

simonsen a/s

Møgelvangs Plads 7, 7900 Nykøbing Mors

Company reg. no. 12 64 63 72

Annual report

1 January - 31 December 2024

The annual report was submitted and approved by the general meeting on the 27 June 2025.

Anders Borg
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the board of directors and the managing director have presented the annual report of simonsen a/s for the financial year 1 January - 31 December 2024.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2024 and of the company's results of activities in the financial year 1 January – 31 December 2024.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Nykøbing Mors, 27 June 2025

Managing Director

Morten Simonsen

Board of directors

Anders Borg
Chairman

Morten Simonsen

Morten Breum-Leer

Jens Søndergaard Broberg

Independent auditor's report

To the Shareholders of simonsen a/s

Opinion

We have audited the financial statements of simonsen a/s for the financial year 1 January - 31 December 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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 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.

Independent auditor's report

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.
- 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.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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 Management's Review

Management is responsible for Management's Review.

Independent auditor's report

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 Statement Act. We did not identify any material misstatement of Management's Review.

Nykøbing Mors, 27 June 2025

RSM Danmark

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Søren Yde

State Authorised Public Accountant
mne34101

Company information

The company

simonsen a/s
Møgelvangs Plads 7
7900 Nykøbing Mors

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Fax 96691301
Web site www.simonsen.eu

Company reg. no. 12 64 63 72
Financial year: 1 January - 31 December

Board of directors

Anders Borg, Chairman
Morten Simonsen
Morten Breum-Leer
Jens Søndergaard Broberg

Managing Director

Morten Simonsen

Auditors

RSM Danmark Statsautoriseret Revisionspartnerselskab
Limfjordsvej 42
7900 Nykøbing Mors

Bankers

Danske Bank, Jægersgårdsgade 101B, 8000 Aarhus C
Sydbank, Dalgasgade 22, 7400 Herning

Parent company

Familien M. Simonsen Holding ApS

Subsidiaries

Simonsen Recycling ApS, Nykøbing Mors
Simonsen Refractory Service (Shanghai) Co., Ltd., Shanghai

Financial highlights

DKK in thousands.	2024	2023	2022	2021	2020
Income statement:					
Revenue	304.468	316.162	328.687	243.259	225.669
Gross profit	70.036	52.968	45.409	27.773	28.195
Profit from operating activities	46.669	31.009	26.520	12.292	11.879
Net financials	1.125	279	713	-107	-35
Net profit or loss for the year	37.126	24.341	21.208	9.486	9.193
Statement of financial position:					
Balance sheet total	97.739	85.242	81.355	67.225	61.123
Investments in property, plant and equipment	275	401	87	489	270
Equity	25.968	40.171	39.804	26.596	26.110
Employees:					
Average number of full-time employees	16	16	16	16	15
Key figures in %:					
Gross margin ratio	23,0	16,8	13,8	11,4	12,5
Profit margin (EBIT-margin)	15,3	9,8	8,1	5,1	5,3
Solvency ratio	26,6	47,1	48,9	39,6	42,7
Return on equity	112,3	60,9	63,9	36,0	37,5

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Gross margin ratio	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin (EBIT margin)	$\frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$
Return on equity	$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$

Management's review

Description of key activities of the company

The company was established the 1st. December 1984 by the late Mr. Jørgen Simonsen. He passed away too soon in 2011.

The company was managed and owned by the brothers Klaus and Morten Simonsen as partners until 1st. January 2025, on which date the company was transferred 100% to Morten Simonsen, who is now the sole owner and CEO of the company.

The company is an exclusive supplier to the;

- a. Global Primary Aluminum Industry
- b. Global Waste to Energy Industry

The company is the exclusive representative and sales office for the largest production companies for the range of materials being;

- Insulation materials
- Refractory materials
- Carbon Materials

introduced and distributed by the company to the global customers.

