Simatek A/S

Energivej 3
4180 Sorø

CVR no. 37 15 70 31

Annual report 2017

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

8 May 2018

K. B. ...

chairman

Contents

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 Simatek A/S for the financial year 1 January – 31 December 2017.

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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

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.

Sorø 8 May 2018
Executive Board:

Philip Tranberg Moe

Board of Directors:

Kenneth Emil Ajslev Chairman	Torben Alexander von Lowzow Deputy Chairman	Philip Tranberg Moe

Independent auditor's report

To the shareholder of Simatek A/S

Opinion

We have audited the financial statements of Simatek A/S for the financial year 1 January – 31 December 2017 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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 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.

KPMG

Independent auditor's report

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.

- 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.

KPMG

Independent auditor's report

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.

Copenhagen, 8 May 2018
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Eiler
State Authorised
Public Accountant
MNE no. 32271

Management's review

Company details

Simatek A/S
Energivej 3
4180 Sorø

CVR no.:	37 15 70 31
Established:	25 September 2015
Registered office:	Sorø
Financial year:	1 January – 31 December

Board of Directors

Kenneth Emil Ajslev, Chairman
Torben Alexander von Lowzow, Deputy Chairman
Philip Tranberg Moe

Executive Board

Philip Tranberg Moe

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København
Denmark

Management's review

Financial highlights

DKK'000	2017	2016	2015	2014	2013
Key figures					
Gross profit	34,316	41,618	34,378	28,660	37,151
Profit/loss before financial income and expenses	404	7,604	3,708	-5,521	1,031
Net financials	-270	-298	-419	-888	-1,151
Profit/loss for the year	99	7,580	2,918	-6,056	446
Balance sheet total	46,516	39,954	40,461	41,549	54,671
Equity	22,830	22,731	18,151	15,233	27,287
Investment in property, plant and equipment	4,389	0	983	613	640
Ratios					
Return on equity	0,4%	37,1%	17,5%	-28,5%	1,7%
Solvency ratio	49,0%	56,9%	44,9%	36,7%	49,9%
Average number of full-time employees	51	55	54	62	69

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' latest guidelines on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

Simatek A/S was incorporated during 2015 by way of a legal de-merger of all Simatek related activities from Ordyhna A/S (now Dedert International A/S). The de-merger is accounted for using the pooling of interest method and comparative figures have been restated.

The financial ratios have been calculated as follows:

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

Solvency ratio $$\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$$

Management's review

Operating review

Principal activities

Simatek's main activity is development, production, sales and servicing of DCA (DustCollection & Aspiration).

Filters, process Filters and high temperature Filters, to customers world wide as Filtersystems, key Components and flange-flange filters.

Development in activities and financial position

The results are below expectations for the year and the Management considers the 2017 result not satisfactory.

Outlook

We expect an increased turnover compared to 2017, but the result depends on the timing of order intake, and the continued investment in resources for future growth.

Particular risks

Operational risks

The Company operates to a large extend in niche markets and is dependent on the level of activity in these markets. The Process segment is exposed to fewer larger projects, which may be delayed and the continued growth in the DCA segment is also dependent on order intake from Eastern Europe. For the other segments the Company has a wide product range adapted to different niches and businesses, which implies a certain diversification of the risk.

Financial risks

The Company is 100% owned by Ordyhna Holding A/S.

As a consequence of the ongoing activity level within projects, there is continuing focus on managing the working capital.

Interest risks

The Company has limited interest exposure.

Credit risks

It is the Company's policy, that credit risks related to large customers and other cooperative partners, should be assessed regularly and be hedged.

Intellectual capital

It is the Company's goal to maintain and consolidate the position as one of the leading suppliers of bag filters in the niche markets.

Management's review

Operating review

Environmental matters

The Company is part 5-approved under the Danish Environmental Protection Act.

Research and development activities

During 2017 a new configurator has been developed to support the future growth in the Process segment.

The 3A-filters, which were delivered in 2016 have obtained final 3A approval during 2017.The 3A certificate approval will strength the Company's position significantly in the US marked.

