

# Element METECH A/S

Herringvej 30  
DK-7470 Karup J

CVR no. 21 49 79 32

## Annual report 2023

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

27 June 2024

Karl Henning Bierg  
Chairman of the annual general meeting

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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 Element METECH A/S for the financial year 1 January – 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Karup, 27 June 2024  
Executive Board:

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Karin Fälling Abel  
Director

Board of Directors:

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Mats Stefan Boström  
Chairman

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Karin Fälling Abel

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Leif Arne Åstrøm

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Jesper Allan Sørensen

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Lise-Lotte Dyrby Malm

## Independent auditor's report

### To the shareholders of Element METECH A/S

#### Opinion

We have audited the financial statements of Element METECH A/S for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including 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 financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

#### 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements 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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

## Independent auditor's report

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 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 the note disclosures, 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's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Herning 27 June 2024

**EY**

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Jesper Stier  
State Authorised  
Public Accountant  
mne42245

**Element METECH A/S**  
Annual report 2023  
CVR no. 21 49 79 32

## Management's review

### Company details

Element METECH A/S  
Herningvej 30  
DK-7470 Karup J

CVR no.:	21 49 79 32
Established:	1 January 1999
Registered office:	Viborg
Financial year:	1 January – 31 December

### Board of Directors

Mats Stefan Boström, Chairman  
Karin Fälling Abel  
Leif Arne Åstrøm  
Jesper Allan Sørensen  
Lise-Lotte Dyrby Malm

### Executive Board

Karin Fälling Abel, Director

### Auditor

EY  
Godkendt Revisionspartnerselskab  
Dalgasgade 27  
DK-7400 Herning  
CVR no. 30 70 02 28

## Management's review

### Financial highlights

DKK	2023	2022	2021	2020	2019
<b>Key figures</b>					
Gross profit	36,433,770	32,959,243	34,829,017	27,619,716	30,373,531
Operating profit	11,887,938	13,826,453	16,579,788	10,513,220	11,746,627
Profit/loss from financial income and expenses	4,560,073	-2,498	-233,539	-211,176	-222,090
Profit for the year	13,079,239	10,898,244	12,777,531	8,435,425	8,972,997
<b>Total assets</b>					
Total assets	134,853,514	116,770,878	105,377,710	93,831,880	76,354,858
Equity	103,346,783	90,267,544	79,369,300	66,591,769	58,156,344
Investment in property, plant and equipment	11,150,726	8,165,324	4,068,754	1,355,929	3,695,930
<b>Ratios</b>					
Return on equity	13.5%	12.8%	17.5%	13.5%	16.8%
Solvency ratio	76.6%	77.3%	75.3%	71.0%	76.2%
<b>Average number of full- time employees</b>					
Average number of full- time employees	119	112	103	108	111

The financial ratios have been calculated as follows:

Return on equity  $\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$

Solvency ratio  $\frac{\text{Equity} \times 100}{\text{Total equity and liabilities at year-end}}$

## Management's review

### Operating review

#### Principal activities

Element Metech A/S is engaged within calibration and repair of measuring equipment. The Company's strength is a total concept called Metech Instrument Management. This includes calibration and maintenance of mechanical, geometric, electronic, temperature, optical, acoustic and medico technical measuring equipment. The Metech Instrument Management concept also includes all services related to administration, procurement, maintenance and disposal of measuring equipment. In addition, the Company offers logistics, courses and consulting services.

#### Development in activities and financial position

For Element Metech A/S, 2023 was a good year, especially when considering the significant range of changes – both planned and unplanned. Our revenue exceeded our budget for 2023, and we enjoyed major growth compared to 2022. Earnings were above budget, due to high revenue and savings on costs.

Element Metech A/S operates mainly in three market segments: renewable energy, life science and general industry.

Despite unpredictable outlook the revenue from Renewable Energy area increased. Our good foothold with key stakeholders in maintenance/service and laser tracking paid off and we continued to carry out a number of tasks in Southern Europe.

Life Science revenue continue to be a good source of revenue. Customers in the Life Science sector is growing with a steady demand for onsite services. Their need for flexibility and highly customized services has turned to be a good revenue stream.

