

# Element METECH A/S

Herningvej 30  
DK-7470 Karup J

CVR no. 21 49 79 32

## Annual report 2020

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

28 June 2021

Karl Henning Bierg  
Chairman



## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Financial highlights	6
Operating review	7
Financial statements 1 January – 31 December	9
Income statement	9
Balance sheet	10
Statement of changes in equity	12
Notes	13

## 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 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 development in the Company's operations 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, 28 June 2021  
Executive Board:

  
Bendix Frede Christensen

Board of Directors:

  
Mats Stefan Boström  
Chairman

  
Leif Arne Åstrøm

  
Bendix Frede Christensen

  
Jesper Allan Sørensen

  
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 2020 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 2020 and of the results of the Company's operations 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 (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' 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 rules and 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 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.

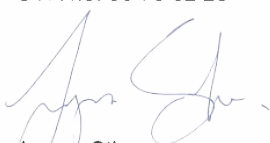
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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, 28 June 2021

**EY**

Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Jesper Stier  
State Authorised  
Public Accountant  
mne42245

**Element METECH A/S**  
Annual report 2020  
CVR no. 21 49 79 32

## Management's review

### Company details

Element METECH A/S  
Herningvej 30  
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	2020	2019	2018	2017	2016
<b>Key figures</b>					
Gross profit	27,619,716	30,373,531	28,029,911	26,248,644	26,211,130
Operating profit	10,513,220	11,746,627	10,109,552	8,057,414	7,766,431
Profit/loss from financial income and expenses	-211,176	-222,090	-204,537	-61,681	95,479
Profit for the year	8,435,425	8,972,997	7,692,922	6,265,904	6,165,363
<b>Total assets</b>					
Equity	66,591,769	58,156,344	49,183,347	41,490,425	35,224,521
Investment in property, plant and equipment	1,355,929	3,695,930	4,459,785	4,959,174	3,410,905
<b>Ratios</b>					
Return on equity	13.5%	16.8%	17.6%	16.4%	19.2%
Solvency ratio	71.0%	76.2%	70.1%	67.3%	63.8%
<b>Average number of full-time employees</b>					
	108	111	111	106	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.

#### Development in activities and financial position

For Element Metech A/S, 2020 was a year influenced by COVID-19 restrictions. When most of Denmark was closed down in March, it immediately led to limited activity among our customers. At the same time, it meant a sharp reduction in our hiring out of consultants to Life Science clients. Therefore, in the spring of 2020, we had to adapt the organisation to the reduced level of activity. At the same time, we implemented other cost-containment measures, so that results for the year, despite a significant decrease in revenue, were in line with the budget.

Together with the other companies in the Element Nordics Group, we, also in 2020, focused on Operational Excellence. The purpose is to improve productivity and quality and shorten turn-around time with the goal to reduce the overall costs for our customers.

For several years, in addition to calibration, we have also worked with thermal validation. In 2020, we increased our focus on this area and established a new business area that focuses on precisely this exciting area.

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 2020 shows a profit of DKK 8.4 million as against last year's profit of DKK 9.0 million, and equity in the Company's balance sheet at 31 December 2020 stood at DKK 66.6 million.

#### Environmental matters

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

In 2020, 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.



## Management's review

### Operating review

#### Outlook

Element Metech A/S expects 2021 to be a profitable year with further consolidation of the Company's equity. In particular, 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 major impact of COVID-19 in 2021, and accordingly we expect to report results in accordance with budget.

The level of activity for 2021 is expected to increase with 7-8% compared with 2020. Profit before tax for 2021 is expected to increase with 4-4,5 mDKK.

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2020	2019
<b>Gross profit</b>	2	27,619,716	30,373,531
Distribution costs	2	-3,149,387	-3,439,053
Administrative expenses		<u>-13,957,109</u>	<u>-15,187,851</u>
<b>Operating profit</b>		10,513,220	11,746,627
Other operating income	2	<u>527,609</u>	<u>35,673</u>
<b>Profit before financial income and expenses</b>		11,040,829	11,782,300
Other financial expenses		<u>-211,176</u>	<u>-222,090</u>
<b>Profit before tax</b>		10,829,653	11,560,210
Tax on profit for the year	3	<u>-2,394,228</u>	<u>-2,587,213</u>
<b>Profit for the year</b>	4	<u>8,435,425</u>	<u>8,972,997</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2020	31/12 2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	5		
Acquired patents		4,964	83,527
Goodwill		<u>1,126,000</u>	<u>1,322,000</u>
		<u>1,130,964</u>	<u>1,405,527</u>
<b>Property, plant and equipment</b>	6		
Plant and machinery		9,515,782	12,135,676
Fixtures and fittings, tools and equipment		160,918	194,953
Leasehold improvements		<u>1,989,043</u>	<u>2,267,934</u>
		<u>11,665,743</u>	<u>14,598,563</u>
<b>Investments</b>			
Other receivables		<u>877,187</u>	<u>855,003</u>
<b>Total fixed assets</b>		<u>13,673,894</u>	<u>16,859,093</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		394,529	267,315
Work in progress		<u>1,921,175</u>	<u>2,571,393</u>
		<u>2,315,704</u>	<u>2,838,708</u>
<b>Receivables</b>			
Trade receivables		22,422,669	23,758,308
Receivables from group entities		47,862,447	27,389,625
Other receivables		687,099	802,841
Prepayments		<u>505,410</u>	<u>862,945</u>
		<u>71,477,625</u>	<u>52,813,719</u>
<b>Cash at bank and in hand</b>		<u>6,364,657</u>	<u>3,843,338</u>
<b>Total current assets</b>		<u>80,157,986</u>	<u>59,495,765</u>
<b>TOTAL ASSETS</b>		<u><u>93,831,880</u></u>	<u><u>76,354,858</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2020	31/12 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	7	5,000,000	5,000,000
Retained earnings		61,591,769	53,156,344
<b>Total equity</b>		<u>66,591,769</u>	<u>58,156,344</u>
<b>Provisions</b>			
Provisions for deferred tax	8	894,111	1,176,812
<b>Total provisions</b>		<u>894,111</u>	<u>1,176,812</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Prepayments received from customers		350,250	0
Trade payables		1,989,298	3,816,780
Payables to group entities		2,876,685	341,674
Corporation tax		1,168,939	148,074
Other payables		19,960,828	12,715,174
		<u>26,346,000</u>	<u>17,021,702</u>
<b>Total liabilities other than provisions</b>		<u>26,346,000</u>	<u>17,021,702</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>93,831,880</u></u>	<u><u>76,354,858</u></u>

