

Dear friends, colleagues and partners!

Time between our annual Dynasty Updates seems shorter and short. Must luckily be a sign of a busy but also nice and productive time.

2018 has been a strong year for our industry. High demand for metal, a start of the year with relatively high LME and stable oil prices. However, the situation changed gradually, as the impact of the Chinese environmental rules led to a tight situation for raw materials and was felt even more than in 2017. This has been one of the major challenges for all of us associated with this industry. Especially the pricing and sourcing of alumina was challenged by several major factors that made the price for alumina increase heavily.

As an exclusive global supplier to the smelters we have naturally also been affected by the rise of the raw material and production costs, especially in China. This has led to higher costs of especially SIC sidewall blocks, SICATEC-75. However, with prudent and close cooperation with our global customers we have managed to find a solution that has been working for all parties. With the winter heating season to come in China more actions can be expected but our partners in China have invested heavily in monitoring systems and are also managing to produce at full capacity for the years to come.

With the increased activities in the market the subject of capacity has been very much discussed. For certain lining materials as cathode carbon blocks the lead times are very long, contract secured on a multiple year basis to ensure approved materials for future growth. As you will note from this year's Update we have a

special section on our partner Shanxi Jinyang Carbon Company: our global partner for both sidewall carbon but also with a future brand new production of graphitised carbon blocks. So you will be able to see new qualities and added capacity which will be an absolute must. All our partners have ample capacity and can meet all requirements. We are adding new capacity at several places, so we are for sure ready.

In our family and company it has equally been a busy year on many fronts. Our new venture - Recycling - has been transformed into a special team of Michael Wang and Ulla. Klaus' son Frederik is now exclusively working in the shipping department with SIC blocks. This to learn the business and to get a good feeling of the business in the future. We have managed to enter the Waste-to-Energy market which has many synergies with the primary aluminium industry, as you can imagine. Klaus and I will focus only on "our" business and the primary aluminium industry.

I want to thank all our partners and friends for the continued support and business with our family and company. We so much look forward to 2019 which for sure looks to be a highly interesting and active year. May it be prosperous and healthy for all of you and your families.

I wish you happy readings and for all

A MERRY CHRISTMAS AND A HAPPY NEW YEAR.

Morten Simonsen

Managing Director

Muun

The Cover and Back





The cover and back of Dynasty Update show various angles and scenes around the Sallingsund Bridge which is celebrating its 40 years anniversary this year.

A vital bridge connecting Europe with our island Mors back in 1978!

With our Christmas card the simonsen organisation bids you all welcome to our world. From the left: Annalise, Marianna, Maria, Hanne, Connie, Ulla, Birthe, Susanne, Michael, Sanne, Heidi, Morten, Klaus and Frederik.

Christmas Card



Our family



Sara has finalised her training as a shop assistant and is now working full-time in a shop in charge of all animal matters: their health, food, caring and their well-being in general. During spring of 2018 she and her boyfriend decided to buy a small farm here on our island Mors. They found a perfect place only 16 km from Klaus and Susanne and even she did not get a job as a zookeeper, Sara is now privately running her own "zoo" consisting of 3 horses, 2 dogs, 9 hens, 2 goats, 2 cats + animals that might come along....

Frederik is now working in the company. Originally, the plan was to have him working with Michael in the recycling department. However, after some months it was decided that both he and the company would benefit much more if he worked with the ladies in our shipping dept. As informed previously he has been working with Maria the last 6-7 months in the SiC area and as she is now on maternity leave, Frederik has taken over her responsibilities. Privately, he is living in a house just next to Klaus and Susanne. He is very much into E-sports, American football and F1 racing. Fortunately, the football



season has just started, so he does get the opportunity to watch some games with Klaus. In July they enjoyed a trip together to F1-track in Hockenheim on a 3-day pass.



Nikolaj has been quite active during the last year. After graduation for higher diploma degree in commerce he worked part-time with a car dealership. He also took a 2-week course to become a licensed taxi driver and was working part-time in the check-in area at a local hotel! He had some full days. During this he also applied for jobs within the auto business and 2 months ago he was accepted as a trainee in a local company mostly dealing within leasing of cars. This is a big business in Denmark and will give him a lot of knowledge for

future reference in car dealerships. Due to his new trainee position he has given up all part-time jobs and kept taxi driving to the weekends. He has also been offered (and has accepted) a job as a drummer in a "major" local band. He still lives with Susanne and Klaus privately.