Development in activities and financial matters

The company realised a very satisfactory result for the year. Exceeded both the budget and EBITDA, and also higher in profits.

Development per sector:

The year was strong for the primary aluminium industry with high demand and a constant higher price at the LME for the metal. The company is involved in the global industry and involved in all major smelter groups. Despite no new projects in the year, the demand for the high quality materials and well-known service level, has provided with a strong mix of materials to be supplied across the board.

The relationship with the strong supply partners are also providing safety in supply and capacity. Most loyal partners have been with the company for more than 30 years.

Waste to Energy (WtE)

The company saw steady growth and increased demands. The company is very well-established with the engineering companies and has a close strategic supply agreement with the largest supply partner SINOSTEEL LIRR.

The large and ever increasing focus on sustainability will provide bigger growth possibilities.

Management's review

Expected developments

The company expects a larger turnover and profit margin and overall EBITDA in line with the fiscal year.

The company has entered a new market, China, for sales and expect a large, increased activity from this new market. The Chinese aluminium industry produced 55% of the global production of aluminium.

The company is increasing the supply base of critical materials, introducing geographic production to be better positioned to the key customers' markets.

The company is fully emerged at the GEARSHIFT platform with unique digital services providing a seamless service for all partners in the full supply chain.

Environmental issues

The company follows all guidelines for sustainability and have full focus on ESG, related and managed by the key production partner. This will be following the global tendencies and development.

Treasury shares

The enterprise's holding of treasury shares is 217.714 shares at DKK 1 each, corresponding to 30 % of the contributed capital.

During the year, the enterprise acquired 492.000 treasury shares at DKK 1 each. We refer to note 9 for further details.

Events occurring after the end of the financial year

No events materially affecting the assessment of Annual Report have occurred after the balance sheet date.

Accounting policies

The annual report for simonsen a/s has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, with the exception of a few reclassifications, and the annual report is presented in DKK.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of simonsen a/s and its group enterprises are included in the consolidated financial statements for Familien M. Simonsen Holding ApS, Nykøbing Mors, CVR nr. 10 15 50 10.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Familien M. Simonsen Holding ApS.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Accounting policies

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve in the Consolidated Financial Statement. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or write-down for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Derivatives

At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derived financial instruments classified as hedging of future cash flows are recognised in other receivables or other payables, and in equity.

Accounting policies

If the future transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or costs, amounts recognised in equity on a continuing basis are transferred to the income statement for the period in which the hedged item affected the income statement.

For derived financial statements that are no longer recognised as hedging instruments, changes in fair value are recognised in the income statement on a current basis.

Income statement

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year. Also, costs concerning sales staff, advertising and exhibitions costs, and amortisations.

Administration costs

Administration costs comprise costs incurred during the year concerning management and administration, including costs concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

Cost of sales

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to debt and transactions in foreign currency as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the individual entities are recognised in the income statement as a proportional share of the entities' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

Accounting policies

	Useful life
Other fixtures and fittings, tools and equipment	3-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value of the asset being leased or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Other financial instruments and equity investments

Financial instruments and equity investments recognised under non-current assets comprise listed bonds and shares measured at fair value on the reporting date. Listed financial instruments are measured at market price.

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Accounting policies

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the estimated selling price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Accounting policies

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, simonsen a/s is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

Note	2024	2023
Revenue	304.467.584	316.161.557
Production costs	-234.431.606	-263.193.693
Gross profit	70.035.978	52.967.864
Distribution costs	-5.743.634	-6.183.176
Administration expenses	-17.625.843	-15.991.384
Other operating income	2.216	216.012
Operating profit	46.668.717	31.009.316
Income from investments in group enterprises	14.084	14.107
Other financial income	1.826.674	1.021.116
2 Other financial expenses	-716.148	-756.667
Financing, net	1.124.610	278.556
Pre-tax net profit or loss	47.793.327	31.287.872
3 Tax on net profit or loss for the year	-10.667.628	-6.946.868
4 Net profit or loss for the year	37.125.699	24.341.004