During 2023 the Company has been through several changes with significant impact on operations, customers and the organization.

Severe outbreak of mold in Taastrup facilities caused several months in temporary location while renovating and moving to a new location. In parallel the planned move from Karup/Lem labs to new Herring facility suffered a severe setback as investor and cost landscape changed and forced reconsiderations of the project, the layout, the location and cost model. 4th quarter of the year, the scope and agreement with new investor was signed.

With General Manager Bendix Christensen's retirement and Karin Abel's entry, a wave of leadership changes was initiated as well. In October a new Leadership Team was formed with a smaller group of leaders taking accountability for the key functions of the organization and initiating a range of initiatives to revitalize the organization and operating system of the Company.

It remains essential and challenging for the Company's continued growth to attract and retain technicians with a high level of competence, including technicians with know-how and expertise in calibration and validation. As our major customers often operate abroad or in highly regulated sectors, great demands are placed on our employees' qualifications and the services we provide. We therefore keep high focus on succession planning and employee development, while at the same time, our growth requires that we can continuously attract new highly qualified colleagues.

The Company's income statement for 2023 shows a profit of DKK 13.1 million against last year's profit of DKK 10.9 million DKK, and in the Company's balance sheet at 31 December 2023, equity stood at DKK 103.4 million.



## Management's review

### Operating review

#### Operating review

The level of activity increased with 9% compared with 2022 and this is slightly higher than the expectation from the annual report for 2022. Results were up by DKK 2.2 million on last year's results and were higher than expected in the annual report for 2022.

#### Environmental matters

Element Metech A/S is environmentally conscious and works continuously to reduce the environmental impact of its operations.

In 2023, collecting and recycling spare parts and waste products continued, just as other excess materials were collected and recycled to the extent possible. At the same time, we work with our customers to limit paper consumption by using electronic certificates instead of extensive printed reports.

The move to new upgraded facilities in Taastrup will lower our energy footprint. In addition, we use low-emission company cars. We focus on the use of hybrid cars and purely electric cars.

#### Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2023.

#### Outlook

Element Metech A/S expects 2024 to be a profitable year with further consolidation of the company's equity through stabilization of Lab infrastructure and a revised organization. There are great expectations for strengthening and increasing sales across sectors, despite high risks related to Herning move and implementation of new IT platform. However, we do expect to stabilize our operations with increased productivity in second half year, and accordingly we expect to report results in accordance with budget.

The level of activity for 2024 is expected to increase with 5 - 7% compared with 2023. Profit before tax for 2024 is expected to increase with 2 - 4%.