This summer Susanne and Klaus had a visit from Thula-Thula Game Reserve in South Africa with whom we have a sponsor agreement on the protection of elephants and rhinos. Mabona is head of the lodge and a very good, dear and long-term friend of the family.



Laura studying techno-anthropology in Copenhagen has been so fortunate to be awarded with a 6 months scholarship to Australia at Melbourne University. She has had an amazing experience and has made

a lot of friends from all over the world with whom she has travelled and seen Australia. At the University of Melbourne she has studied a wide range of interesting subjects such as digital criminology and international relations which has further inspired her to continue her studies.

Laura has had time to play a lot of tennis and challenge herself to new hobbies such as hiking and cooking now that she no longer has MUM or helpful roommates nearby!



Laura will be back mid December in time for Christmas and continue her studies back in Copenhagen in 2019.



Olivia has been very busy working as waitress at the local inn for 6 months. She then left Denmark for 3 months to go travelling with a group of youngsters in the Caribbean and Hawaii. A journey which combined work and pleasure: volunteerism, teambuilding, cultural understanding, self-development and communication and a parachuting jump. She is so brave!

Olivia has now moved away from Mors to Aalborg which is 1½ hour drive away and she has been lucky to get a very nice apartment. The reason for her moving is that she has started at the Aalborg University studying business economics. She is still busy in her weekends where she is working in the restaurant at our local inn and Marianna and Morten get to see her then. Olivia is also coming home for Christmas. It is going to be great having the whole family together again.

Morten and Marianna's dogs both love a car ride and Minni is still the tough one chasing the black-birds while Luis is having a lot of fun with his ball.







Wonder what's out there?

Birthday

Our mother Tove, member of the board, turned 80 this May. This was celebrated at Sallingsund Færgekro with all her friends and family.

She was assisting Jorgen at the start of our company whilst at the same time working as a secretary to the management at the local newspaper.

We are proud to have her on the board and to be our mother!





ISO re-certification

This year we went through a thorough audit for the purpose of being re-certified.

We are therefore proud to inform the result that we fully conform to the ISO 9001:2015 Quality Management System standard and the certificate is valid until November 2021.

GDPR



2018 saw the introduction of the new norm in the EU - the GDPR norm.

This package of new legislative rules has been introduced by the European Union to make it easier for residents of EU countries to protect their personal data.

Simonsen are naturally adhering completely and we take this data protection highly serious.

Staff



Morten's secretary *Birthe* had her 10 years anniversary in January. Birthe was originally working as a secretary to Jorgen but has since 2011 been working together with Morten.

Congratulations and we hope she will stay the next 10 years also!

Also congratulations to our Financial Manager *Heidi* on her wedding day in September.

She invited her colleagues to the wedding in the church of her hometown Agger and to the reception afterwards where her own homemade wedding cakes were truly enjoyed!



Colleagues attending the wedding reception: Annalise, Maria, Birthe, Hanne, Ulla, Connie, Marianna, Frederik and Michael



Indian visit

In April we had the pleasure of welcoming our man in India, Sales Manager Anwesh Dash, to our office. He introduced us to the Indian aluminium story and reversely we introduced him to various kinds of Danish specialities.







Enjoying Danish pastry: Marianna, Frederik, Klaus and Anwesh

His visit also including a tour in Copenhagen with Frederik as personal guide.

Indian News

"Dear all,

The aluminium industry in India is seeing a very positive trend. The global prices and the demand are very much visible in the results of the primary aluminium producers in India. As most of the smelters are fully backward integrated the impact of the volatility in the alumina prices did not have much of an impact. Also, the depreciation in the rupee has certainly helped.



Two primary aluminium producers in India have initiated major expansion at their alumina refineries and will be adding another 1.5 million tonnes of refining capacity in the next 2-3 years. Simultaneously, there are plans of adding new smelting capacities by the primary aluminium producers.

Lastly, the 7th International Conference on Aluminium and the Aluminium India Exhibition is being organised from 31st January-2nd February 2019 in Bhubaneswar, Odisha - the "Aluminium Capital of India".

2018 has been quite eventful and we wish 2019 will be more exciting. We strive to be able to support our customers in all their endeavours.

Merry Christmas & Happy New Year 2019.

Anwesh Dash"

Shanghai Update

"Dear friends.

2018 was an indelible year for the aluminium industry, in the same supplying chains, our carbon sector without exception. We did have a most busy year ever.

