

Umicore Denmark ApS

Kogle Alle 1
2970 Hørsholm
CVR no. 38 89 23 04

Annual report for 2020

Adopted at the annual general
meeting on 26 May 2021

chairman

Joakim Reimer Thøgersen

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Statement by management on the annual report

The Executive Board have today considered and approved the Annual Report of Umicore Denmark ApS 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 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 our opinion, Management's Review includes a fair and true account of the matters dealt with in the Management's Review.

We recommend the adoption of the Annual Report at the Annual General Meeting.

Hørsholm, 26 May 2021

Executive board

Joakim Reimer Thøgersen

Ralph Konrad Kiessling

Independent auditor's report

To the Shareholder of Umicore Denmark ApS

Opinion

In our opinion, the financial statements give a true and fair view of the company's 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.

We have audited the financial statements of Umicore Denmark ApS for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 management's review.

Independent auditor's report

Management's Responsibilities 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 as 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 about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken 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 judgment and maintain professional skepticism throughout the audit. We also:

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

Independent auditor's report

- 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.

Hellerup, 26 May 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Conrad Mattrup Lundsgaard
State Authorised Public Accountant
mne34529

Company details

The Company

Umicore Denmark ApS
Kogle Alle 1
2970 Hørsholm

CVR no.: 38 89 23 04

Reporting period: 1 January - 31 December 2020

Financial year: 3rd financial year

Domicile: Rudersdal

Executive Board

Joakim Reimer Thøgersen
Ralph Konrad Kiessling

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a 3-year period, the development of the Company may be described by means of the following financial highlights:

	<u>2020</u> TDKK	<u>2019</u> TDKK	<u>2017/18</u> TDKK
Key figures			
Gross profit/loss	88.345	74.528	94.837
Net financials	-750	1.824	-1.755
Profit/loss for the year	-57.052	-10.709	2.289
Balance sheet			
Balance sheet total	160.555	190.591	268.907
Investment in property, plant and equipment	46.807	22.799	52.340
Equity	31.855	51.630	62.339
Number of employees	114	112	111
Financial ratios			
Return on assets	-32,1%	-5,2%	5,7%
Solvency ratio	19,8%	27,1%	23,2%
Return on equity	-136,7%	-18,8%	7,3%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Management's Review

Business activities

Umicore Denmark ApS is a leading producer of high-performance catalysts for a wide range of industries. Its automotive catalysts are used in emission systems for on-road and non-road heavy-duty diesel (HDD) applications and ensure compliance with the most stringent emission norms, including Euro VI. Its stationary business offers catalytic solutions to treat NO_x emissions from industrial sources such as gas-fired power plants as well as marine applications. Umicore Denmark employed 114 people at the end of 2020, serving customers from its production plant in Frederikssund (66 colleagues) and R&D, sales and product management facilities in Lyngby/Hørsholm (48 colleagues).

Recognition and measurement uncertainties

There is no uncertainty relating to the recognized assets or liabilities.

Development during the year

After a sharp sales slump in the first half year due to COVID-19 outbreak, sales volumes have recovered significantly in the second half year. Umicore Denmark achieved a gross profit of 88.3 million DKK for the year ended 31 December 2020, which represents 19% increase compared to 2019.

As a result of COVID-19 outbreak in March/April, the production plant in Frederikssund was shut down for several months. With supporting grants from Danish government and increasing cost-saving efforts, the company managed to offset the negative financial impact to a great extent and resumed production quickly at a high level in the second half year.

The income statement shows a negative result of 57.1 million DKK in 2020, mostly due to the fact that obsolete production equipment was impaired (46 million DKK before tax) as a result of the demand driven transformation to water-based technologies.

Umicore Denmark invested in 2020 38.9 million DKK in their new premises in Hørsholm. All R&D activities were concentrated in December in this new location and except for small premise, R&D site Lyngby will no longer be used.

The balance sheet at 31 December 2020 was 160.6 million DKK with an equity of 31.9 million DKK, which includes a capital increase of 37.3 million DKK approved in the general meeting on 12 June 2020.

The employee turnover in 2020 was 3.5%, which is below the average industry turnover rate.

Subsequent events

Refer to note 15 for the description of subsequent events.

