices | 314.028 | 307.343 |
| Service- and energy costs | 88.096 | 71.042 |
| Cleaning costs | 7.961 | 6.748 |
| Other accommodation expenses | 7.755 | 7.228 |
| | 614.777 | 574.425 |
| Office expenses | | |
| Maintenance costs office and production installations | 34.813 | 48.820 |
| IT costs | 68.171 | 66.714 |
| Telephone | 13.788 | 15.242 |
| Mail charges | 366 | 437 |
| Contributions and subscriptions | 6.761 | 6.493 |
| Equipment maintenance | 3.470 | 2.848 |
| Office supplies | 1.781 | 1.559 |
| Printing costs | 2.254 | 1.572 |
| | 131.404 | 143.685 |
| Car expenses | | |
| Fuels | 541 | 864 |
| Lease costs | 26.982 | 25.816 |
| Other car expenses | 5.854 | 4.758 |
| | 33.377 | 31.438 |

| | 2021 | 2020 |
|--|----------------|----------------|
| | € | € |
| Selling expenses | | |
| Representation costs | 995 | 857 |
| Credit management | 23.327 | 22.592 |
| Congress costs | 6.567 | 2.348 |
| Travelling expenses | 11.364 | 11.444 |
| Sponsoring and marketing costs | 8.267 | 10.111 |
| Other selling expenses | 42.183 | 45.034 |
| | <u>92.703</u> | <u>92.386</u> |
| General expenses | | |
| Supervisory board fee | 23.500 | 23.250 |
| Accounting fee | 13.183 | 8.424 |
| Consultancy fee | 4.063 | 27.420 |
| Insurances | 58.360 | 51.883 |
| NPEX costs | 151.558 | - |
| Salary administration costs | 4.042 | 3.730 |
| Other general expenses | - | -34 |
| | <u>254.706</u> | <u>114.673</u> |
| 12. Financial income and expenses | | |
| Interest and similar income | 71.550 | 7.900 |
| Interest and similar expenses | -15.921 | -49.870 |
| | <u>55.629</u> | <u>-41.970</u> |
| Interest and similar income | | |
| Interest receivables Specs LD B.V. | 5.937 | 7.900 |
| Exchange rate differences | 65.613 | - |
| | <u>71.550</u> | <u>7.900</u> |
| Interest and similar expenses | | |
| Interest payable to group companies | 159 | 45 |
| Interest loan ING | - | 7.153 |
| Interest subordinated loans | 3.577 | 32.001 |
| Exchange rate differences | - | 1.754 |
| Interest expenses current accounts | 4.611 | 391 |
| Bank costs | 7.574 | 8.526 |
| | <u>15.921</u> | <u>49.870</u> |

**Specs Compound Handling B.V.
in Zoetermeer**

| | 2021 | 2020 |
|-----------------------------------|----------------|----------------|
| | € | € |
| 13. Taxation | | |
| Corporate income tax current year | 146.116 | 147.861 |
| Corporate income tax prior year | - | 1.863 |
| Adjustment to deferred tax | 558 | -77 |
| | <u>146.674</u> | <u>149.647</u> |

14. Share in result of participating interests

| | | |
|---|---------------|---------------|
| Share in result of Specs Chemical Services Inc. | <u>25.234</u> | <u>35.042</u> |
|---|---------------|---------------|

Signature directors

Zoetermeer, 2022

A. Speksnijder
Management board

J.H. Tijhuis
Management board

Supervisory board:

M.J. Kole

A.S.M. Molenaar

R.M. Groot