Thanks to the dear partners to keep us and our plants busy in full operation throughout the year. In our quality assurance practice we continue to watch our product quality and quality consistency for all grades and brands. At the same



time we developed a series standard to guarantee the packing quality in high level not only in our workshop but also during the transportation, stuffing the containers and sailing. A good product must have a good packing.

As I wrote you last year our carbon plant in Shanxi now has finished her expansion project. There are two fully automatic production lines in place to produce full range of carbon products in both graphitic and graphitised qualities. The modern facilities will bring the stable quality cathode and sidewall blocks to serve our industry.

Worldwide aluminium industry is active. As a supplier - as always - we will continue to endeavour ourselves to improve whatever we can to bring values to our customers and serve the industry better.

At the end may this short letter bring you happiness, healthiness and peacefulness. Wishing you a beautiful New Year and see you soon in 2019!

Ruanbo from Shanghai"

Shipping News

2018 has been a tremendous year in our shipping department. The entire year has been characterised by busyness and a lot of exciting tasks and there is no doubt that this will continue in 2019.

A new IT system (Navision) was initiated on 1st January 2018 and as always IT systems do not function perfectly immediately. There have been challenges along the way. However, everybody in the department has taken part in solving the problems and has contributed to the fact that the system now works.

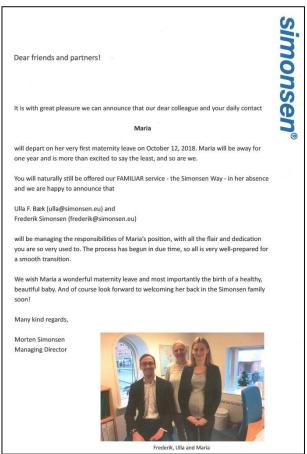
In October Maria went on maternity leave and during this time Ulla will handle all shipments to Europe and Frederik will handle shipments of our sicatec 75 to the rest of the world.

In addition the shipping department now consists of Connie (alubar 1100), Hanne (insulating bricks and boards) and Michael (cathode blocks) in co-operation with Hanne.

We expect that Maria will be back at work again during autumn 2019.



From left: Connie, Ulla, Michael, Frederik, Susanne and Hanne



Earlier this year we published the above information letter.

Cooperation Aalborg University

In October we aligned with the Danish university of Aalborg and 4 students finishing their final Master's degree study. The aim of a dialogue and relationship with a university is to achieve new ideas and to look into the minds and future of the younger generation.

We had a visit to our office in Nykøbing for these 4 young ladies to get acquainted with the company in terms of:

Family values

Business ethics

Global vision and cooperation

Relation management to partners, customers and suppliers

The final thesis will center around the *simonsen services in a familiar way* and how to approach this when entering into other business areas as WtE etc.

The foundation of the thesis is as described:

"Our project revolves around Simonsen's image and the possible association with the phrase "in a familiar way". The project will be based on theoretical aspects concerning corporate branding, global marketing and theory regarding family-owned businesses. This means that the project will hopefully become an attribution to the academic research concerning identity creation and management for family-owned businesses, operating in a global market. In order to investigate this topic, we would like to facilitate 2-3 interviews with Simonsen's business partners (one interview per partner) with a duration of approximately one hour."

A very interesting topic and we look forward to an outside view of the present status and awareness of our brand.



From left: Morten, Helene, Nicki, Sofie, Ann-Sophie and Marianna

Aluminium 2018

We were proud once again to participate at this biennial fair in Dusseldorf. Also this time we had a joint booth with our exclusive partner Refratechnik and as usual we met with many of our good friends and new contacts as well.

Expect the best. REFRATECHNIK

ALUBAR® 1100



Rainer Gaebel (Refratechnik) and **Morten**



Klaus and Morten with Paolo Mosconi and Antonio Bodini



Klaus Hölscher (Calsitherm), Klaus, Klaus Tille (Silca) and Tobias Hölscher (Calsitherm)



Antonio Bodini (Mosconi) and the simonsen ladies **Susanne** and **Ulla**

TMS 2018

As usual we met with a lot of friends and business partners at the annual TMS conference. This year it was located in Phoenix, Arizona and we had many good discussions.