Management's Review

Expectations for the year ahead

Umicore Denmark will continue to focus on innovation to stay at the forefront of developing sustainable technologies and products for its customers. The company will start reaping the benefits from all the integration efforts that took place in the last years. Revenues are expected to exceed the level of 2020 by approx. 5 % for the automotive business. The stationary business will continue to grow on account of increasing concerns toward environment pollution coupled with stringency in norms to regulate the emissions. Thus, net revenue for 2021 is expected to increase by approx. 5 - 10%. Net result for 2021 is expected to be in the range of approx. DKK 5 - 15 Million. Net result of Umicore Denmark for 2021 is expected to be break even.

Management team

The executive board of Umicore Denmark consists of Ralph Kiessler (Executive Vice President) in Umicore and Joakim Reimer Thøgersen (Vice President & Managing Director Umicore Denmark).

The management team of Umicore Denmark consists of Joakim Reimer Thøgersen (Vice President & Managing Director Umicore Denmark), Trine Lengaard (HR director), Christophe Steverlynck (finance director), Magnus Lewander (product management automotive), Paer Gabrielsson (research & development automotive), Kim Pedersen (research & development stationary), Mikkel Nygaard Larsen (sales director stationary).

Special risks apart from generally occurring risks in industry

Operating risks

The company experiences competition in certain markets, which highlights the importance of continuous delivery performance and price competitiveness.

Regulatory and legal risks

The company is exposed to changes in regulatory environment where it operates. The company's business stands to benefit from certain regulatory trends, notably those regarding more stringent emission controls for vehicles and European industries. Changes to existing product-related legislation and the introduction of new legislation might impact our business.

Technology and substitution

The company is a materials technology group with a strong focus on the development of innovative materials and processes. The choice and development of these technologies represents the single biggest opportunity and risk for the company. Achieving the best cost-performance balance for materials is a priority for the company and its customers. There is always a risk that customers will seek alternative materials for their products should those of the company not provide this optimum balance.

Management's Review

Talent attraction and retention

The attraction and retention of skilled people are important factors in enabling Umicore to fulfill its strategic ambitions and to build further expertise, knowledge and capabilities in the business. Being unable to do so would compromise our ability to deliver on our goals.

Accounting Policies

The annual report of Umicore Denmark ApS for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The Annual Report for 2020 is presented in TDKK.

Basis of recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions.

Assets are recognized in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably. Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Danish kroner is used as reporting currency as most of the Company's transactions are in DKK. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement.

Accounting Policies

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognized in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognized in the balance sheet at cost and are subsequently measured at fair value.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognized asset or liability are recognized in the income statement together with changes in the fair value of the hedged asset or liability. Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets and liabilities are recognized in other receivables or other payables and in equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognized in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognized in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognized in the income statement on a regular basis.

Leases

All leases, that are not classified as financial leases are considered operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the lease term.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Revenue

Revenue from the sale of goods and services is recognized when the risks and rewards relating to the goods and services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Accounting Policies

Revenue is measured at the consideration received and is recognized exclusive of VAT and net of discounts relating to sales.

Cost of goods and services sold

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment, government grants etc.

Government grants

Government grants include 2020 Covid-19 compensation scheme. Government grants are recognized when there is reasonable assurance that they will be received and are recognized in the period that the grants relates to.

Other external expenses

Other external expenses comprise advertising, administration, rent of leasehold, provisions for bad debt, other leases etc.

Staff expenses

Staff expenses comprise wages and salaries as well as other payroll expenses.

Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses comprise the year's amortization, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

Any changes in deferred tax due to changes to tax rates are recognized in the income statement.

Accounting Policies

Special items

Special items comprise income and cost which are special due to their size or nature e.g. redundancy costs, impairment losses and gain or loss of sale of assets, covid-19 government grants and other income relating reimbursement assets. Such items are included in the specific line items in the profit and loss statement but disclosed in a separate note in the Financial Statements.

Balance sheet

Intangible assets

Software are measured at the lower of cost less accumulated amortization and recoverable amount. Software are amortized on a straight-line basis over the useful life, which is assessed at 5-10 years.

The intangible assets under construction are capitalized development cost for the development of automotive catalysts.

Capitalized development cost are reflected as an reserve in equity in accordance with the Danish Financial Act section 83.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

	Useful life
Other fixtures and fittings, tools and equipment	4-20 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

Accounting Policies

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Inventory

Inventories are measured at weighted average method for raw materials, trading goods and spare parts and with standard price calculation for semifinished and finished goods. Where the net realizable value is lower than the cost, inventories are recognized at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realizable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realizable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are recognized in the balance sheet at amortized cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments recognized under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Provisions

Provisions are recognized when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Deferred tax

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Accounting Policies

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement or in equity if the deferred tax relates to items recognized in equity.

