

# Simatek A/S

Energivej 3  
4180 Sorø  
Denmark

CVR no. 37 15 70 31

## Annual report 2020

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

26 May 2021

Kenneth Aislev  
chairman

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**Simatek A/S**  
Annual report 2020  
CVR no. 37 15 70 31

## **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 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.

Sorø, 6 May 2021  
Executive Board:

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Frank Erik Just Poulsen

Board of Directors:

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Kenneth Emil Ajslev  
Chairman

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Torben Alexander von  
Lowzow

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Frank Erik Just Poulsen

## Independent auditor's report

### To the shareholders of Simatek A/S

#### Opinion

We have audited the financial statements of Simatek 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.

## Independent auditor's report

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

- identify and assess the risks of material misstatement of the 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.

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.



## Independent auditor's report

### 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.

Copenhagen, 6 May 2021

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Martin Eiler  
State Authorised  
Public Accountant  
mne32271

**Simatek A/S**  
Annual report 2020  
CVR no. 37 15 70 31

## **Management's review**

### **Company details**

Simatek A/S  
Energivej 3  
4180 Sorø  
Denmark

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  
Frank Erik Just Poulsen

### **Executive Board**

Frank Erik Just Poulsen

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen  
Denmark

### **Annual general meeting**

The annual general meeting will be held on 26 May 2021.

## Management's review

### Financial highlights

DKK'000	2020	2019	2018	2017	2016
<b>Key figures</b>					
Gross profit/loss	39,502	31,424	22,033	34,316	41,618
Profit/loss before financial income and expenses	2,651	-6,899	-13,264	404	7,604
Profit/loss from financial income and expenses	-117	348	-213	-270	-298
Profit/loss for the year	2,362	-5,631	-12,236	99	7,580
<b>Total assets</b>					
Equity	19,325	16,963	15,594	22,830	22,731
Investment in property, plant and equipment	0	540	552	4,389	0
<b>Ratios</b>					
Return on equity	13,0%	-34,6%	-63,7%	0,4%	37,0%
Solvency ratio	48,2%	45,0%	51,7%	49,1%	56,9%
<b>Average number of full-time employees</b>					
	55	58	54	52	55

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



## **Management's review**

### **Operating review**

#### **Principal activities**

Simatek's main activity is development, production, sales and service of DCA (Dust Collection & Aspiration) filters, process filters and high temperature filters to customers world-wide as filter systems, key components and flange-flange filters.

#### **Development in activities and financial position**

The Company's income statement for 2020 shows a profit of DKK'000 2,362 as against DKK'000 -5,631 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK'000 19,325 as against DKK'000 16,963 at 31 December 2019.

The result is in line with expectations. Among other the improved result is a result of organisational customisations and improved project profitability.

In November 2020 Ordyhna Holding disposed 8,775% of the shares and holds hereafter 91.225% of the share capital. The shares disposed (B-shares) has no voting rights.

#### **Uncertainty regarding measurement of deferred tax assets**

The Company's deferred tax assets amounts to DKK 2,291 thousand whereof DKK 572 thousand has been capitalized as at 31 December 2020 as full utilization within 3-5 years is considered linked with uncertainty. The measurement of deferred tax assets is based on different assumptions, including the Danish joint taxation, development in revenue and profit. These assumptions are linked with uncertainty and a different outcome than expected could lead to a change (increase as well as decrease) in the valuation which could be significant.

#### **Outlook**

Compared to 2020, increasing revenue and a positive net result is expected in 2021. To a large extent the result depends on timing of orders.

#### **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.

#### **Environmental matters**

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

#### **Research and development activities**

Further improvement and customisation of IT tools is progress in order to be able to generate quotations faster and reduce engineering efforts.

A new range of filters is developed – Filters which are a hybrid between the existing DCA range and System range. This filter type has found a sweet spot in the market place.

Further developments in products and technologies are planned for 2021.

## **Management's review**

### **Operating review**

#### **Financial instruments**

##### ***The Company's goals and policies for management of financial risks***

Ordyhna Holding A/S holds 91,225% of the shares in the company and the company is financed by Ordyhna Holding A/S.

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

##### ***The Company's risk exposure***

###### *Interest rate 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.

#### **Events after the balance sheet date**

The company acquired all intellectual property (IP) rights to FL Smidth's Fabric Filter business and the entities in Denmark and India, to market and supply bag filters globally. As part of the transaction, the company also becomes FLSmidth's global supplier of fabric filters while FL Smidth becomes a supplier of bags and cages to Simatek for the cement industry. The acquisition is a significant step towards becoming a leading supplier of air filtration technology. The product range and bag filter technology are strengthened and enables expansion into the inorganic minerals industry. The acquisition strengthens the organisation, and customers will benefit from the synergies between the combined product portfolios.