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2023	2022
<b>Gross profit</b>	2	36,433,770	32,959,243
Distribution costs	2	-4,547,940	-4,070,336
Administrative expenses		<u>-19,997,892</u>	<u>-15,062,454</u>
<b>Operating profit</b>		11,887,938	13,826,453
Other operating income		<u>276,714</u>	<u>69,914</u>
<b>Profit before financial income and expenses</b>		12,164,652	13,896,367
Other financial income	3	4,867,861	256,938
Other financial expenses		<u>-307,788</u>	<u>-259,436</u>
<b>Profit before tax</b>		16,724,725	13,893,869
Tax on profit for the year	4	<u>-3,645,486</u>	<u>-2,995,625</u>
<b>Profit for the year</b>	5	<u><u>13,079,239</u></u>	<u><u>10,898,244</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2023	31/12 2022
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	6		
Goodwill		<u>538,000</u>	<u>734,000</u>
<b>Property, plant and equipment</b>	7		
Plant and machinery		14,175,319	13,294,911
Fixtures and fittings, tools and equipment		769,293	839,113
Leasehold improvements		<u>7,820,498</u>	<u>3,470,160</u>
		<u>22,765,110</u>	<u>17,604,184</u>
<b>Investments</b>			
Other receivables		<u>4,178,051</u>	<u>917,189</u>
<b>Total fixed assets</b>		<u>27,481,161</u>	<u>19,255,373</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		<u>489,164</u>	<u>424,914</u>
<b>Receivables</b>			
Trade receivables		26,952,731	28,988,617
Receivables from group entities		69,876,809	59,844,069
Work in progress		3,280,672	2,348,133
Other receivables		1,475,110	502,993
Corporation tax		216,216	0
Prepayments		<u>1,017,913</u>	<u>938,552</u>
		<u>102,819,451</u>	<u>92,622,364</u>
<b>Cash at bank and in hand</b>		<u>4,063,738</u>	<u>4,468,227</u>
<b>Total current assets</b>		<u>107,372,353</u>	<u>97,515,505</u>
<b>TOTAL ASSETS</b>		<u>134,853,514</u>	<u>116,770,878</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2023	31/12 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	8	5,000,000	5,000,000
Retained earnings		<u>98,346,783</u>	<u>85,267,544</u>
<b>Total equity</b>		<u>103,346,783</u>	<u>90,267,544</u>
<b>Provisions</b>			
Provisions for deferred tax	9	1,282,296	1,074,584
Other provisions		<u>1,137,083</u>	<u>1,212,352</u>
<b>Total provisions</b>		<u>2,419,379</u>	<u>2,286,936</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Other payables	10	<u>5,686,045</u>	<u>5,921,763</u>
<b>Current liabilities other than provisions</b>			
Trade payables		2,956,426	2,223,784
Payables to group entities		5,114,572	4,460,240
Corporation tax		0	751,236
Other payables	10	<u>15,330,309</u>	<u>10,859,375</u>
		<u>23,401,307</u>	<u>18,294,635</u>
<b>Total liabilities other than provisions</b>		<u>29,087,352</u>	<u>24,216,398</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>134,853,514</u>	<u>116,770,878</u>
<b>Staff costs</b>	2		
<b>Contractual obligations, contingencies, etc.</b>	11		
<b>Related party disclosures</b>	12		
<b>Disclosure of events after the balance sheet date</b>	13		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2023	5,000,000	85,267,544	90,267,544
Profit for the year	0	13,079,239	13,079,239
<b>Equity at 31 December 2023</b>	<b>5,000,000</b>	<b>98,346,783</b>	<b>103,346,783</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Element METECH A/S for 2023 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

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

#### Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are recognised in the cash flow statement contained in the consolidated financial statements of Element Materials Technology Ltd.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and exchange losses are recognised as financial income and financial expenses in the income statement.

### Income statement

#### Revenue

Income from the sale of goods for sale is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income is expected to be received. Revenue is measured ex VAT, duties and discounts.

Income from services is recognised as income when the services have been completed.

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

#### Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries, incurred to generate revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases and depreciation of production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

In addition, write-down for bad debts on contract work is recognised.

#### Gross profit

Referring to section 32 of the Danish Financial Statements Act, the items revenue and up to and including production costs have been aggregated in the item "Gross profit".

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions.

##### Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, management, office premises, office expenses and depreciation.

##### Other operating income

Other operating income comprises items secondary to the activities of the Company.

##### Depreciation/amortisation and impairment losses

Depreciation/amortisation and impairment losses relate to intangible assets and property, plant and equipment. Depreciation/amortisation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Goodwill 10-20 years  
Licenses acquired 3-5 years  
Patents acquired 3-5 years  
Leasehold improvements 5-10 years  
Plant and machinery 5-7 years  
Fixtures and fittings, tools and equipment 4-7 years

Goodwill is attributable to the take-over of calibration lab specialising in the calibration of instruments used in the pharmaceutical industry and to the take-over of other calibration businesses. The pharmaceutical industry is characterised by a high degree of insensitivity to market fluctuations. Accordingly, we have chosen an amortisation period of 20 years for this goodwill caption.

##### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts attributable to the financial year. Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

### Balance sheet

#### Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

The carrying amount of goodwill is subject to impairment testing if there is indication of impairment. The impairment test is made of the activity or the business area to which goodwill relates. Goodwill is written down to the higher of its value in use and the net selling price for the activity or the business area to which goodwill relates (recoverable amount) if this is lower than carrying amount.