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	5,000,000	53,156,344	58,156,344
Profit for the year	0	8,435,425	8,435,425
<b>Equity at 31 December 2020</b>	<b>5,000,000</b>	<b>61,591,769</b>	<b>66,591,769</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Element METECH A/S for 2020 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 invoiced.

#### 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.

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.

#### 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 cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

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 and deferred income

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

#### 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.

#### 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

DKK	<u>2020</u>	<u>2019</u>	
<b>2 Staff costs</b>			
Wages and salaries	58,414,313	59,238,633	
Pensions	4,908,016	5,229,180	
Other social security costs	1,165,744	1,205,320	
Salary refunds	<u>-1,483,235</u>	<u>-783,885</u>	
	<u>63,004,838</u>	<u>64,889,248</u>	
Average number of full-time employees	<u>108</u>	<u>111</u>	
Pursuant to section 98b(3) of the Danish Financial Statements Act, no remuneration of Management has been disclosed.			
<b>3 Tax on profit for the year</b>			
Current tax for the year	2,676,939	2,572,074	
Deferred tax for the year	-282,701	15,689	
Adjustment of tax concerning previous years	<u>-10</u>	<u>-550</u>	
	<u>2,394,228</u>	<u>2,587,213</u>	
<b>4 Proposed profit appropriation</b>			
Retained earnings	<u>8,435,425</u>	<u>8,972,997</u>	
<b>5 Intangible assets</b>			
DKK	Acquired <u>patents</u>	Goodwill	<u>Total</u>
Cost at 1 January 2020	<u>3,567,482</u>	<u>2,460,000</u>	<u>6,027,482</u>
Cost at 31 December 2020	<u>3,567,482</u>	<u>2,460,000</u>	<u>6,027,482</u>
Amortisation and impairment losses at 1 January 2020	<u>-3,483,955</u>	<u>-1,138,000</u>	<u>-4,621,955</u>
Amortisation for the year	<u>-78,563</u>	<u>-196,000</u>	<u>-274,563</u>
Amortisation and impairment losses at 31 December 2020	<u>-3,562,518</u>	<u>-1,334,000</u>	<u>-4,896,518</u>
<b>Carrying amount at 31 December 2020</b>	<u>4,964</u>	<u>1,126,000</u>	<u>1,130,964</u>

## Financial statements 1 January – 31 December

### Notes

#### 6 Property, plant and equipment

DKK	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvement	Total
Cost at 1 January 2020	49,060,504	1,918,364	7,968,737	58,947,605
Additions for the year	1,242,808	46,860	66,261	1,355,929
Disposals for the year	-430,959	0	0	-430,959
Cost at 31 December 2020	49,872,353	1,965,224	8,034,998	59,872,575
Depreciation and impairment losses at 1 January 2019	-36,924,828	-1,723,411	-5,700,803	-44,349,042
Depreciation for the year	-3,477,917	-80,895	-345,152	-3,903,964
Reversed depreciation and impairment losses on assets sold	46,174	0	0	46,174
Depreciation and impairment losses at 31 December 2019	-40,356,571	-1,804,306	-6,045,955	-48,206,832
<b>Carrying amount at 31 December 2020</b>	<b>9,515,782</b>	<b>160,918</b>	<b>1,989,043</b>	<b>11,665,743</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.

#### 8 Deferred tax liability

DKK	31/12 2020	31/12 2019
Deferred tax at 1 January	1,176,812	1,161,123
Deferred tax adjustment for the year in the income statement	-282,701	15,689
	<b>894,111</b>	<b>1,176,812</b>

#### 9 Contractual obligations, contingencies, etc.

The Company's rental obligations amount to DKK 7,593,781 with duration from three months up to four years.

The Company's operating lease obligations total DKK 729,568 with duration from three months up to four years.

## Financial statements 1 January – 31 December

### Notes

#### 10 Related party disclosures

##### Related party transactions

DKK	<u>2020</u>	<u>2019</u>
Sale of services	2,408,978	3,410,645
Purchase of services	221,750	202,577
Purchase of administrative services	1,859,516	2,205,532
Management charges	2,644,000	2,906,000
Funding to related parties	47,657,681	27,032,681

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.