No other 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	2020	2019
<b>Gross profit</b>		39,502	31,424
Staff costs	2	-34,896	-36,376
Depreciation and amortisation		<u>-1,955</u>	<u>-1,947</u>
<b>Profit/loss before financial income and expenses</b>		2,651	-6,899
Other financial income	3	246	570
Other financial expenses	4	<u>-363</u>	<u>-222</u>
<b>Profit/loss before tax</b>		2,534	-6,551
Tax on profit/loss for the year	5	<u>-172</u>	<u>920</u>
<b>Profit/loss for the year</b>	6	<u><u>2,362</u></u>	<u><u>-5,631</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2020	31/12 2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	7		
Completed development projects		0	25
Acquired patents		512	785
Software		998	1,952
Development projects in progress		<u>228</u>	<u>47</u>
		<u>1,738</u>	<u>2,809</u>
<b>Property, plant and equipment</b>	8		
Land and buildings		4,024	4,159
Plant and machinery		662	893
Fixtures and fittings, tools and equipment		514	485
Leasehold improvements		<u>106</u>	<u>120</u>
		<u>5,306</u>	<u>5,657</u>
<b>Total fixed assets</b>		<u>7,044</u>	<u>8,466</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		8,752	8,764
Prepayments for goods		<u>507</u>	<u>78</u>
		<u>9,259</u>	<u>8,842</u>
<b>Receivables</b>			
Trade receivables		11,976	16,933
Receivables from group entities		678	342
Intercompany cashpool		8,711	0
Construction contracts	9	127	615
Other receivables		1,080	209
Deferred tax asset		573	745
Joint tax receivable		0	748
Prepayments		<u>656</u>	<u>808</u>
		<u>23,801</u>	<u>20,400</u>
<b>Total current assets</b>		<u>33,060</u>	<u>29,242</u>
<b>TOTAL ASSETS</b>		<u><u>40,104</u></u>	<u><u>37,708</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2020	31/12 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	10	1,500	1,500
Retained earnings		16,825	15,463
Proposed dividends for the financial year		1,000	0
<b>Total equity</b>		<u>19,325</u>	<u>16,963</u>
<b>Provisions</b>			
Other provisions	11	2,906	1,295
<b>Total provisions</b>		<u>2,906</u>	<u>1,295</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Current portion of non-current liabilities		0	31
Pre-invoicing, construction contracts	9	653	3,199
Prepayments received from customers		2,286	0
Trade payables		5,937	10,825
Payables to group entities		15	0
Intercompany cashpool		0	335
Other payables		8,982	5,060
		<u>17,873</u>	<u>19,450</u>
<b>Total liabilities other than provisions</b>		<u>17,873</u>	<u>19,450</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>40,104</u>	<u>37,708</u>
<b>Contractual obligations, contingencies, etc.</b>	12		
<b>Related party disclosures</b>	13		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2020	1,500	15,463	0	16,963
Transferred over the profit appropriation	<u>0</u>	<u>1,362</u>	<u>1,000</u>	<u>2,362</u>
<b>Equity at 31 December 2020</b>	<u>1,500</u>	<u>16,825</u>	<u>1,000</u>	<u>19,325</u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Simatek 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 included in the cash flow statement in the consolidated financial statements of Ordyhna Holding A/S.

#### 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.

### Income statement

#### Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit. Gross profit includes revenue, costs of sales and other external costs.

#### Revenue

Income from 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.

#### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

##### 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 expenses, 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 relate to the production period, are recognised in costs.

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

The current Danish corporation tax is allocated by settlement of joint taxation contributions between the jointly taxed companies in proportion to their taxable income. In this respect, companies with tax loss carryforwards receive joint taxation contributions 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 expenses relating to the profit/loss for the year are recognised in the income statement, and the tax expenses relating to amounts directly recognised in equity are recognised directly in equity.

### Balance sheet

#### Intangible assets

Development costs, patents, licences and software.

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.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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

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.

Software is measured at cost less accumulated amortisation and impairment losses. Software is amortised over the expected useful lifetime, although not exceeding 3 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, sub-suppliers, 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
Fixtures and fittings, tools and equipment	2-10 years
Leasehold improvements	10-20 years
Plant and machinery	4-10 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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 the maintenance of 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.

##### 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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.

#### Prepayments

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

#### Cash at bank and in hand

Simatek A/S is part of a cash pool agreement with Ordyhna Holding A/S and cash is therefore presented as intercompany receivables.

#### Equity

##### *Dividends*

Proposed dividends are recognised as a liability at the date 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.

#### Liabilities other than provisions

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.

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.

## Financial statements 1 January – 31 December

### Notes

#### 2 Staff costs

DKK'000	2020	2019
Wages and salaries	32,417	33,652
Pensions	2,086	2,246
Other social security costs	393	478
	<u>34,896</u>	<u>36,376</u>
Average number of full-time employees	<u>55</u>	<u>58</u>

In accordance with section 98b(3) of the Danish Financial Statements Act, remuneration of the Executive Board and the Board of Directors is presented as an aggregate single amount.

Staff costs include remuneration of the Company's Executive Board and Board of Directors, DKK 2,352 thousand (2019: DKK 1,879 thousand).