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Non-current assets			
5	Other fixtures, fittings, tools and equipment	1.422.576	1.531.142
	Total property, plant, and equipment	1.422.576	1.531.142
6	Investments in group enterprises	1.622.514	1.637.793
7	Other financial instruments and equity investments	365.971	382.637
	Total investments	1.988.485	2.020.430
	Total non-current assets	3.411.061	3.551.572
Current assets			
	Manufactured goods and goods for resale	3.203.304	1.621.445
	Prepayments for goods	5.757.157	6.031.823
	Total inventories	8.960.461	7.653.268
	Trade receivables	43.983.144	33.041.713
	Income tax receivables	0	53.368
	Other receivables	863.890	975.228
8	Prepayments	390.425	613.891
	Total receivables	45.237.459	34.684.200
	Cash and cash equivalents	40.130.417	39.352.656
	Total current assets	94.328.337	81.690.124
	Total assets	97.739.398	85.241.696

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2024</u>	<u>2023</u>
Equity			
9	Contributed capital	725.714	500.000
	Reserve for net revaluation according to the equity method	142.133	157.412
	Reserve for foreign currency translation	0	26.281
	Retained earnings	25.100.441	39.487.148
	Total equity	25.968.288	40.170.841
Provisions			
10	Provisions for deferred tax	172.285	162.909
	Total provisions	172.285	162.909
Liabilities other than provisions			
	Bank loans	310.684	67.133
	Trade payables	39.663.245	29.797.743
	Payables to subsidiaries	7.543.969	8.970.624
	Payables to shareholders and management	0	5.777.449
	Income tax payable	2.175.252	0
	Other payables	21.905.675	294.997
	Total short term liabilities other than provisions	71.598.825	44.907.946
	Total liabilities other than provisions	71.598.825	44.907.946
	Total equity and liabilities	97.739.398	85.241.696

- 1 Employee issues
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Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revaluation according to the equity method	Reserve for foreign currency translation	Retained earnings	Total
Equity 1 January 2023	500.000	117.024	0	39.186.532	39.803.556
Share of profit or loss	0	40.388	0	300.616	341.004
Extraordinary dividend adopted during the financial year	0	0	0	24.000.000	24.000.000
Distributed extraordinary dividend adopted during the financial year	0	0	0	-24.000.000	-24.000.000
Foreign currency translation adjustments	0	0	26.281	0	26.281
Equity 1 January 2024	500.000	157.412	26.281	39.487.148	40.170.841
Cash capital increase	500.000	0	0	0	500.000
Cash capital increase	0	0	0	-500.000	-500.000
Share of profit or loss	0	-12.197	0	37.137.896	37.125.699
Cash capital reduction	-274.286	0	0	0	-274.286
Cash capital reduction	0	0	0	274.286	274.286
Foreign currency translation adjustments	0	-3.082	-26.281	0	-29.363
Acquired treasury shares	0	0	0	-51.298.889	-51.298.889
	725.714	142.133	0	25.100.441	25.968.288

Notes

All amounts in DKK.

	2024	2023
1. Employee issues		
Salaries and wages	9.214.573	8.456.945
Pension costs	2.363.316	2.363.363
Other costs for social security	141.138	135.469
	11.719.027	10.955.777
Executive board and board of directors	3.457.968	3.856.235
Average number of employees	16	16
2. Other financial expenses		
Financial costs, group enterprises	207.273	219.839
Other financial costs	508.875	536.828
	716.148	756.667
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	10.658.252	6.946.632
Adjustment of deferred tax for the year	9.376	236
	10.667.628	6.946.868
4. Proposed distribution of net profit		
Extraordinary dividend distributed during the financial year	0	24.000.000
Reserves for net revaluation according to the equity method	-12.197	40.388
Transferred to retained earnings	37.137.896	300.616
Total allocations and transfers	37.125.699	24.341.004

Notes

All amounts in DKK.