Sverre Enger and **Eirik Hagen** (both Hydro) together with **Ruanbo** and **Klaus**



Morten and Klaus with Till Reek (Trimet)



Left:

Matt Powell (Liberty
Group) and Ruanbo



Right:

Dan Acheampong
and Loveland Dela

Agbo (both VALCO)
together with Morten



Ruanbo and Koichiro Mashio

SHANXI Jinyang Carbon Co.

During the past years we have had a very close cooperation with Shanxi Jinyang especially on the carbon sidewall material which we have introduced into the primary aluminium industry. Due to the fact that the surrounding city of Lingshi was getting closer and closer to the production facility an agreement was made between the city and Shanxi Jinyang to gradually close the present facility and to establish a completely new carbon plant including new head office 25-30 km outside the city.





The work on this new plant started approx. 2 years ago and the final commissioning of the entire plant including graphitisation unit will be done by the end of 2018/early 2019. The total capacity for both graphitic and graphitised carbon cathodes will be around 60,000 mt per year.

The carbon sidewall production will remain in the "old" plant until early 2019. Then Shanxi will start implementing and installing completely new production equipment (including new cutting facilities) for the production of carbon sidewalls and we expect this new production to be fully commissioned during the third quarter of 2019.

However, it should be noted that even with the present capacity we are capable of supplying carbon sidewall material from 10-15% graphitic content all the way to 100% graphitic blocks including fully graphitised sidewall material.





Audits



Upper row from left: Liang Yanming (Shanxi), Ruanbo, Klaus and Cao Guobing. Lower row: Wu Jianguo, Li Gang, Sreekumar Chellappan, Duan Xueliang, Abdallah Al Jaziri and Shane Polle.

As a result of the change in the production facility for our carbon cathodes and carbon sidewalls produced by Shanxi Jinyang - partly due to the new environmental regulations imposed by the Chinese government - we have had the pleasure of having visits and audits by various clients at the brand new Shanxi Jinyang production facility.

By the end of May we had the pleasure of having EGA represented by Shane Polle, Sreekumar Chellappan and Abdallah Al Jaziri visiting the plant. We went for a full plant tour and also through the various technical documents. Based on the visit we do expect to be part of the future EGA supplier base.

End October we were pleased to having Hydro Aluminium represented by Sverre Enger, Eirik Hagen and Ms. Ying Wang for a full inspection of our new cathode/sidewall production. As we have been supplying Hydro for some years with our materials, they have been visiting the "old" facility before. Due to the commissioning of a completely new plant Hydro wanted to perform an audit.

This has subsequently resulted in us being a fully approved supplier to Hydro.





The Hydro Team



From left: Liang Yanming (Shanxi), Sverre Enger, Klaus, Eirik Hagen, Ruanbo and Chen Xiaowu (Shanxi)

IFAT 2018

In our efforts to enter the global Waste-to-Energy market **Ulla** and **Michael** participated in the largest fair for this industry in Munich.



Our Chairman of the Board Mr. Anders Borg was also part of the exhibition.

It was a highly interesting and effective fair where many new contacts were made.

We exhibited at this event together with our partner LIRR.





Metal Bulletin's 33rd International Aluminium Conference in Berlin: Michael Wrotniak (Aminco) and Uwe Balshüsemann (Techno-Physik)





IREFCON 2018, New Delhi: Morten with Linda and Wang Zhanmin (both LIRR) and Anwesh Dash

To the left: Marianna, Morten and Laura visiting the family of Ruanbo in Los Angeles

GAD 2018

Being a regular sponsor to the Gulf Aluminium Dinner Morten and Klaus enjoyed participating in this special event this year taking place in March in Muscat.

As always it was a pleasure to be with friends and contacts in the business.







Klaus-Martin Meier, Helge Jansen and Rainer Gaebel (all Refratechnik) together with Morten and Klaus

Tomago Supplier Award 2018



Gordon Wilson (Tomago) and Bernie Cooper (Regain)

Morten again had the great pleasure of attending the annual TAC supplier award evening in New Castle. This year quite special, since Morten's daughter Laura was kindly invited to attend also, as she for the time being is a Melbourne residing student.

It is a remarkable evening, this year was no less than the 13th time, the evening was hosted. TAC goes above and beyond to make this a special event.

All related suppliers to TAC are recognised for their services, supply and partnership. It means so much to all involved, it goes without saying.

It was a new and great experience for Laura also. She met many of the very kind colleagues from Tomago with whom we work so closely.

Again thanks for this opportunity!