Other intangible assets comprise software licenses and product development.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. The carrying amount of intangible assets acquired is subject to impairment testing if there is indication of impairment. Impairment tests are conducted of individual assets or groups of assets. The assets are written down to the higher of the asset's or the group of assets' value in use and net selling price (recoverable amount) if this is lower than carrying amount.

#### Property, plant and equipment

Property, plant and equipment comprise leasehold improvement, plant and machinery and fixtures and fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Property, plant and equipment which are held under leases and meet the criteria for the recognition as finance leases are accounted for in the same way as assets owned by the Company.

The cost of finance leases is measured at the lower of cost set out in the lease agreements and net present value of lease payments stated on the basis of the interest rates implicit in the lease agreements.

The carrying amount of property, plant and equipment is subject to impairment testing if there is indication of impairment. Impairment tests are conducted of individual assets or groups of assets. The assets are written down to the higher of the asset's or the group of assets' value in use and net selling price (recoverable amount) if this is lower than carrying amount.

#### Investments

Other receivables comprise deposits and are recognised at amortised cost.

#### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Finished goods and work in progress are measured at expected selling price less completion costs, selling expenses and a reasonable profit for the acquiring company's completion and sales effort, based on the profit on similar finished goods.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

#### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost. Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

#### Work in progress

Work in progress are measured at the selling price of the work performed less progress billings and expected losses. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual construction contract. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual construction contract.

#### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Cash at bank and in hand

Cash and cash equivalents comprise cash and bank deposits.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and other items where temporary differences – apart from business combinations – arise at the date of acquisition without affecting either profit/loss or taxable income. In the cases, where the statement of tax value can be based on different taxation rules, deferred tax is measured on the basis of Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the relevant countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Provisions

The Company has estimated the re-establishment costs regarding our leases. The estimated costs are capitalized together with costs for leasehold improvements.

##### Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan.

Furthermore, financial liabilities comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

#### 2 Staff costs

	<u>2023</u>	<u>2022</u>
Wages and salaries	72,297,063	67,488,160
Pensions	7,093,220	5,484,882
Other social security costs	1,419,177	1,286,974
Salary refunds	<u>-976,184</u>	<u>-1,418,678</u>
	<u>79,833,276</u>	<u>72,841,338</u>
Average number of full-time employees	<u>119</u>	<u>112</u>

Pursuant to section 98b(3) of the Danish Financial Statements Act, no remuneration of Management has been disclosed.

#### 3 Other financial income

DKK	<u>2023</u>	<u>2022</u>
Interest income from group entities	<u>4,867,861</u>	<u>256,938</u>
	<u>4,867,861</u>	<u>256,938</u>

## Financial statements 1 January – 31 December

### Notes

DKK	2023	2022		
<b>4 Tax on profit for the year</b>				
Current tax for the year	3,437,774	3,207,236		
Deferred tax for the year	207,712	-211,611		
	<u>3,645,486</u>	<u>2,995,625</u>		
<b>5 Proposed profit appropriation</b>				
Retained earnings	<u>13,079,239</u>	<u>10,898,244</u>		
<b>6 Intangible assets</b>				
DKK	Acquired patents	Goodwill	Total	
Cost at 1 January 2023	<u>3,522,482</u>	<u>2,460,000</u>	<u>5,982,482</u>	
Cost at 31 December 2023	<u>3,522,482</u>	<u>2,460,000</u>	<u>5,982,482</u>	
Amortisation and impairment losses at 1 January 2023	-3,522,482	-1,726,000	-5,248,482	
Amortisation for the year	<u>0</u>	<u>-196,000</u>	<u>-196,000</u>	
Amortisation and impairment losses at 31 December 2023	<u>-3,522,482</u>	<u>-1,922,000</u>	<u>-5,444,482</u>	
<b>Carrying amount at 31 December 2023</b>	<u>0</u>	<u>538,000</u>	<u>538,000</u>	
<b>7 Property, plant and equipment</b>				
DKK	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2023	56,937,188	2,779,098	10,956,253	70,672,539
Additions for the year	4,030,896	401,945	6,717,885	11,150,726
Disposals for the year	<u>-317,556</u>	<u>-72,688</u>	<u>-6,598,251</u>	<u>-6,988,495</u>
Cost at 31 December 2023	<u>60,650,528</u>	<u>3,108,355</u>	<u>11,075,887</u>	<u>74,834,770</u>
Depreciation and impairment losses at 1 January 2023	-43,642,277	-1,939,985	-7,486,093	-53,068,355
Depreciation for the year	-3,129,661	-471,765	-1,312,900	-4,914,326
Reversed depreciation and impairment losses on assets sold	<u>296,729</u>	<u>72,688</u>	<u>5,543,604</u>	<u>5,913,021</u>
Depreciation and impairment losses at 31 December 2023	<u>-46,475,209</u>	<u>-2,339,062</u>	<u>-3,255,389</u>	<u>-52,069,660</u>
<b>Carrying amount at 31 December 2023</b>	<u>14,175,319</u>	<u>769,293</u>	<u>7,820,498</u>	<u>22,765,110</u>