	31/12 2024	31/12 2023
5. Other fixtures, fittings, tools and equipment		
Cost 1 January 2024	4.531.169	4.141.936
Additions during the year	275.141	400.609
Disposals during the year	-415.567	0
Transfers	0	-11.376
Cost 31 December 2024	4.390.743	4.531.169
Depreciation and write-down 1 January 2024	-3.000.027	-2.759.126
Amortisation and depreciation for the year	-175.924	-252.277
Reversal of depreciation, amortisation and impairment loss, assets disposed of	207.784	0
Transfers	0	11.376
Depreciation and write-down 31 December 2024	-2.968.167	-3.000.027
Carrying amount, 31 December 2024	1.422.576	1.531.142
6. Investments in group enterprises		
Cost 1 January 2024	1.480.382	1.480.382
Cost 31 December 2024	1.480.382	1.480.382
Revaluations, opening balance 1 January 2024	157.411	117.024
Translation at the exchange rate at the balance sheet date	-29.363	26.280
Net profit or loss for the year before amortisation of goodwill	14.084	14.107
Revaluations 31 December 2024	142.132	157.411
Carrying amount, 31 December 2024	1.622.514	1.637.793
Group enterprises:		
	Domicile	Equity interest
Simonsen Recycling ApS	Nykøbing Mors	100 %
Simonsen Refractory Service (Shanghai) Co., Ltd.	Shanghai	100 %

Notes

All amounts in DKK.

	31/12 2024	31/12 2023
7. Other financial instruments and equity investments		
Cost 1 January 2024	382.637	399.303
Disposals during the year	-16.666	-16.666
Cost 31 December 2024	365.971	382.637
Carrying amount, 31 December 2024	365.971	382.637
8. Prepayments		
Deferred insurance and other prepayments	390.425	613.891
	390.425	613.891
9. Contributed capital		
Contributed capital 1 January 2024	500.000	500.000
Cash capital increase	500.000	0
Cash capital reduction	-274.286	0
	725.714	500.000

The share capital consists of 725.714 shares, each with a nominal value of DKK 1.

The enterprise's holding of treasury shares is 217.714 shares at DKK 1 each, corresponding to 30 % of the contributed capital.

During the year, the enterprise acquired 492.000 treasury shares at DKK 1 each. The purchase price amounts to DKK 51.298.889. The transaction has been a part of the proces of succession.

Notes

All amounts in DKK.

	31/12 2024	31/12 2023
10. Provisions for deferred tax		
Provisions for deferred tax 1 January 2024	162.909	162.673
Deferred tax relating to the net profit or loss for the year	9.376	236
	172.285	162.909

11. Disclosures on fair value

	Financial instruments
Fair value at 31 December 2024	-368.483
Unrealised change in fair value of the year recognised in the statement of financial activity	-569.663

12. Financial risks

Exchange rate risks

For the purpose of hedging future purchased supplies in USD, the company has entered into forward exchange contracts totalling 900.000 USD. Compared to the forward price at the reporting date, the contracts have a negative value of 368.483 DKK. The exchange loss is recognised in the income statement.

13. Contingencies

Contingent liabilities

Lease liabilities	523.106
Recourse guarantee commitments	6.770.106
Total contingent liabilities	7.293.212

Joint taxation

With Familien M. Simonsen Holding ApS, company reg. no 10155010 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

Notes

All amounts in DKK.

13. Contingencies (continued)

Joint taxation (continued)

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

14. Related parties

Controlling interest

Familien M. Simonsen Holding ApS
Møgelvangs Plads 7
DK-7900 Nykøbing Mors
Denmark

Majority shareholder

Transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year (in accordance with ÅRL §98c point 7)

Consolidated financial statements

The company is included in the consolidated financial statements of Familien M. Simonsen Holding ApS, Møgelvangs Plads 7, DK-7900 Nykøbing Mors, Denmark.