Events after the balance sheet date

No events have occurred after the financial year-end, which could significantly affect the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2017	2016
Gross profit		34,316	41,618
Staff costs	2	-30,604	-31,027
Depreciation and amortisation		-3,291	-2,985
Ordinary operating profit		421	7,606
Other operating costs		-17	-2
Operating profit		404	7,604
Financial expenses	3	-270	-298
Profit before tax		134	7,306
Tax on profit for the year	4	-35	274
Profit for the year	5	99	7,580

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
ASSETS			
Fixed assets			
Intangible assets	6		
Product development		1,546	3,062
Patents		1,336	1,625
		2,882	4,687
Property, plant and equipment	7		
Land and buildings		4,393	4,681
Assets under construction		713	1,491
Plant and machinery		1,150	157
Fixtures and fittings, tools and equipment		1,816	1,376
Leasehold improvements		45	15
		8,117	7,720
Total fixed assets		10,999	12,407
Current assets			
Inventories			
Raw materials and consumables		8,073	6,911
Prepayments for goods		292	128
		8,365	7,039
Receivables			
Trade receivables		18,837	9,742
Receivables from group entities		2,082	0
Construction contracts	8	515	1,069
Other receivables		45	449
Prepaid cost		671	1,213
		22,150	12,473
Cash at bank and in hand		5,002	8,035
Total current assets		35,517	27,547
TOTAL ASSETS		46,516	39,954

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
EQUITY AND LIABILITIES			
Equity	9		
Contributed capital		500	500
Retained earnings		22,330	22,231
Total equity		22,830	22,731
Provisions			
Provisions for deferred tax		669	723
Warranty provisions	10	1,109	1,038
Total provisions		1,778	1,761
Liabilities other than provisions			
Non-current liabilities			
Lease liabilities		57	83
		57	83
Current liabilities			
Current portion of non-current liabilities		25	25
Progress billings/work in progress	8	5,910	2,807
Trade payables		11,212	7,226
Payables to group entities		195	212
Corporation tax		90	0
Other payables		4,419	5,109
		21,851	15,379
Total liabilities other than provisions		21,908	15,462
TOTAL EQUITY AND LIABILITIES		46,516	39,954

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Financial statements 1 January – 31 December

Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity at 1 January 2017	500	22,231	22,731
Transferred over the profit appropriation	0	99	99
Equity at 31 December 2017	500	22,330	22,830

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Simatek A/S for 2017 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.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the Company only discloses its gross profit consisting of revenue, consumption of raw materials, consumables and goods for resale, and other external costs.

Revenue

Income from the sale of goods for resale, finished goods and contract work in progress, which cannot be recognised under the production method, is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place, and provided that the income can be reliably measured and payment is expected to be received. The revenue is recognised excluding VAT and taxes charged on behalf of third parties.

Contract work in progress is recognised in revenue, based on the stage of completion. Revenue is recognised, when the total income and expenses on construction contracts and the stage of completion on the balance sheet date can be recognised reliably, and it is plausible that payments accrue to the Company.

Raw materials, consumables and goods for resale

Raw materials, consumables and goods for resale comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs for raw materials and consumables and rent and leases.

Also comprised are research and development costs that do not qualify for capitalisation.

Also, provision for losses on construction contracts is included.

Other external costs

Other external costs comprise distribution, sales, administration, office, loss on debtors, operational leases etc.

Other operating costs

Other operating costs comprise items secondary to the activities of the Company, including losses on the disposal of intangible assets and property, plant and equipment.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Interest and other costs from loans to fund the production of intangible assets and property, plant and equipment, and which relates to the production period, are recognised in cost.

Tax on profit/loss

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Development costs, patents and licences

Development costs comprise costs and salaries directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable, and where the technical feasibility, sufficient resources and a potential future market or development opportunities in the Company are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement when incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period does not exceed 10 years. The amortisation period only exceeds 5 years if the development project has strategic importance and a long expected useful life.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the licence period, although not exceeding 10 years.

Intangible assets are impaired to recoverable amount, if it is lower than the booked value.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers, and wages and salaries. The cost of financial leased assets is the lowest fair value of the asset and the present value of the future leases. Financial leased assets are handled as the Company's other property, plant and equipment.

Interest expense on loans to finance the production of property, plant and equipment which concerns the production period is included in cost. All other borrowing costs are recognised in the income statement.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	25-40 years
Plant and machinery	4-10 years
Fixtures and fittings, tools and equipment	2-10 years
Leasehold improvements	10-20 years

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are treated as operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in contingencies, etc.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net income from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

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.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

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 maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost, which usually means nominal value. Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Construction contracts

Construction contracts are measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the contract.

When the selling price of a construction contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Individual construction contracts are recognised in the balance sheet under either receivables or payables. Net assets are determined as the sum of construction contracts where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of construction contracts where progress billings exceed the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

Prepaid costs

Prepaid costs comprise costs incurred concerning subsequent financial years.

Equity

Dividends

Proposed dividends are recognised as a liability at the date on when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Provisions

Provisions comprise anticipated costs related to warranties, losses on work in progress, restructurings, etc. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Provisions for warranties are measured at net realisable value and recognised based on past experience.