Current tax liabilities and assets

Current tax liabilities and receivables are recognized in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognized in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortized cost, substantially corresponding to nominal value.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement as the cash flow statement is included in the consolidated financial statements of Umicore International S.A.

Financial highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
Gross profit	14	88.345	74.528
Staff expenses	1	<u>-77.974</u>	<u>-77.602</u>
Profit/loss before amortization/depreciation and impairment losses		10.371	-3.074
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	2,14	<u>-66.673</u>	<u>-8.958</u>
Profit/loss before net financials		-56.302	-12.032
Financial income	3	6	7.315
Financial expenses	4	<u>-756</u>	<u>-5.491</u>
Profit/loss before tax		-57.052	-10.208
Tax on profit/loss for the year	5	<u>0</u>	<u>-501</u>
Profit/loss for the year		<u>-57.052</u>	<u>-10.709</u>
Distribution of profit	6		

Balance Sheet 31 December

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
Assets			
Software		487	3.662
Intangible fixed assets in progress		<u>0</u>	<u>8.379</u>
Intangible assets	7	<u>487</u>	<u>12.041</u>
Other fixtures and fittings, tools and equipment		52.962	41.794
Property, plant and equipment in progress		<u>2.659</u>	<u>17.462</u>
Property, plant and equipment	8	<u>55.621</u>	<u>59.256</u>
Other receivables	9	<u>1.792</u>	<u>0</u>
Other non-current receivables		<u>1.792</u>	<u>0</u>
Total non-current assets		<u>57.900</u>	<u>71.297</u>
Raw materials and consumables		5.799	12.865
Work in progress		4.016	1.151
Finished goods and goods for resale		<u>31.872</u>	<u>54.283</u>
Stocks		<u>41.687</u>	<u>68.299</u>
Trade receivables		36.749	25.379
Receivables from group enterprises		15.575	13.868
Other receivables	10	<u>8.644</u>	<u>11.748</u>
Receivables		<u>60.968</u>	<u>50.995</u>
Total current assets		<u>102.655</u>	<u>119.294</u>
Total assets		<u>160.555</u>	<u>190.591</u>

Balance Sheet 31 December

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
Equity and liabilities			
Share capital		37.777	500
Reserve for development expenditure		0	6.536
Retained earnings		-5.922	44.594
Equity	11	<u>31.855</u>	<u>51.630</u>
Other provisions	12	10.415	6.764
Total provisions		<u>10.415</u>	<u>6.764</u>
Payables to group enterprises		50.000	0
Other payables		0	2.316
Total non-current liabilities	13	<u>50.000</u>	<u>2.316</u>
Prepayments received from customers		5.540	4.112
Trade payables		28.120	28.336
Payables to group enterprises		11.922	85.101
Other payables		22.703	12.332
Total current liabilities		<u>68.285</u>	<u>129.881</u>
Total liabilities		<u>118.285</u>	<u>132.197</u>
Total equity and liabilities		<u>160.555</u>	<u>190.591</u>
Special items	14		
Subsequent events	15		
Contingent assets, liabilities and other financial obligations	16		
Related parties and group relation	17		

Statement of changes in equity

	Share capital	Reserve for development expenditure	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January 2020	500	6.536	44.594	51.630
Cash capital increase	37.277	0	0	37.277
Reserve for development cost less of deferred tax	0	-6.536	6.536	0
Net profit/loss for the year	0	0	-57.052	-57.052
Equity at 31 December 2020	37.777	0	-5.922	31.855

Notes

	<u>2020</u>	<u>2019</u>
	TDKK	TDKK
1 Staff expenses		
Wages and salaries	66.338	66.120
Pensions	6.436	6.430
Other social security costs	912	2.066
Other staff costs	<u>4.288</u>	<u>2.986</u>
Staff expenses total	<u>77.974</u>	<u>77.602</u>
Remuneration to the Executive Board	<u>2.070</u>	<u>1.892</u>
	<u>2.070</u>	<u>1.892</u>
Average number of employees	<u>114</u>	<u>112</u>
2 Depreciation, amortization and impairment of intangible assets and property, plant and equipment		
Amortization of intangible assets	398	565
Depreciation of property, plant and equipment	6.741	8.393
Impairment of intangible assets	15.809	0
Impairment of property, plant and equipment	<u>43.725</u>	<u>0</u>
	<u>66.673</u>	<u>8.958</u>