#### 3 Other financial income

Interest income from group entities	246	42
Exchange gains	0	528
	<u>246</u>	<u>570</u>

#### 4 Other financial expenses

Interest expense to group entities	9	99
Other financial costs	194	123
Exchange losses	160	0
	<u>363</u>	<u>222</u>

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

Deferred tax for the year	-573	-172
Adjustment of tax concerning previous years	745	-748
	<u>172</u>	<u>-920</u>

#### 6 Proposed profit appropriation/distribution of loss

Proposed dividends for the year	1,000	0
Retained earnings	1,362	-5,631
	<u>2,362</u>	<u>-5,631</u>

## Financial statements 1 January – 31 December

### Notes

#### 7 Intangible assets

DKK'000	Completed development projects	Acquired patents	Software	Development projects in progress	Total
Cost at 1 January 2020	22,878	4,288	6,583	47	33,796
Additions for the year	0	0	0	209	209
Disposals for the year	0	0	-268	-28	-296
Cost at 31 December 2020	22,878	4,288	6,315	228	33,709
Amortisation and impairment losses at 1 January 2020	-22,853	-3,503	-4,631	0	-30,987
Amortisation for the year	-25	-273	-871	0	-1,169
Reversed amortisation and impairment losses on assets sold	0	0	185	0	185
Amortisation and impairment losses at 31 December 2020	-22,878	-3,776	-5,317	0	-31,971
<b>Carrying amount at 31 December 2020</b>	<b>0</b>	<b>512</b>	<b>998</b>	<b>228</b>	<b>1,738</b>

#### 8 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2020	9,677	4,455	2,809	139	17,080
Additions for the year	151	88	214	0	453
Disposals for the year	0	-383	-205	0	-588
Cost at 31 December 2020	9,828	4,160	2,818	139	16,945
Depreciation and impairment losses at 1 January 2020	-5,518	-3,562	-2,324	-19	-11,423
Depreciation for the year	-286	-302	-185	-14	-787
Depreciation and impairment losses for the year on assets sold	0	366	205	0	571
Depreciation and impairment losses at 31 December 2020	-5,804	-3,498	-2,304	-33	-11,639
<b>Carrying amount at 31 December 2020</b>	<b>4,024</b>	<b>662</b>	<b>514</b>	<b>106</b>	<b>5,306</b>

## Financial statements 1 January – 31 December

### Notes

#### 9 Contract work in progress

DKK'000	31/12 2020	31/12 2019
Selling price of contract work in progress	2,346	15,238
Invoiced progress payments	<u>-2,872</u>	<u>-17,822</u>
	<u>-526</u>	<u>-2,584</u>
recognized as follows:		
Contract work in progress (net assets)	127	615
Contract work in progress (net obligation)	<u>-653</u>	<u>-3,199</u>
	<u>-526</u>	<u>-2,584</u>

#### 10 Contributed capital

The contributed capital comprises 1,500,000 shares, split in 1,350,000 A-shares and 150,000 B-shares, each having a nominal value of DKK 1 per share. A-shares carries 1 vote. B-shares carries no vote and is without right of representation.

#### 11 Warranty provisions

DKK'000	31/12 2020	31/12 2019
Balance at beginning of the year	1,295	1,263
Employed during the year	-303	-775
Provisions during the year	<u>1,914</u>	<u>807</u>
	<u>2,906</u>	<u>1,295</u>

#### 12 Contractual obligations, contingencies, etc.

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

##### Contingent assets

The Company has deferred tax assets of DKK 2,292 thousand (2019: DKK 2,979 thousand), of which DKK 573 thousand has been recognised in the financial statements (2019: DKK 745 thousand).

##### Contingent liabilities

The Company is jointly taxed with other Danish companies in the Ordyhna Group. The companies included in the joint taxation are jointly and severally unlimited liable for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

At 31 December 2020, the net taxes payable to the Danish tax authorities by the companies included in the joint taxation amounted to DKK 0 thousand.

Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the companies' liability will increase. The Group as a whole is not liable to others.

## Financial statements 1 January – 31 December

### Notes

#### Operating lease obligations

Lease obligations (operating leases) amount to DKK 2,715 thousand (2019: DKK 2,158 thousand).

#### Rental obligation

Rental obligations (building) amount to DKK 526 thousand (2019: DKK 525 thousand).

The Company has provided delivery and performance guarantees in contracts regarding projects. These guarantees 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 1,300 thousand (2019: DKK 486 thousand) have been provided as security for the contractual obligations.

### 13 Related party disclosures

Simatek A/S' related parties comprise the following:

#### Control

Ordyhna Holding A/S holds the majority of the contributed capital in the Company.

Simatek A/S is part of the consolidated financial statements of Ordyhna Holding A/S, Energivej 3, 4180 Sorø in which the Company is included as a subsidiary.

#### Related party transactions

DKK'000	<u>2020</u>
Sale of goods to related parties	397
Sale of services to related parties	717
Purchase of services from related parties	<u>-936</u>
	<u>178</u>

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 2.

Payables and receivables to/from related parties are disclosed in the balance sheet, and expensed and received interest are disclosed in note 3 and 4.