

# Element METECH A/S

Herningvej 30  
DK-7470 Karup J

CVR no. 21 49 79 32

## Annual report 2021

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

30 May 2022

Karl Henning Bjerg  
Chairman of the annual general meeting

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**Element METECH A/S**  
Annual report 2021  
CVR no. 21 49 79 32

## 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 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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, 30 May 2022  
Executive Board:

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Bendix Frede Christensen

Board of Directors:

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Mats Stefan Boström  
Chairman

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Leif Arne Åstrøm

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Bendix Frede Christensen

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Jesper Allan Sørensen

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Bent Reventlov Husted

## 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 2021 comprising income statement, balance sheet, statement of changes in equity 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 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.

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 that 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 the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

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 company 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.

## Independent auditor's report

- 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 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 Statements Act. We did not identify any material misstatement of the Management's review.

Herning, 30 May 2022

**EY**

Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Jesper Stier  
State Authorised  
Public Accountant  
mne42245

**Element METECH A/S**  
Annual report 2021  
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  
Leif Arne Åstrøm  
Bendix Frede Christensen  
Jesper Allan Sørensen  
Bent Reventlov Husted

### Executive Board

Bendix Frede Christensen

### Auditor

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

## Management's review

### Financial highlights

DKK	2021	2020	2019	2018	2017
<b>Key figures</b>					
Gross profit	34,829,017	27,619,716	30,373,531	28,029,911	26,248,644
Operating profit	16,579,788	10,513,220	11,746,627	10,109,552	8,057,414
Profit/loss from financial income and expenses	-233,539	-211,176	-222,090	-204,537	-61,681
Profit for the year	12,777,531	8,435,425	8,972,997	7,692,922	6,265,904
<b>Total assets</b>					
Equity	105,377,710	93,831,880	76,354,858	69,773,982	61,345,705
Investment in property, plant and equipment	79,369,300	66,591,769	58,156,344	49,183,347	41,490,425
	4,068,754	1,355,929	3,695,930	4,459,785	4,959,174
<b>Ratios</b>					
Return on equity	17.5%	13.5%	16.8%	17.6%	16.4%
Solvency ratio	75.3%	71.0%	76.2%	70.1%	67.3%
<b>Average number of full-time employees</b>					
	103	108	111	111	106

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.

#### Change in accounting policies

The Company has changed its accounting policies regarding work in progress. Previously, work in progress was measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overhead. From 2021 work in progress is measured at sales values. The Company has also estimated the re-establishment costs regarding our leases. The estimated costs are capitalized together with costs for leasehold improvements. Previously the re-establishment costs were not estimated and therefore not capitalized in the annual report. The changes in accounting policies were made in order to give a more true and fair view of the Company's activities, results and financial position. For more information see description under Note 1.

#### Development in activities and financial position

For Element Metech A/S, 2021 was a very good year. Although Denmark was also affected by COVID-19 and the associated restrictions in 2021, both the company's turnover and earnings were significantly above budget and last year's results.

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

The Renewable Energy area showed very good growth in 2021. The increasing interest in the use of renewable energy as an alternative to oil and gas has meant strong growth for our customers and thus also for us.

In 2020, we were affected by the fact that our Life Science customers did not want to receive visits from our technicians due to COVID-19. As a result, a significant part of our on-site activities was suspended. In 2021, on-site activities with our Life Science customers were partially closed again. At the same time, the general business climate in Denmark turned out to be extremely positive, so where in 2020 we had to reduce our activities, in 2021 we had to hire a number of new employees to keep up with demand.

In 2021, our new thermal validation business also experienced significant growth. We succeeded in selling our services to a number of major life science companies. At the same time, we strengthened our skills in this area through training existing and hiring new qualified staff, enabling us to provide validation services to a wider client base.

It is essential 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 large customers often operate abroad, great demands are placed on our employees' qualifications and the services we provide. We therefore constantly focus on employee development, while at the same time, our growth requires that we can continuously attract new highly qualified colleagues to the Company.

The Company's income statement for 2021 shows a result of 12.8 million DKK against last year's result of 8.4 million DKK, and the Company's balance sheet per December 31, 2021 shows an equity of 79.4 million DKK.



## Management's review

### Operating review

The level of activity increased with 11% compared with 2020 and this is 3-4% more than expected in the annual report for 2020. The result increased with 4.3 million DKK against last year's result and is in line with the expectation from the annual report for 2020.

### Environmental matters

Element Metech A/S is environmentally aware and works continuously to reduce the environmental impact of the Company's operations.

In 2021, the development of collecting and recycling spare parts and waste products continues, just as other excess materials are 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.

At our Taastrup lab we use exclusively green energy. In addition, we make demands on our company cars for low pollution. We focus on the use of hybrid cars and purely electric cars.

### Events after the balance sheet date

No events have occurred since the end of the year that could materially affect the assessment of the Company's financial position.