Notes

	<u>2020</u> TDKK	<u>2019</u> TDKK
3 Financial income		
Interest received from group enterprises	6	0
Exchange gains	<u>0</u>	<u>7.315</u>
	<u>6</u>	<u>7.315</u>
4 Financial expenses		
Interest paid to group enterprises	716	1.135
Other financial expenses	17	4.356
Exchange loss	<u>23</u>	<u>0</u>
	<u>756</u>	<u>5.491</u>
5 Tax on profit/loss for the year		
Deferred tax for the year	0	70
Adjustment of tax concerning previous years	<u>0</u>	<u>431</u>
	<u>0</u>	<u>501</u>
6 Distribution of profit		
Retained earnings	<u>-57.052</u>	<u>-10.709</u>
	<u>-57.052</u>	<u>-10.709</u>

Notes

7 Intangible assets

	Software	Intangible fixed assets in progress
	TDKK	TDKK
Cost at 1 January 2020	4.771	8.379
Additions for the year	0	4.653
Cost at 31 December 2020	<u>4.771</u>	<u>13.032</u>
Impairment losses and amortization at 1 January 2020	1.109	0
Impairment losses for the year	2.777	13.032
Amortization for the year	398	0
Impairment losses and amortization at 31 December 2020	<u>4.284</u>	<u>13.032</u>
Carrying amount at 31 December 2020	<u>487</u>	<u>0</u>

Notes

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	TDKK	TDKK
Cost at 1 January 2020	57.676	17.462
Additions for the year	48.514	0
Disposal for the year	-24	-1.683
Transfers for the year	13.120	-13.120
Cost at 31 December 2020	<u>119.286</u>	<u>2.659</u>
Impairment losses and depreciation at 1 January 2020	15.882	0
Impairment losses for the year	43.725	0
Depreciation and amortization for the year	6.741	0
Reversal of impairment and depreciation of disposed asset	-24	0
Impairment losses and depreciation at 31 December 2020	<u>66.324</u>	<u>0</u>
Carrying amount at 31 December 2020	<u>52.962</u>	<u>2.659</u>

Notes

9 Other non-current receivables

	Other receiv- ables
	<u>TDKK</u>
Cost at 1 January 2020	0
Addition	<u>1.792</u>
Cost at 31 December 2020	<u>1.792</u>
Carrying amount at 31 December 2020	<u>1.792</u>

In 2020, Umicore paid 1.8 million DKK as a rent deposit related to lease contracts which last until 2035.

10 Other receivables

Reference to note 14.

11 Equity

The share capital consists of 37.777 shares of a nominal value of DKK 1.000. No shares carry any special rights.

On June 2020, the authorized share capital of the company was increased from 500 DKK to 37.777 DKK.

Notes

	<u>2020</u>	<u>2019</u>
	TDKK	TDKK
12 Other provisions		
Balance at beginning of year at 1 January	6.764	8.557
Reversal for the year	-4.971	0
Additions for the year	10.868	0
Use of provisions	-2.246	-1.793
Balance at 31 December	<u>10.415</u>	<u>6.764</u>

The provision is expected to mature as follows:

Between 1 and 5 years	<u>10.415</u>	<u>6.764</u>
	<u>10.415</u>	<u>6.764</u>

Other provisions relate to onerous contracts relating to two leases of premises taken over in the business acquisition.

13 Long term debt

Payables to group enterprises

Between 1 and 5 years	<u>50.000</u>	<u>0</u>
Non-current portion	50.000	0
Other short-term debt to subsidiaries	<u>11.922</u>	<u>85.101</u>
Current portion	<u>11.922</u>	<u>85.101</u>
	<u>61.922</u>	<u>85.101</u>

Other payables

Between 1 and 5 years	<u>0</u>	<u>2.316</u>
Non-current part	0	2.316
Within 1 year	<u>0</u>	<u>0</u>
	<u>0</u>	<u>2.316</u>

Notes

14 Special items

Compensation income – Salary costs and fixed costs:

As a consequence of the COVID-19 outbreak, the company applied for governmental financial support relating fixed cost compensation and salary cost compensation.

The fixed costs compensation representing an amount of 3.8 million DKK. The salary costs compensation representing an amount of 2.4 million DKK.

The company has successfully been approved in the application and recognized the compensation received from the Danish government in other operating income.

Reimbursement:

In 2018 in connection with a business combination, a receivable was recognised for the reimbursement of losses, if any, on certain inventory items and certain trade receivables. Certain conditions must be met to obtain the reimbursement.