Matt Howell (Tomago)

Aluminiere Alouette

We were proud to be invited to participate in the Golf Tournament and the Partners in Excellence event in Sept-Îles in June.



We were nominated in the Customer Service Category and Morten was delighted to represent our company in this great event. We feel as a strong, long-term partner with Alouette.

Oral English Awards

Marianna and Morten were again the honourable judges for the biannual Jorgen Simonsen Oral English Contest at LIRR in Luoyang. As always it was a very special affair and it was so moving to hear the prepared English speeches from the group of young students. There was a winner in the different categories but for sure they are all winners. A daunting task to master English in front of European friends when you have never left China.

The award was years back introduced by Jorgen Simonsen to make sure the students would get a chance to learn English and be able to work with outside companies also - including simonsen it goes without saying. Morten made notes from all the speeches and as you will see from the below examples all is mostly about family, future work, love, cost of living:

Making the bed

Do this every day and you will think constructive all day Small things matter to make you be more positive in your actions

Exceed knowledge

Read books more than internet

Much learning can be made from books

Read every day

Honesty in your whole life

Work hard

If then you will also make money

Friendship so important, not be lonely Is like wine, gets better over the time

Healthy living, daily fitness

To have a good mind and soul

Too much computer will not provide healthy mind

What will love be, who will be soulmate, where I find Be social and active



Thula Thula



Thula Thula is a private game reserve in South Africa and remains one of the Simonsen family's top travel destinations ever since Jorgen's first visit many years ago. The reserve is now owned and managed by Francoise Malby-Anthony, wife of late conservationist Lawrence Anthony, author of "The Elephant Whisperer".

The reserve covers an area of 4500 ha of tribal land that has been made available by the local chiefs in the area. It houses many different species including leopards, buffaloes, rhinos, giraffes and a very famous herd of elephants, main stars of the above book.



The two rhinos Thabo and Ntombi are now roaming freely in the reserve. They were hand raised after losing their mothers to poaching. Due to the risk of poaching they are now followed 24/7 by an armed escort and dehorned every now and then. Next to natural disasters such as droughts, poaching remains the number one threat to the diversity of the African wildlife. Rhino horns are now more valuable than gold.

Thula Thula wildlife rescue and rehabilitation centre is also situated in the game reserve and handles a lot of injured or orphan animals. All are being taken care of by a team of handlers and volunteers until they are able to survive in the game reserve on their own.







To educate and involve people in the protection of our natural heritage the Thula Thula Volunteers Academy was started in May 2018. It has proved to be an amazing success offering local and international volunteers an opportunity to get involved in nature and wildlife conservation. Education is essential to bring a better understanding and more awareness to the necessity to protect endangered species and a greater respect and appreciation to conservation efforts.

Game Reserve

Francoise Malby-Anthony released her first book this year "An elephant in my kitchen" describing her experiences and challenges of running the game reserve after Lawrence Anthony passed away in March 2012.

As mentioned earlier Mabona, Head of Thula Thula Lodge, visited Susanne and Klaus this summer and she and Susanne went to our local bookshop to get some copies.

Thula Thula is constantly looking to expand their reserve to accommodate their rising animal population and we are currently supporting this endeavour in Jorgen's name as he would have wanted.



Down Under

Marianna and Morten had the pleasure of visiting Laura in Melbourne for a week in September. Interesting trips were made to the local wineries and animals, for which Australia is known, were truly enjoyed.









SICA



Jingjing from the Chengdu Panda Base sent us this update on our adopted panda SICA and her male twins: Si Nian and Si Junjun:

"SICA - current weight 100 kg and 14 years old Living place: Moonlight nursery house

Si Nian and **Si Junjun** - 3 years old and almost 90 kg each Living place: No. 2 Panda Villa

All are healthy and daily menu consists of fresh bamboo, bamboo shoots, apple and special panda cake (contains trace elements panda needed).

Current news on SICA: you must have attention to her weight. Why she lost weight from 112 kg to 110 kg? To be slim? No!! As keepers say, she is too picky with her food, once she feels the bamboo is not appetite to her, she would rather not eat, actually, this is tough problem to her keepers. They try many ways for her to gain weight but she never coopera-

ted. Anyway, our nutritionist starts to change her menu. Hopefully, this could help our picky SICA.

Now is early winter but still warm, especially in the afternoon it could reach 20 degrees. So SICA and other pandas lay out on the wood structure enjoying life. What a life: she is turned to 14 years old (to human year it is 49 years old). Imagine what life can be if 49 years old person: eating and sleeping? But panda SICA can do it! Keep the life going!