### Outlook

Element Metech A/S expects 2022 to be a profitable year with further consolidation of the company's equity. There are great expectations for strengthening and increasing sales within the Life Science area as well as further expansion in the Energy sector. We do not foresee any impact of Covid-19 in 2022, and accordingly we expect to report results in accordance with budget.

The level of activity for 2022 is expected to increase with 5 -7% compared with 2021. Profit before tax for 2022 is expected to increase with 3 – 4%.

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2021	2020
<b>Gross profit</b>	2	34,829,017	27,619,716
Distribution costs	2	-3,244,666	-3,149,387
Administrative expenses		<u>-15,004,563</u>	<u>-13,957,109</u>
<b>Operating profit</b>		16,579,788	10,513,220
Other operating income	2	<u>7,768</u>	<u>527,609</u>
<b>Profit before financial income and expenses</b>		16,587,556	11,040,829
Other financial expenses		<u>-233,539</u>	<u>-211,176</u>
<b>Profit before tax</b>		16,354,017	10,829,653
Tax on profit for the year	3	<u>-3,576,486</u>	<u>-2,394,228</u>
<b>Profit for the year</b>	4	<u><u>12,777,531</u></u>	<u><u>8,435,425</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2021	31/12 2020
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	5		
Acquired patents		0	4,964
Goodwill		930,000	1,126,000
		<u>930,000</u>	<u>1,130,964</u>
<b>Property, plant and equipment</b>	6		
Plant and machinery		9,630,277	9,515,782
Fixtures and fittings, tools and equipment		1,221,930	160,918
Leasehold improvements		2,880,424	1,989,043
		<u>13,732,631</u>	<u>11,665,743</u>
<b>Investments</b>			
Other receivables		893,655	877,187
<b>Total fixed assets</b>		<u>15,556,286</u>	<u>13,673,894</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		424,683	394,529
Work in progress		5,859,643	1,921,175
		<u>6,284,326</u>	<u>2,315,704</u>
<b>Receivables</b>			
Trade receivables		20,978,124	22,422,669
Receivables from group entities		55,335,558	47,862,447
Other receivables		599,952	687,099
Corporation tax		928,597	0
Prepayments		1,031,443	505,410
		<u>78,873,674</u>	<u>71,477,625</u>
<b>Cash at bank and in hand</b>		<u>4,663,424</u>	<u>6,364,657</u>
<b>Total current assets</b>		<u>89,821,424</u>	<u>80,157,986</u>
<b>TOTAL ASSETS</b>		<u><u>105,377,710</u></u>	<u><u>93,831,880</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2021	31/12 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	7	5,000,000	5,000,000
Retained earnings		<u>74,369,300</u>	<u>61,591,769</u>
<b>Total equity</b>		<u>79,369,300</u>	<u>66,591,769</u>
<b>Provisions</b>			
Provisions for deferred tax	8	1,286,195	894,111
Other provisions		<u>1,074,603</u>	<u>0</u>
<b>Total provisions</b>		<u>2,360,798</u>	<u>894,111</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Other payables	9	<u>6,062,237</u>	<u>6,239,363</u>
<b>Current liabilities other than provisions</b>			
Prepayments received from customers		0	350,250
Trade payables		2,249,265	1,989,298
Payables to group entities		3,969,233	2,876,685
Corporation tax		0	1,168,939
Other payables	9	<u>11,366,877</u>	<u>13,721,465</u>
		<u>17,585,375</u>	<u>20,106,637</u>
<b>Total liabilities other than provisions</b>		<u>23,647,612</u>	<u>26,346,000</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>105,377,710</u>	<u>93,831,880</u>
<b>Staff costs</b>			
Contractual obligations, contingencies, etc.	10		
Related party disclosures	11		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	5,000,000	61,591,769	66,591,769
Profit for the year	0	12,777,531	12,777,531
<b>Equity at 31 December 2021</b>	<b>5,000,000</b>	<b>74,369,300</b>	<b>79,369,300</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Element METECH A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

#### 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.

#### Change in accounting policies

The Company has changed its accounting policies regarding work in progress. Previously, work in progress was measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overhead. From 2021 work in progress is measured at sales values. The changes in accounting policies were made in order to give a more true and fair view of the Company's activities, results and financial position.

Work in progress end of 2021 amount to 5,859,643 DKK at sales value. Measured at cost work in progress end of 2021 amount to 5,169,207 DKK.

End of 2020 work in progress amount to 1,921,175 at cost value. Measured at sales value the amount would be 2,186,200 DKK.

The change affects this year's profit before tax with 690,436 DKK (2020: 265,025 DKK), taxes on 151,896 DKK (2020: 58,306 DKK), the assets with 690,436 DKK (2020: 265,025 DKK) and the equity with 538,540 DKK (2020: 206,719 DKK).

The comparative figures have not been restated to reflect the changed accounting policies because the amounts are insignificant.

#### 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 recognized as income, when the jobs have been completed.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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".

##### 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 statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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.

