

# Simatek A/S

Energivej 3  
4180 Sorø  
Denmark

CVR no. 37 15 70 31

## Annual report 2022

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

28 June 2023

Kenneth Emil Aislev  
Chairman of the annual general meeting

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**Simatek A/S**  
Annual report 2022  
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 2022.

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 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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

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

Sorø, 30 May 2023  
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 2022 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 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement 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

## Independent auditor's report

- 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.

### 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, 30 May 2023

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Martin Eiler  
State Authorised  
Public Accountant  
mne32271

**Simatek A/S**  
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## 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  
Dampfærgevej 28  
DK-2100 København Ø  
CVR no. 25 57 81 98

### Annual general meeting

The annual general meeting will be held on 28 June 2023.

## Management's review

### Financial highlights

DKK'000	2022	2021	2020	2019	2018
<b>Key figures</b>					
Gross profit/loss	39,394	41,042	39,502	31,424	22,033
Profit/loss before financial income and expenses	-7,921	-395	2,651	-6,899	-13,264
Profit/loss from financial income and expenses	-1,196	-181	-117	348	-213
Profit/loss for the year	-8,769	100	2,362	-5,631	-12,236
<b>Balance sheet</b>					
Total assets	88,557	54,505	40,104	37,708	30,189
Equity	16,623	18,425	19,325	16,963	15,594
Investment in property, plant and equipment	579	839	453	540	552
<b>Ratios</b>					
Return on equity	-50.0%	0.5%	13.0%	-34.6%	-63.7%
Solvency ratio	18.8%	33.8%	48.2%	45.0%	51.7%
<b>Other key figures</b>					
Average number of full-time employees	68	62	55	58	54

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 2022 shows loss of DKK -8,769 thousand as against DKK 100 thousand in 2021. Equity in the Company's balance sheet at 31 December 2022 stood at DKK 16,623 thousand as against DKK 18,425 thousand at 31 December 2021.

The net result is below expectations. Among others with reference to customer projects with less level of completion than expected at year end. Furthermore, contribution from products related to intellectual property rights acquired in 2021 did not meet expectations.

Simatek Private Limited, new subsidiary located in India, is in operation since May 2022. The activity in Simatek Private Limited in 2022 was primarily delivery of design and engineering services to the parent Company Simatek A/S.

#### Outlook

Based on organic growth and contribution from technology acquired a significant increase in revenue as well as net profit is expected in 2023. To a large extent the result depends on timing of new orders. However, the existing backlog for 2023 is relatively strong.

#### 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 global marketplace.

#### Environmental matters

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

#### Research and development activities

In order to integrate and optimize handling of products from the acquisition of intellectual property rights from FL Smidth in 2021 customization of existing IT tools as well as implementation of new applications etc. is done during 2022. Further optimization hereof is planned in 2023.

Further developments in products and technologies are planned for 2023.

#### Financial instruments

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

Ordyhna Holding A/S holds 92,075% 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.



## **Management's review**

### **Operating review**

#### ***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**

No events have occurred after the balance sheet date of material importance to the annual report for 2022.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2022	2021
<b>Gross profit</b>		39,394	41,042
Staff costs	2	-45,139	-39,410
Depreciation and amortisation		-2,176	-2,027
<b>Loss before financial income and expenses</b>		-7,921	-395
Income from equity investments in group entities		476	0
Other financial income	3	114	166
Other financial expenses	4	-1,310	-347
<b>Loss before tax</b>		-8,641	-576
Tax on profit/loss for the year	5	-128	676
<b>Profit/loss for the year</b>	6	-8,769	100

