

# NKT Ultra A/S

Toftegårdsvej 25  
4550 Asnæs  
Denmark

CVR no. 15 51 58 80

## Annual report 2020

The annual report was presented and approved at the  
Company's annual general meeting on

26 May 2021

  
Mark Skriver Nielsen  
chairman

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**NKT Ultera A/S**  
Annual report 2020  
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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of NKT Ultera A/S for the financial year 1 January – 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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

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

Asnæs, 26 May 2021  
Executive Board:



Mark Skriver Nielsen  
Director

Board of Directors:



Line Andrea Fandrup  
chairman



Mark Skriver Nielsen



Anders Steffen Jensen

## Independent auditor's report

### To the shareholders of NKT Ultera A/S

#### Opinion

We have audited the financial statements of NKT Ultera A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity, and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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.

#### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and 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 internal control that we identify during our audit.

## Statement on the Management's review

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

## Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 26 May 2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR no. 33 96 35 56



Kåre Kansonen Valtersdorf

State Authorised

Public Accountant

mne34490

**NKT Ultera A/S**  
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## Management's review

### Company details

NKT Ultera A/S  
Toftegårdsvej 25  
4550 Asnæs  
Denmark

CVR no.:	15 51 58 80
Established:	1 October 1991
Registered office:	Asnæs
Financial year:	1 January – 31 December

### Board of Directors

Line Andrea Fandrup, chairman  
Mark Skriver Nielsen  
Anders Steffen Jensen

### Executive Board

Mark Skriver Nielsen, Director

### Auditor

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
DK-2300 Copenhagen S  
CVR no. 33 96 35 56

## **Management's review**

### **Operating review**

#### **Purpose**

The company has a development collaboration with the U.S. cable manufacturer Southwire Company. The purpose of the collaboration is to develop and market superconducting cable systems in collaboration with academic and industrial partners. In 2019, Southwire announced the desire to exit this collaboration. The exit was effected in 2020 by NKT's purchase of Southwire's 50% stake in the property of the collaboration. NKT has the intention to pursue market opportunities independently within its regular operation and organization. IP was transferred to NKT Cables Group A/S while hardware and production facilities were transferred to NKT Group GmbH & Co. KG.

#### **Summary 2020**

Subsequent to the termination of the collaboration with Southwire, a request from the German utility company SWM in Munich has resulted in a collaboration between NKT, the major gas company Linde, the HTS wire supplier Theva and two academic institutes regarding the development of a 500 MW, 110 kV solution for a bottle-neck problem in the utility's grid. The collaboration partners have applied for project financing in 2019 and this financing was approved October 1, 2020. This project will be carried forward by NKT Group GmbH & Co. KG.

#### **Expectations for 2021**

The company has no activities planned in 2021.

Parent NKT A/S has given a support letter to NKT Ultera A/S.



## Financial statements 1 January – 31 December

### Income statement

EUR	Note	2020	2019
<b>Gross profit/loss</b>		<u>135,165</u>	<u>-141,347</u>
<b>Operating profit/loss</b>		<u>135,165</u>	<u>-141,347</u>
Financial income		517	1,293
Financial expenses	2	<u>-7,750</u>	<u>-11</u>
<b>Profit/loss before tax</b>		<u>127,932</u>	<u>-140,065</u>
Tax on profit/loss for the year		<u>-28,122</u>	<u>31,244</u>
<b>Profit/loss for the year</b>		<u><u>99,810</u></u>	<u><u>-108,821</u></u>
<b>Proposed profit appropriation/distribution of loss</b>			
Retained earnings		<u><u>99,810</u></u>	<u><u>-108,821</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

EUR	Note	31/12 2020	31/12 2019
<b>ASSETS</b>			
<b>Current assets</b>			
<b>Receivables</b>			
Deferred tax asset		51,438	78,658
Corporation tax		0	6,744
		<u>51,438</u>	<u>85,402</u>
<b>Total current assets</b>		<u>51,438</u>	<u>85,402</u>
<b>TOTAL ASSETS</b>		<u><u>51,438</u></u>	<u><u>85,402</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	3	161,306	161,306
Retained earnings		<u>-137,203</u>	<u>-237,013</u>
<b>Total equity</b>		<u>24,103</u>	<u>-75,707</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Banks, current liabilities		24,238	28,391
Trade payables		0	1,476
Payables to group entities		<u>3,097</u>	<u>131,242</u>
		<u>27,335</u>	<u>161,109</u>
<b>Total liabilities</b>		<u>27,335</u>	<u>161,109</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>51,438</u></u>	<u><u>85,402</u></u>

## Financial statements 1 January – 31 December

### Statement of changes in equity

EUR	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	161,306	-237,013	-75,707
Transferred over the profit appropriation	<u>0</u>	<u>99,810</u>	<u>99,810</u>
<b>Equity at 31 December 2020</b>	<u><u>161,306</u></u>	<u><u>-137,203</u></u>	<u><u>24,103</u></u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of NKT Ultera A/S for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The financial statements are presented in EUR.

#### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

#### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Differences arising between the rates of exchange on the transaction date and on the date of payment are recognised in the income statement as financial items.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

### Income statement

#### Other operating income

Other operating income comprises income of a secondary nature, such as sales of assets, as compared to the primary activities within the entity.

#### Other external costs

Other external costs include costs relating to the Company's ordinary activities. Development costs are recognised in the income statement when paid and is part of other external costs.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Financial income

Other financial income comprises dividends etc received from other investments, interest income, including interest income from receivables from group enterprises and currency gains.

##### Financial expenses

Financial expenses comprise interest expenses, including interest expenses from payables to group enterprises, and currency losses.

##### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company is covered by the Danish regulations on compulsory joint taxation of the NKT Group's Danish companies.

The Parent Company, NKT A/S, serves as the administration company in a joint taxation arrangement and consequently settles all payments of corporate income tax with the tax authorities.

Current Danish income tax is shared between the jointly taxed companies in proportion to their taxable income. Companies with tax losses receive joint contributions from companies that have been able to use these losses to reduce their own taxable incomes.

### Balance sheet

#### Corporation tax and deferred tax

Deferred tax is measured according to the balance-sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative taxation rules can be applied to determine the tax base, deferred tax is measured according to Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carry forward, are recognized as other non-current assets at the expected value of their utilization, either by set-off against tax on future income or by set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is adjusted for the elimination of unrealized intra-group profits and losses.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### Liabilities

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

## Financial statements 1 January – 31 December

### Notes

#### 2 Financial expenses

EUR	2020	2019
Interest expense to group entities	4,525	11
Exchange losses	3,225	0
	<u>7,750</u>	<u>11</u>

#### 3 Equity

The contributed capital consists of 12,000 shares of a nominal value of EUR 13 each.

All shares rank equally.

#### 4 Contractual obligations, contingencies, etc.

##### Contingent liabilities

The Company is jointly registered for VAT purposes with NKT (Denmark) A/S, NKT Cables Group A/S and NKT A/S and is jointly liable for VAT liabilities.

The Company participates in a Danish joint taxation arrangement in which NKT A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

#### 5 Related party disclosures

NKT Ultera A/S' related parties comprise the following:

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the contributed capital:

NKT Cables Group A/S, Vibeholms Allé 20, 2605 Brøndby.

The Company is wholly owned by NKT A/S, Vibeholms Allé 20, 2605 Brøndby.