Statsautoriseret
Revisionspartnerselskab

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simonsen a/s

Møgelvangs Plads 7, 7900 Nykøbing Mors

Company reg. no. 12 64 63 72

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 28 January 2021.

Anders Borg
Chairman of the meeting

Contents

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

Management's report

Today, the board of directors and the managing director have presented the annual report of simonsen a/s for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Nykøbing Mors, 28 January 2021

Managing Director

Morten Simonsen

Board of directors

Anders Borg Chairman	Morten Simonsen	Klaus Simonsen
Tove Simonsen	Jens Broberg	

Independent auditor's report

To the shareholders of simonsen a/s

Opinion

We have audited the financial statements of simonsen a/s for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section “Auditor’s responsibilities for the audit of the financial statements”. We are independent of the company in accordance with international ethical requirements for auditors (IESBA’s Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

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

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

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

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

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Nykøbing Mors, 28 January 2021

BRANDT
State Authorized Public Accounting Firm
Company reg. no. 25 49 21 45

Søren Yde
State Authorised Public Accountant
mne34101

Company information

The company	simonsen a/s Møgelvangs Plads 7 7900 Nykøbing Mors	
	Phone	96691300
	Fax	96691301
	Web site	www.simonsen.eu
	Company reg. no.	12 64 63 72
	Financial year:	1 January - 31 December
Board of directors	Anders Borg, Chairman Morten Simonsen Klaus Simonsen Tove Simonsen Jens Broberg	
Managing Director	Morten Simonsen	
Auditors	BRANDT Statsautoriseret Revisionspartnerselskab Limfjordsvej 42 7900 Nykøbing Mors	
Bankers	Danske Bank, Jægersgårdsgade 101B, 8000 Aarhus C	
Parent company	Morten Simonsen Holding ApS	
Subsidiaries	Simonsen Recycling ApS, Nykøbing Mors Simonsen Refractory Service (Shanghai) Co., Ltd., Shanghai	

Financial highlights

DKK in thousands.	2020	2019	2018	2017	2016
Income statement:					
Revenue	225.669	263.523	231.970	175.372	156.347
Gross profit	28.195	31.530	24.616	22.267	15.149
Profit from ordinary operating activities	11.879	13.867	6.599	5.484	-1.458
Net financials	-35	61	116	109	54
Net profit or loss for the year	9.193	10.827	5.203	4.303	-1.134
Statement of financial position:					
Balance sheet total	61.123	61.616	53.778	53.429	35.341
Investments in property, plant and equipment	270	765	418	67	21
Equity	26.110	22.917	17.289	16.376	12.073
Employees:					
Average number of full-time employees	15	15	14	14	13
Key figures in %:					
Gross margin ratio	12,5	12,0	10,6	12,7	9,7
Profit margin (EBIT-margin)	5,3	5,3	2,8	3,1	-0,9
Solvency ratio	42,7	37,2	32,1	30,7	34,2
Return on equity	37,5	53,9	30,9	30,3	-8,0

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

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

Gross margin ratio
$$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

Profit margin (EBIT margin)
$$\frac{\text{Operating profit or loss (EBIT) x 100}}{\text{Revenue}}$$

Solvency ratio
$$\frac{\text{Equity, closing balance x 100}}{\text{Total assets, closing balance}}$$

Return on equity
$$\frac{\text{Net profit or loss for the year x 100}}{\text{Average equity}}$$

Management commentary

The principal activities of the company

The company was established on December 1, 1984 by the late Mr. Jørgen Simonsen and is 100% privately owned by Klaus and Morten Simonsen, the two sons of the founder. The company is a global supplier of insulating refractories, specialised refractories and carbon materials to the primary aluminium industry and the WtE (Waste to Energy) industry.

Development in activities and financial matters

The company realised a satisfactory result in 2020, fully in line with budget. The result is based on a lower turnover after a record 2019, but with a higher profit margin and a positive cash flow.

The result is in line with budget and expectations.

Primary aluminium
2020 was a challenging year in terms of the global conditions, but industrial activity has resulted in higher LME prices and such a steady growth in the primary aluminium production. This development is consequential and directly related to the activities of the company.
2020 was a deeply challenging year for sourcing of refractory materials leading to loss of capacity and significant rise in prices. This, combined with a major factory upgrade/overhaul, has led to a decrease in sales and profit.
The company was also challenged by a steep increase in competition for major supply materials, but with the strong cooperation with a big partner in China has managed to maintain a strong foothold and realizing strong pm.

Waste to Energy (WtE)
The company has grown steadily in this market in the fiscal year, realizing and securing new projects globally. It is very much a niche market with a strong potential for the company.

Environmental issues

The company also associates with partners and suppliers who are green and adhering to the most stringent laws of environment. The main partner in China has a unique position for green production and is complying with the new and very stringent environmental policies. The company head office is focusing on minimum waste, recycling of paper and energy source using clean wind energy as power source for electricity.