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	7		
Completed development projects		3,881	4,330
Acquired patents		171	341
Software		2,208	821
Software projects in progress		<u>1,301</u>	<u>1,778</u>
		<u>7,561</u>	<u>7,270</u>
<b>Property, plant and equipment</b>	8		
Land and buildings		3,633	3,733
Plant and machinery		411	460
Fixtures and fittings, tools and equipment		674	961
Leasehold improvements		<u>122</u>	<u>121</u>
		<u>4,840</u>	<u>5,275</u>
<b>Investments</b>	9		
Equity investments in group entities		<u>453</u>	<u>0</u>
<b>Total fixed assets</b>		<u>12,854</u>	<u>12,545</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		10,215	10,474
Prepayments for goods		<u>3,573</u>	<u>2,716</u>
		<u>13,788</u>	<u>13,190</u>
<b>Receivables</b>			
Trade receivables		44,305	18,664
Receivables from group entities		1,743	718
Contract work in progress	10	9,604	3,948
Other receivables		3,774	3,350
Deferred tax asset	11	1,121	1,249
Prepayments		<u>1,368</u>	<u>841</u>
		<u>61,915</u>	<u>28,770</u>
<b>Total current assets</b>		<u>75,703</u>	<u>41,960</u>
<b>TOTAL ASSETS</b>		<u>88,557</u>	<u>54,505</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	12	1,500	1,500
Reserve for net revaluation under equity method		443	0
Reserve for development costs		2,737	0
Retained earnings		<u>11,943</u>	<u>16,925</u>
<b>Total equity</b>		<u>16,623</u>	<u>18,425</u>
<b>Provisions</b>			
Other provisions	13	<u>919</u>	<u>858</u>
<b>Total provisions</b>		<u>919</u>	<u>858</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Other payables	14	<u>0</u>	<u>2,003</u>
<b>Current liabilities other than provisions</b>			
Pre-invoicing, contract work in progress		6,827	1,675
Construction contracts	10	19,604	3,751
Trade payables		33,616	16,147
Payables to group entities	15	3,499	2,421
Other payables		<u>7,469</u>	<u>9,225</u>
		<u>71,015</u>	<u>33,219</u>
<b>Total liabilities other than provisions</b>		<u>71,015</u>	<u>35,222</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>88,557</u>	<u>54,505</u>
<b>Contractual obligations, contingencies, etc.</b>	16		
<b>Related party disclosures</b>	17		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Reserve for net revaluation under equity method	Reserve for development costs	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2022	1,500	0	0	16,925	0	18,425
Exchange adjustment	0	-33	0	0	0	-33
Transferred over the profit appropriation	0	476	2,737	-11,982	0	-8,769
Contribution from parent company	0	0	0	7,000	0	7,000
<b>Equity at 31 December 2022</b>	<b>1,500</b>	<b>443</b>	<b>2,737</b>	<b>11,943</b>	<b>0</b>	<b>16,623</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Simatek A/S for 2022 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 consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Simatek A/S and group entities are included in the consolidated financial statements of Ordyhna Holding A/S.

#### 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 have 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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.

##### 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.

##### Income from equity investments in subsidiaries

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

##### Financial income and expenses

Financial income and expenses comprise interest income and expenses, 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

### Balance sheet

#### Intangible assets

Intangible assets comprise development costs, patents, product rights, 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.

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, product rights 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, 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, fixtures and fittings, tools and equipment and leasehold improvements 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.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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.

#### Investments

Equity investments in subsidiaries in the Parent Company are measured according to the equity method.

Equity investments in subsidiaries and associates are measured at the proportionate share of the entities' net asset value calculated in accordance with the Parent Company's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in subsidiaries and associates with negative net asset values are measured at DKK 0, and any receivables from these entities are written down to the extent that the receivables are deemed irrecoverable. To the extent that the Parent Company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the residual amount is recognised as provisions.

Net revaluation of equity investments in subsidiaries is recognised in the reserve for net revaluation according to the equity method and in equity to the extent that the carrying amount exceeds cost.

#### 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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.

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 or payables.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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.

##### 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.

##### Liabilities other than provisions

Other liabilities are measured at amortised cost.

## Financial statements 1 January – 31 December

### Notes

DKK'000	<u>2022</u>	<u>2021</u>
<b>2 Staff costs</b>		
Wages and salaries	41,690	36,348
Pensions	2,874	2,538
Other social security costs	<u>575</u>	<u>524</u>
	<u>45,139</u>	<u>39,410</u>
Average number of full-time employees	<u>68</u>	<u>62</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 1,787 thousand (2021: DKK 1,988 thousand).		
<b>3 Other financial income</b>		
Interest income from group entities	54	113
Other financial income	<u>60</u>	<u>53</u>
	<u>114</u>	<u>166</u>
<b>4 Other financial expenses</b>		
Interest expense to group entities	280	26
Other financial costs	484	157
Exchange losses	<u>546</u>	<u>164</u>
	<u>1,310</u>	<u>347</u>
<b>5 Tax on profit/loss for the year</b>		
Deferred tax for the year	128	-52
Adjustment of deferred tax concerning previous years	<u>0</u>	<u>-624</u>
	<u>128</u>	<u>-676</u>
<b>6 Proposed profit appropriation/distribution of loss</b>		
Reserve for net revaluation under equity method	476	0
Retained earnings	<u>-9,245</u>	<u>100</u>
	<u>-8,769</u>	<u>100</u>

## Financial statements 1 January – 31 December

### Notes

#### 7 Intangible assets

DKK'000	Completed development projects	Acquired patents	Software	Software projects in progress	Total
Cost at 1 January 2022	27,581	4,288	6,751	1,778	40,398
Additions for the year	0	0	169	1,400	1,569
Transfers for the year	0	0	1,847	-1,877	-30
Cost at 31 December 2022	27,581	4,288	8,767	1,301	41,937
Amortisation and impairment losses at 1 January 2022	-23,251	-3,947	-5,930	0	-33,128
Amortisation for the year	-449	-170	-629	0	-1,248
Amortisation and impairment losses at 31 December 2022	-23,700	-4,117	-6,559	0	-34,376
<b>Carrying amount at 31 December 2022</b>	<b>3,881</b>	<b>171</b>	<b>2,208</b>	<b>1,301</b>	<b>7,561</b>

#### Completed development projects

The book value of Completed development projects comprise intellectual property rights and related cost acquired in 2021 and is amortised over 10 years. Revenue derived from these property rights is included from 2021 on.