## Financial statements 1 January – 31 December

### Notes

#### 8 Equity

Contributed capital consists of:

50,000 shares of a nominal amount of DKK 100 each.

The shares have not been divided into classes, and as set out in the Articles of Association, no share certificates have been issued. There have been no changes in contributed capital for the past five years.

DKK	<u>31/12 2023</u>	<u>31/12 2022</u>
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#### 9 Provisions

##### Deferred tax liability

Deferred tax at 1 January	1,074,584	1,286,195
Deferred tax adjustment for the year in the income statement	<u>207,712</u>	<u>-211,611</u>
	<u>1,282,296</u>	<u>1,074,584</u>

##### Other provisions

The re-establishment costs amount to 1,137,083 end of 2023. This amount will be depreciated over the lease period from year 2023 and forward.

#### 10 Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

DKK	<u>31/12 2023</u>	<u>31/12 2022</u>
Other payables, including taxes payable:		
0-1 years	15,330,309	10,859,375
1-5 years	1,084,697	1,213,658
>5 years	<u>4,601,348</u>	<u>4,708,105</u>
	<u>21,016,354</u>	<u>16,781,138</u>

#### 11 Contractual obligations, contingencies, etc.

The Company's rental obligations amount to DKK 93,726,493 with duration from 3 months up to 17 years.

The Company's operating lease obligations total DKK 4,813,099 with duration from 3 months up to 5 years.

## Financial statements 1 January – 31 December

### Notes

#### 12 Related party disclosures

##### Related party transactions

DKK	2023	2022
Sale of services	7,094,614	4,229,064
Purchase of services	58,427	101,039
Purchase of fixed assets	0	32,632
Purchase of administrative services	610,651	810,413
Management charges	4,845,000	4,001,000
Funding to related parties	69,128,243	57,650,205
Interest income from group entities	4,867,861	256,938

Payables/receivables to/from related parties are disclosed in the balance sheet.

##### Control

Element Metech AB, 581 13 Linköping, Sweden.

Element Metech AB holds the majority of the contributed capital in the Company.

##### Consolidated financial statements

Element METECH A/S is part of the consolidated financial statements of Element Materials Technology Ltd., 5 Fleet Place London, EC4M 7RD, United Kingdom (registration number 09915810), which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Element Materials Technology Ltd. can be obtained from Element Metech A/S.

#### 13 Disclosure of events after the balance sheet date

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

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## Leif Arne Åström

**Board member**

På vegne af: Element Metech A/S

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## Jesper Allan Sørensen

**Board member**

På vegne af: Element Metech A/S

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## Karl Henning Bjerg

**ELEMENT METECH A/S CVR: 21497932**

**Chair of the meeting**

På vegne af: Element Metech A/S

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## Lise-Lotte Dyrby Malm

**Board member**

På vegne af: Element Metech A/S

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## Karin Fälling Abel

**Director**

På vegne af: Element Metech A/S

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## Karin Fälling Abel

**Board member**

På vegne af: Element Metech A/S

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## Mats Stefan Boström

Chairman

På vegne af: Element Metech A/S

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## Jesper Stier

Statsaut. revisor

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: 1bff6dba-b2c7-4e9f-9d67-849721ba494f

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