Expected developments

The company expects next fiscal year to be very much in line with results of 2020. The demand for lining materials has been increasing and activity healthy. The turnover will be lower due to loss of major refractory contracts due to the supply problems in 2020 for a major European partner. The overall situation is now positive and furthermore the introduction of new geographical alternatives a continuous success.

The expectation for WtE is very positive with contracts from new developing countries as Russia, the company expects a steady growth in both turnover and profitability.

Events occurring after the end of the financial year

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Accounting policies

The annual report for simonsen a/s has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of simonsen a/s and its group enterprises are included in the consolidated financial statements for Morten Simonsen Holding ApS, Nykøbing Mors, CVR nr. 10 15 50 10.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Morten Simonsen Holding ApS.

Recognition and measurement in general

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

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

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

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

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

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

Foreign currency translation

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

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

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

Derivatives

At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derived financial instruments classified as hedging of future cash flows are recognised in other receivables or other payables, and in equity.

If the future transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or costs, amounts recognised in equity on a continuing basis are transferred to the income statement for the period in which the hedged item affected the income statement.

For derived financial statements that are no longer recognised as hedging instruments, changes in fair value are recognised in the income statement on a current basis.

Income statement

Revenue

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

Accounting policies

Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year. Also, costs concerning sales staff, advertising and exhibitions costs, and amortisations.

Administration costs

Administration costs comprise costs incurred during the year concerning management and administration, including costs concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

Cost of sales

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

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

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

Results from equity investments in group enterprises and associates

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

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

Tax on net profit or loss for the year

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

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

Statement of financial position

Property, plant, and equipment

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

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

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

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

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

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

	Useful life
Other fixtures and fittings, tools and equipment	3-10 years

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

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

Leases

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

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

Impairment loss relating to non-current assets

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

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

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

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

Investments

Equity in group enterprises and associates

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

Accounting policies

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

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

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

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

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

Other financial instruments and equity investments

Financial instruments and equity investments recognised under non-current assets comprise listed bonds and shares measured at fair value on the reporting date. Listed financial instruments are measured at market price.

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

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

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

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

Receivables

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

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

Prepayments and accrued income

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

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

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

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

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

According to the rules of joint taxation, simonsen a/s is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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

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

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

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

Liabilities other than provisions

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

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

Income statement 1 January - 31 December

All amounts in DKK.

Note		2020	2019
	Revenue	225.669.220	263.523.025
	Production costs	-197.474.216	-231.993.310
	Gross profit	**28.195.004**	**31.529.715**
	Distribution costs	-1.712.240	-4.740.357
	Administration costs	-14.598.121	-12.937.638
	Other operating income	0	15.347
	Other operating costs	-5.499	0
	Operating profit	**11.879.144**	**13.867.067**
	Income from equity investments in group enterprises	14.262	14.158
	Other financial income from group enterprises	106.456	127.256
	Other financial income	23.942	58.494
2	Other financial costs	-180.144	-138.600
	Financing, net	-35.484	61.308
	Pre-tax net profit or loss	**11.843.660**	**13.928.375**
3	Tax on net profit or loss for the year	-2.650.238	-3.100.978
4	**Net profit or loss for the year**	**9.193.422**	**10.827.397**

Statement of financial position at 31 December

All amounts in DKK.

Assets

Note		2020	2019
	Non-current assets		
5	Other fixtures and fittings, tools and equipment	1.564.119	1.552.517
	Total property, plant, and equipment	1.564.119	1.552.517
6	Equity investments in group enterprises	1.092.849	1.078.587
7	Other financial instruments and equity investments	432.637	432.637
	Total investments	1.525.486	1.511.224
	Total non-current assets	**3.089.605**	**3.063.741**
	Current assets		
	Manufactured goods and goods for resale	2.040.373	7.021.467
	Total inventories	2.040.373	7.021.467
	Trade receivables	33.103.777	33.842.058
	Receivables from group enterprises	5.429.471	6.005.684
	Income tax receivables	0	67.818
	Other receivables	1.809.518	1.140.609
8	Prepayments and accrued income	522.489	416.575
	Total receivables	40.865.255	41.472.744
	Cash on hand and demand deposits	15.127.976	10.057.965
	Total current assets	**58.033.604**	**58.552.176**
	Total assets	**61.123.209**	**61.615.917**

Statement of financial position at 31 December

All amounts in DKK.