As of 31 December 2019 Management assessed that a contingent asset of DKK 16.1 million exist as of 31 December 2019 which was not been recognized due to uncertainty.

In November 2020, Umicore received the final settlement of 26.4 DKK million as a reimbursement of losses on certain inventory items and certain trade receivables of which 4 DKK million already had been recognized for as of 31 December 2019.

The total impacting of the profit/loss before net financial amount to 22.4 million DKK, of which 16.2 million DKK is recognized as Other external Expenses as reversal of provision for doubtful debts whereas the remaining amount was recognized as an additional operating income of 6.2 million DKK.

Provisions

During 2020 Umicore has moved to new premises in Hørsholm. As a consequence the company continues to pay for two leases of premises not used anymore. Consequently Umicore has provided DKK 10.9 million to cover the remaining cost of these two leases. The net impact of DKK 10.9 million is recorded as other external costs included in gross profit.

Impairment on intangibles and tangible assets:

The profit before tax for the year has been negatively impacted by 46.5 million DKK due to the fact that obsolete production equipment of 43.7 million DKK (Note 8) and obsolete production software of 2.8 million DKK (Note 7) were impaired as a result of the demand driven transformation to water-based technologies. For the same reason development assets of 13 million DKK (Note 7) were impaired. These amounts have been included in the financial statement line items "Depreciation, amortization and impairment of intangible assets and property, plant and equipment.

Notes

15 Subsequent events

As a result of a thorough reassessment of the global catalyst production footprint, the parent company Umicore announced on May 7th, 2021 the decision to close the heavy duty catalyst production in Frederikssund and to transfer majority of the activities to its plant in China till end of 2021. The decision is largely driven by the demand increase in the Heavy Duty segment as a result of the new emission standards in China.

The closure of automotive production in Frederikssund does not have any impact on the running business in Denmark. Sales activities will continue with cheaper catalysts purchased from the Chinese plant. Stationary business is not affected at all. Revenue expectation for 2021 remains unchanged.

The closure will ultimately impact 55 positions with moderate severance payments, which will bring in a saving in personnel expenses in the 2nd HY. The savings will be off-set by decommissioning cost, impairments etc. related to the closure. Negative net impact of the closure on net result 2021 is estimated to be around DKK 3 – 8 million, with which the company will expect to reach breakeven in 2021.

With regard to valuation of assets and liabilities, the management has not subsequently noted any material changes and considers the cash and credit facility resources reasonable.

Notes

16 Contingent assets, liabilities and other financial obligations

The Company has entered into 8 operating leases with expiration between 6 – 23 months, with an average monthly lease payment of DKK 1,289 thousand. Total lease obligation amounts to DKK 11,636 thousand.

Other than the financial obligations related to the FX derivatives and leases, there are no other contingent liabilities to report.

The Company is using FX derivatives to hedge it's position and reduce as such the FX risks.

At year-end, the Company has entered into the following forward contracts:

Sales CHF 0.05 million (DKK 0.3 million)
Sales USD 0.1 million (DKK 0.9 million)
Sales EUR 5.6 million (DKK 41.8 million)
Sales SEK 0.2 million (DKK 0.2 million)
Sales CNY 0.05 million (DKK 0.05 million)
Purchase CNY 9.9 million (DKK 9.2 million)
Purchase EUR 4.6 million (DKK 34.4 million)
Purchase USD 1.8 million (DKK 11.7 million)
Purchase SEK 0.9 million (DKK 0.7 million)

At year-end a positive market value of DKK 0.07 million is included in Other receivables and the loss of DKK 0.1 million is included in financial income.

There are no collateral or securities as of 31 december 2019 and 2020.

The Company is the subject of a couple of claims and legal proceedings incidental to the normal conduct of its business. Management does not believe that such claims and proceedings are likely to have a material adverse effect on the financial condition of Umicore.

Notes

17 Related parties and group relation

Controlling interest

Immediate and ultimate owner is: Umicore S.A., Broekstraat 31, 1000 Brussels, Belgium

Transactions

Transactions with related parties has been carried out at arm's length terms.

Consolidated Financial Statements

The Company is included in the Group Annual Report of Umicore International S.A.

The Group Annual Report of Umicore International S.A. may be obtained at the following address:

Umicore International S.A.
L-4940 Bascharage
Zone d'Activités Econo-miques
R. Steichenrue Bommel 5
Luxembourg

Or on: <https://www.umicore.com/en/investors/>.