Current news on Si Nian and Si Junjun: 3 years old to pandas means full of curiosity, active, climbing, exploration, troublemaker. They are all this. They are kung Fu panda doing the panda kung Fu. You can imagine how keepers feel it but on the other words, they are the lovely pandas beloved by people watching them and spend long time to keep the eye on them."





Nordural

2018 marked the 20th anniversary of the construction of the first potline at Nordural in Iceland.

It is hard to believe that it is already 20 years ago we were involved with Nordural for the construction.

During his many visits to Nordural Morten is amazed how young, vibrant and new the smelter seems.



Success is not the key to happiness. Happiness is the key to success. If you love what you are doing, you will be successful.

Albert Schweitzer

Happiness lies in the joy of achievement and the thrill of creative effort.

Franklin D. Roosevelt

Success is how high you bounce when you hit bottom.

George S. Patton



As the saying goes:

"There is always a simonsen on the road!"

".... and at the golf course"



180 years



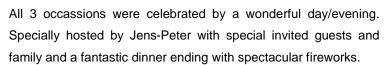
This year was a very special celebration for our friend Jens-Peter Skov, owner of Sallingsund Færgekro, the place where many of you always stay and where we have wonderful dinners (we think!).



This inn is just close to the Sallingsund bridge and a part of the inn was actually made to house the construction workers back in 1978.

So this year everything came together:

Jens-Peter turned 60 Sallingsund Færgekro turned 80 and the bridge turned 40!







Back in 1978 when the bridge was opened Morten walked the bridge as a part of the royal opening.



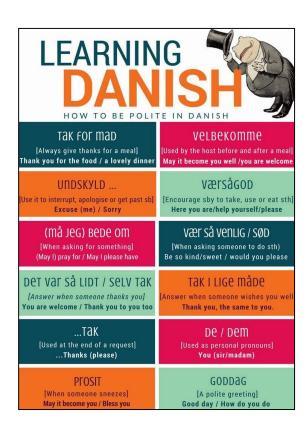


Klaus made the same trip 40 years later, running!

We are proud of our homestead and hope our friends from close and afar will come and visit in 2019.

Danish lesson

Continuing the lessons from the last years we shall now guide you to more Danish:



DAY 53 THEY STILL DON'T, SUSPECT THAT I'M A CAT

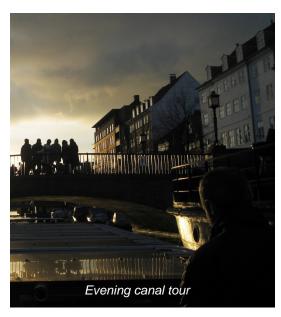
- Not everything is what it seems!

Copenhagen No. 1

Having the Danish lessons in mind it would be obvious to visit Copenhagen, our capital city, which has just topped Lonely Planet's top 10 cities to visit in 2019.

Naturally, we would be proud and happy to be your guides!





Cultural Event

As usual this recurring event took place over a period of 48 hours in August and this year under very wet conditions. But still thousands of people attended although not everyone present showed the same amount of enthusiasm!



During the event we witnessed this sight at the parking area outside our office and found ourselves back in time:

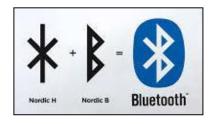


In 1284, while the town of Hamelin was suffering from a rat infestation, a piper dressed in multicolored clothing appeared, claiming to be a ratcatcher.... The mayor, in turn, promised to pay him for the removal of the rats.

Bluetooth before the internet

Back in 1996 the large technology companies agreed upon creating a joint standard of a wireless connection between computers and mobile phones: Bluetooth software, which in fact was named after the Danish viking chieftain Harold Bluetooth (in Danish Harald Blåtand).

Around the year 965 Harold Bluetooth - who was ahead of his time as to social media with this first "press release in Denmark" - erected the large rune stone in Jelling with an inscription telling proudly about his achievements: he alone unified Denmark and made the Danes Christian. All due to diplomatic negotiations and communication!



An American engineer had read about this viking and was fascinated and inspired by him and the temporary working title for the project "Bluetooth" was never changed.





The Sallingsund bridge - connecting Europe with our island Mors!



Finally, we wish you and your families a happy Christmas and a prosperous 2019.

Warmest regards,

Morten Klaus