Note	Equity and liabilities	2020	2019
	Equity		
	Contributed capital	500.000	500.000
	Reserve for net revaluation according to the equity method	92.849	78.587
	Retained earnings	19.517.109	16.337.949
	Proposed dividend for the financial year	6.000.000	6.000.000
	Total equity	**26.109.958**	**22.916.536**
	Provisions		
9	Provisions for deferred tax	130.516	111.896
	Total provisions	**130.516**	**111.896**
	Liabilities other than provisions		
	Trade payables	27.767.331	31.835.510
	Payables to group enterprises	1.085.773	1.074.339
	Income tax payable	221.618	0
	Other payables	5.808.013	5.677.636
	Total short term liabilities other than provisions	34.882.735	38.587.485
	Total liabilities other than provisions	**34.882.735**	**38.587.485**
	Total equity and liabilities	**61.123.209**	**61.615.917**

1 Employee issues
10 Contingencies
11 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2019	500.000	64.429	11.524.710	5.200.000	17.289.139
Distributed dividend	0	0	0	-5.200.000	-5.200.000
Share of profit or loss	0	14.158	4.813.239	6.000.000	10.827.397
Equity 1 January 2020	500.000	78.587	16.337.949	6.000.000	22.916.536
Distributed dividend	0	0	0	-6.000.000	-6.000.000
Share of profit or loss	0	14.262	3.179.160	6.000.000	9.193.422
	500.000	**92.849**	**19.517.109**	**6.000.000**	**26.109.958**

Notes

All amounts in DKK.

		2020	2019
1.	**Employee issues**		
	Salaries	7.574.873	6.909.376
	Pensions	2.177.292	2.136.984
	Social Costs	535.042	579.688
		10.287.207	**9.626.048**

Staff costs are recognised as follows in the income statement:

	2020	2019
Administration costs	10.287.208	9.626.048
	10.287.208	**9.626.048**
Board of directors	380.019	380.028
Average number of employees	15	15

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

		2020	2019
2.	**Other financial costs**		
	Financial costs, group enterprises	26.675	26.293
	Other financial costs	153.469	112.307
		180.144	**138.600**
3.	**Tax on net profit or loss for the year**		
	Tax on net profit or loss for the year	2.631.618	3.086.182
	Adjustment of deferred tax for the year	18.620	14.796
		2.650.238	**3.100.978**

Notes

All amounts in DKK.

		2020	2019
4.	**Proposed appropriation of net profit**		
	Reserves for net revaluation according to the equity method	14.262	14.158
	Dividend for the financial year	6.000.000	6.000.000
	Transferred to retained earnings	3.179.160	4.813.239
	Total allocations and transfers	**9.193.422**	**10.827.397**

		2020	2019
5.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2020	3.928.140	3.580.940
	Additions during the year	269.743	765.303
	Disposals during the year	-35.769	-418.103
	Cost 31 December 2020	**4.162.114**	**3.928.140**
	Depreciation and writedown 1 January 2020	-2.325.636	-2.445.237
	Amortisation and depreciation for the year	-287.245	-278.836
	Reversal of depreciation, amortisation and impairment loss, assets disposed of	14.886	348.450
	Depreciation and writedown 31 December 2020	**-2.597.995**	**-2.375.623**
	Carrying amount, 31 December 2020	**1.564.119**	**1.552.517**

Notes

All amounts in DKK.

		31/12 2020	31/12 2019
6.	**Equity investments in group enterprises**		
	Cost 1 January 2020	1.000.000	1.000.000
	Cost 31 December 2020	**1.000.000**	**1.000.000**
	Revaluations, opening balance 1 January 2020	78.587	64.429
	Net profit or loss for the year before amortisation of goodwill	14.262	14.158
	Revaluation 31 December 2020	**92.849**	**78.587**
	Carrying amount, 31 December 2020	**1.092.849**	**1.078.587**

Group enterprises:

	Domicile	**Equity interest**
Simonsen Recycling ApS	Nykøbing Mors	100 %
Simonsen Refractory Service (Shanghai) Co., Ltd.	Shanghai	100 %

		31/12 2020	31/12 2019
7.	**Other financial instruments and equity investments**		
	Cost 1 January 2020	432.637	432.637
	Cost 31 December 2020	**432.637**	**432.637**
	Carrying amount, 31 December 2020	**432.637**	**432.637**
8.	**Prepayments and accrued income**		
	Deferred insurance and other prepayments	522.489	416.575
		522.489	**416.575**
9.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January 2020	111.896	97.100
	Deferred tax relating to the net profit or loss for the year	18.620	14.796
		130.516	**111.896**

Notes

All amounts in DKK.

10. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	339
Warranty guarantee	626
Total contingent liabilities	**965**

Joint taxation

With Morten Simonsen Holding ApS, company reg. no 10155010 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

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

11. Related parties

Controlling interest

Morten Simonsen Holding ApS	Majority shareholder
Møgelvangs Plads 7	
7900 Nykøbing Mors	
Denmark	

Consolidated financial statements

The company is included in the consolidated annual accounts of Morten Simonsen Holding ApS, Møgelvangs Plads 7, 7900 Nykøbing Mors.