##### 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.

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.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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.

#### 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.

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

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.

#### Prepayments

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

#### Provisions

The Company has estimated the re-establishment costs regarding our leases. The estimated costs are capitalized together with costs for leasehold improvements. The re-establishment costs amount to 1,074,603 end of 2021. This amount will be depreciated over the lease period from year 2022 and forward. Year 2021 is first time we have estimated the re-establishment costs, and therefore no depreciation have been made in 2021. Previously the re-establishment costs were not estimated and therefore not capitalized in the annual report.

#### 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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.

DKK	<u>2021</u>	<u>2020</u>
<b>2 Staff costs</b>		
Wages and salaries	60,379,572	58,414,313
Pensions	4,862,124	4,908,016
Other social security costs	1,187,202	1,165,744
Salary refunds	<u>-741,895</u>	<u>-1,483,235</u>
	<u>65,687,003</u>	<u>63,004,838</u>
Average number of full-time employees	<u>103</u>	<u>108</u>

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

#### 3 Tax on profit for the year

Current tax for the year	3,184,403	2,676,939
Deferred tax for the year	392,084	-282,701
Adjustment of tax concerning previous years	<u>-1</u>	<u>-10</u>
	<u>3,576,486</u>	<u>2,394,228</u>

#### 4 Proposed profit appropriation

Retained earnings	<u>12,777,531</u>	<u>8,435,425</u>
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## Financial statements 1 January – 31 December

### Notes

#### 5 Intangible assets

DKK	Acquired patents	Goodwill	Total
Cost at 1 January 2021	3,567,482	2,460,000	6,027,482
Disposals for the year	-45,000	0	-45,000
Cost at 31 December 2021	3,522,482	2,460,000	5,982,482
Amortisation and impairment losses at 1 January 2021	-3,562,518	-1,334,000	-4,896,518
Amortisation for the year	-4,964	-196,000	-200,964
Reversed amortisation and impairment losses on assets sold	45,000	0	45,000
Amortisation and impairment losses at 31 December 2021	-3,522,482	-1,530,000	-5,052,482
<b>Carrying amount at 31 December 2021</b>	<b>0</b>	<b>930,000</b>	<b>930,000</b>

#### 6 Property, plant and equipment

DKK	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvement	Total
Cost at 1 January 2021	49,872,353	1,965,224	8,034,998	59,872,575
Additions for the year	2,711,388	1,207,207	1,224,762	5,143,357
Disposals for the year	-1,997,020	-466,798	0	-2,463,818
Cost at 31 December 2021	50,586,721	2,705,633	9,259,760	62,552,114
Depreciation and impairment losses at 1 January 2019	-40,356,571	-1,804,306	-6,045,955	-48,206,832
Depreciation for the year	-2,596,893	-146,195	-333,381	-3,076,469
Reversed depreciation and impairment losses on assets sold	1,997,020	466,798	0	2,463,818
Depreciation and impairment losses at 31 December 2019	-40,956,444	-1,483,703	-6,379,336	-48,819,483
<b>Carrying amount at 31 December 2021</b>	<b>9,630,277</b>	<b>1,221,930</b>	<b>2,880,424</b>	<b>13,732,631</b>

#### 7 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.

## Financial statements 1 January – 31 December

### Notes

#### 8 Deferred tax liability

DKK	31/12 2021	31/12 2020
Deferred tax at 1 January	894,111	1,176,812
Deferred tax adjustment for the year in the income statement	392,084	-282,701
	<u>1,286,195</u>	<u>894,111</u>

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

Liabilities other than provisions can be specified as follows:

DKK	31/12 2021	31/12 2020
Other payables, including taxes payable:		
0-1 years	11,366,877	13,721,465
1-5 years	6,062,237	6,239,363
	<u>17,429,114</u>	<u>19,960,828</u>

#### 10 Contractual obligations, contingencies, etc.

The Company's rental obligations amount to DKK 4,939,406 with duration from three months up to three years.

The Company's operating lease obligations total DKK 1,745,792 with duration from three months up to five years.

#### 11 Related party disclosures

##### Related party transactions

DKK	2021	2020
Sale of services	3,183,340	2,408,978
Purchase of services	248,306	221,750
Purchase of fixed assets	289,455	0
Purchase of administrative services	1,620,623	1,859,516
Management charges	3,766,000	2,644,000
Funding to related parties	54,687,681	47,657,681

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

#### Consolidated financial statements

The Company is included in the consolidated financial statements of Element Materials Technology Ltd., whose registered office is 5 Fleet Place London, EC4M 7RD, United Kingdom with registration number 09915810.

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

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## Karl Henning Bjerg

### Client Signer

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## Mats Stefan Boström

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## Leif Arne Åström

### Client Signer

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## Bendix Frede Christensen

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## Jesper Allan Sørensen

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## Bent Reventlov Husted

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## Jesper Stier

### EY Signer

På vegne af: EY Godkendt Revisionspartnerselskab

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