If it is likely that total costs will exceed total income from a construction contract, a provision is made for the total loss anticipated on the contract. The provision is recognised in production costs.

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.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

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. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on 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; 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 respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Other financial obligations

Other financial obligations are recognised at amortised cost, which usually is nominal value.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, the financial statements do not include a cash flow statement, as it is included in the consolidated financial statements of Ordyhna Holding A/S.

Financial statements 1 January – 31 December

Notes

2 Staff costs

DKK'000	2017	2016
Wages and salaries	28,363	28,884
Pensions	1,890	1,750
Other social security costs	351	393
	30,604	31,027
Average number of employees	51	55

Staff costs of the Company include remuneration of the Company's Executive Board of DKK 2.878 thousand (2016: DKK 3,528 thousand) as well as remuneration of the Company's Board of Directors of DKK 214 thousand (2016: DKK 200 thousand).

3 Financial expenses

DKK'000	2017	2016
Interest expenses, affiliated companies	7	0
Guarantee commission	48	51
Guarantee commission, affiliated companies	18	25
Other financial expenses	104	87
Foreign exchange losses	92	134
Creditor interest	1	1
	270	298

4 Tax on profit for the year

Current tax	-89	0
Deferred tax	54	-1,612
Adjustment regarding prior year	0	1,886
	-35	274

5 Profit appropriation

Retained earnings	99	7,580
	99	7,580

Financial statements 1 January – 31 December

Notes

6 Intangible assets

DKK'000	Product develop-ment	Patents	Total
Cost at 1 January 2017	22,878	4,288	27,166
Cost at 31 December 2017	22,878	4,288	27,166
Amortisation at 1 January 2017	-19,816	-2,663	-22,479
Amortisation for the year	-1,516	-289	-1,805
Amortisation at 31 December 2017	-21,332	-2,952	-24,284
Carrying amount at 31 December 2017	1,546	1,336	2,882

7 Property, plant and equipment

DKK'000	Land and buildings	Assets under contruction	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2017	9,659	1,491	3,444	6,045	15	20,654
Additions for the year	235	1,711	1,056	1,353	34	4,389
Disposals for the year	0	-2,489	0	-258	0	-2,747
Cost at 31 December 2017	9,894	713	4,500	7,140	49	22,296
Depreciation at 1. januar 2017	-4,978	0	-3,287	-4,669	0	-12,934
Depreciation for the year	-276	0	-63	-896	-4	-1,239
Impairment losses for the year	-247	0	0	0	0	-247
Reversed depreciation on assets sold	0	0	0	241	0	241
Depreciation at 31 December 2017	-5,501	0	-3,350	-5,324	-4	-14,179
Carrying amount at 31 December 2017	4,393	713	1,150	1,816	45	8,117
Assets held under finance leases	0	0	98	0	0	0

Financial statements 1 January – 31 December

Notes

8 Contract work in progress

DKK'000	2017	2016
Selling price of contract work in progress	24,017	43,519
Invoiced progress payments	-29,412	-45,257
	-5,395	-1,738
Recognised in the balance sheet as follows:		
Contract work in progress (net assets)	515	1,069
Contract work in progress (net obligation)	-5,910	-2,807
	-5,395	-1,738

9 Equity

The share capital consists of 500,000 shares of a nominal value of DKK 1. No shares carry any special rights.

10 Warranty provisions

DKK'000	2017	2016
Balance at 1 January 2017	1,038	1,258
Utilised during the year	-841	-1,068
Provision for the year	912	848
Balance at 31 December 2017	1,109	1,038

Warranty provisions are expected to be utilised whitin 1-2 years.

11 Contractual obligations, contingencies, etc.

The Company has provided suretyship for a number of affiliated companies' banking arrangements with Danske Bank.

Guarantees

The Company has provided delivery and performance guarantees in contracts regarding projects. These guaranties may result in an obligation which will not become relevant until the plants in question are in operation. In Management's opinion, the Company is able to meet the provided guarantees, and consequently, no guarantee costs have been recognised. Bank guarantees of DKK 3,909 thousand (2016: DKK 1,769 thousand) have been provided as security for the contractual obligations.

Rental obligations

Rental obligations (building) amount to DKK 1,458 thousand (2016: DKK 2,116 thousand).

Operating lease obligations

Lease obligations (operating leases) amount to DKK 1,537 thousand (2016: DKK 1,919 thousand).

Financial statements 1 January – 31 December

Notes

12 Related party disclosures

Simatek A/S' related parties comprise the following:

Control

The Company is 100% owned by Ordyhna Holding A/S, Energivej 3, 4180 Sorø. Ordyhna Holding A/S prepares the consolidated financial statements in which the entity is included as a subsidiary.

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.