A larger part of Software includes a solution developed for integration of existing administrative systems with IT tools related to new products. This solution is in operation and subject to a 3 year amortisation period.

#### Development projects in progress

Software projects in progress primarily includes development and customization of an interface for a product configurator solution. This project is expected to be completed in 2023..

## Financial statements 1 January – 31 December

### Notes

#### 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 2022	9,828	4,260	3,528	168	17,784
Additions for the year	205	239	0	135	579
Disposals for the year	0	0	0	-142	-142
Transfers for the year	0	30	0	0	30
Cost at 31 December 2022	10,033	4,529	3,528	161	18,251
Depreciation and impairment losses at 1 January 2022	-6,095	-3,800	-2,567	-47	-12,509
Depreciation for the year	-305	-318	-287	-18	-928
Depreciation and impairment losses for the year on assets sold	0	0	0	26	26
Depreciation and impairment losses at 31 December 2022	-6,400	-4,118	-2,854	-39	-13,411
<b>Carrying amount at 31 December 2022</b>	<b>3,633</b>	<b>411</b>	<b>674</b>	<b>122</b>	<b>4,840</b>

## Financial statements 1 January – 31 December

### Notes

#### 9 Investments

DKK'000	Equity investments in group entities
Cost at 1 January 2022	0
Additions for the year	10
Cost at 31 December 2022	10
Exchange rate adjustment	-33
Net profit/loss for the year	476
Revaluations 31 December 2022	443
<b>Carrying amount at 31 December 2022</b>	<b>453</b>

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
			DKK'000	DKK'000
Subsidiaries:				
Simatek Private Limited	Chennai	100%	453	476
			453	476

#### 10 Contract work in progress

DKK'000	31/12 2022	31/12 2021
Selling price of contract work in progress	70,503	24,157
Invoiced progress payments	-80,503	-23,960
	-10,000	197
recognized as follows:		
Contract work in progress (net assets)	9,604	3,948
Contract work in progress (net obligation)	-19,604	-3,751
	-10,000	197

#### 11 Deferred tax assets

Deferred tax at 1 January	1,249	573
Deferred tax adjustment for the year	-128	52
Deferred tax concerning previous years	0	624
	1,121	1,249

## Financial statements 1 January – 31 December

### Notes

#### 12 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 carry 1 vote. B-shares carry no vote and is without right of representation.

DKK'000	<u>31/12 2022</u>	<u>31/12 2021</u>
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#### 13 Warranty provisions

Balance at beginning of the year	858	2,906
Employed during the year	-566	-2,750
Provisions during the year	<u>627</u>	<u>702</u>
	<u>919</u>	<u>858</u>

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

Liabilities other than provisions can be specified as follows:

1-5 years	<u>0</u>	<u>2,003</u>
	<u>0</u>	<u>2,003</u>

#### 15 Payables to group entities

Payables to group entities include a cashpool amounting to DKK 10,223 thousand (2021: DKK 2,160 thousand).

#### 16 Contractual obligations, contingencies, etc.

The Company has jointly with other group entities provided suretyship for a number of affiliated companies' banking arrangements with Danske Bank. The group balance is positive as at 31 December 2022.

##### Contingent assets

The Company has deferred tax assets of DKK 4,484 thousand (2021: DKK 2,497 thousand), of which DKK 1,121 thousand has been recognised in the financial statements (2021: DKK 1,249 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 2022, 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.

##### Operating lease obligations

Lease obligations (operating leases) amount to DKK 2,696 thousand covering 2023-2026 (2021: DKK 1,947 thousand).



## Financial statements 1 January – 31 December

### Notes

#### Rental obligation

Rental obligations (building) amount to DKK 852 thousand covering 2023 (2021: DKK 1,833 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 37,797 thousand (2021: DKK 10,844 thousand) have been provided as security for the contractual obligations.

#### 17 Related party disclosures

Simatek A/S' related parties comprise the following:

##### Control

Ordyhna Holding A/S, Energivej 3, 4180 Sorø

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, Sorø, which is the smallest and largest group, in which the Company is included as a subsidiary.

##### Related party transactions

DKK'000	<u>2022</u>
Sale of goods to related parties	2,377
Sale of services to related parties	558
Purchase of services from related parties	790

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 notes 3 and 4.