

**SYDDANSK
REVISION**



MEMBER OF
DANSKE REVISORER

FSK*

**HJERNØ VÆRKTØJSFABRIK
A/S**

**Thulevej 25
5210 Odense NV**

CVR no. 10 22 83 95

**Annual report for the period
1 January to 31 December 2019**

Adopted at the annual general mee-
ting on 27 March 2020

Klaus Bülow Davidsen
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Accounting policies	8
Income statement 1 January 2019 - 31 December 2019	14
Balance sheet 31 December	15
Notes to the annual report	17

Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of HJERNØ VÆRKTØJSFABRIK A/S for the financial year 1 January - 31 December 2019.

The annual report is 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 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Odense, 27 March 2020

Executive board

Aage Agergaard
CEO

Supervisory board

Klaus Bülow Davidsen
chairman

Peder Eriksen

Aage Agergaard

Jan Lehmann Hansen

Independent auditor's report

To the shareholder of HJERNØ VÆRKTØJSFABRIK A/S

Opinion

We have audited the financial statements of HJERNØ VÆRKTØJSFABRIK A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, notes and summary of significant accounting policies. 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 company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the 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.

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.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

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.

Næstet, 27 March 2020

SYDDANSK REVISION
GODKENDT REVISIONSFIRMA
CVR no. 15 68 15 86

Lennard Skjoldemose Hansen
godkendt revisor, FSR-danske revisorer
MNE no. mne576

Company details

The company

HJERNØ VÆRKTØJSFABRIK A/S
Thulevej 25
5210 Odense NV

CVR no.: 10 22 83 95

Reporting period: 1 January - 31 December 2019

Domicile: Odense

Supervisory board

Klaus Bülow Davidsen, chairman
Peder Eriksen
Aage Agergaard
Jan Lehmann Hansen

Executive board

Aage Agergaard, CEO

Auditors

SYDDANSK REVISION
GODKENDT REVISIONSFIRMA
Næsset 26
5330 Munkebo

Bankers

Sparekassen Kronjylland
Vestergade 11
8000 Aarhus C

AKTIESELSKABET NORDFYNS BANK
Adelgade 49
5400 Bogense

Management's review

Business review

The activities of Hjernø Tool Factory A/S comprise the manufacturing of technically demanding injection moulding tools for the plastics industry, as well as maintenance of and renovating of our customers' existing production tools.

Furthermore, in the total turn-over an added share of ultra-precision metal components are included for other specialised industries, mainly as unique products.

Financial review

The company's income statement for the year ended 31 December 2019 shows a profit of DKK 2,063,760, and the balance sheet at 31 December 2019 shows equity of DKK 23,933,709.

The turn-over has grown satisfactorily in the past year having increased sales to existing customers and to new customers.

Within the past year, new and interesting investments in advanced technologies and in the developments of the company's OrderFlow system, particularly contributing to giving an efficient overview and steering of the production capacity, with a higher coefficient of utilization, increased control, and safeguarding the delivery times.

Throughout the year an continued development of the organisation has taken place in order to meet the solid growth in the company, having adopted ongoing routines adapting the organization to the increased growth both in the production as well as the number of staff, by increasing number of managers and team coordinators, who are ensuring good leadership and control in the company.

In particular, emphasis has been put on the transformation from "workshop to factory", where the company has now moved to such a size, where it has been necessary to standardize the assignments inhouse, so that the assignments will not have to be considered on an individual basis in the same manner as previously done with the individual staff members.

The production has been further sectioned, meaning that there are now 11 different types of technical departments in the production. This lessens the complexity in the individual departments, increases efficiency, the work tasks become manageable, the communication process becomes shorter and gives the possibility of precise planning, and the quality further increases in the products of the company.

Incoming orders have been very satisfactory during the entire year, ensuring the company a continuous and very satisfying increase in turn-over. A number of good cooperation agreements have been entered into with existing customers, as well as an increase in and cooperation with new customers, all contributing to maintaining the image of the company's growth set to continue in the same pace as during the previous years. The company strategy of continued growth and offering increased capacity and many more special throughput services to the customers will thus continue as the primary strategy.

Management's review

Recruiting new staff members appear to be showing a positive growth without the difficulties faced in the previous years attracting qualified staff. The reason behind this is, amongst others, partly due to the increased focus on the company via social media, news letters, and additional press coverage of the company policy and strategy for the employee's working conditions and well-being. In the same manner retaining a fairly large number of apprentices have been a success, which will contribute to ensure our future needs for in-house experts. At the same time, the company shows social responsibility by contributing to securing our society as an industrial society, as well as securing young people, who so wish, an exciting and future-proof vocational training.

The expected growth in turn-over and earnings are fully in alignment with the set strategy and the budgets for the year, where the split between domestic sales and exports corresponded to the expectations for the present year.

The result of the year shows a profit of 2,832,920 before taxes and 2,063,760 after taxes, which is less than the year before. However, it is considered most satisfactorily as considerable investments have been made and costs related to IT-steering, expanding management and establishing an increased number of staff in the production, including establishing night-shift, which will ensure the demands to the upcoming year for further capacity to the budgeted turn-over.

Significant events occurring after the end of the financial year

The consequences of Covid-19 leading to several countries being "shut down" by governments will significantly impact the global economy. Management perceive the consequences of Covid-19 as an occurrence that has materialized after the end of the financial year, and as a consequence will not adjust the accounts for the company. Currently, the negative implications of Covid-19 are not possible to calculate.

Accounting policies

The annual report of HJERNØ VÆRKTØJSFABRIK A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities and the recommendations in the Danish accounting pertaining to reporting class B and C entities as well as selected provisions as regards larger entities.

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

The annual report for 2019 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

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

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Income from customised products is recognised as production is carried out, implying that revenue corresponds to the selling price of contracts completed in the year (percentage-of-completion method). This method is applied where the total income and expenses relating to the contract and the stage of completion at the balance sheet date can be estimated reliably and it is probable that future economic benefits will flow to the Company.

Raw materials and consumables

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

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Accounting policies

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost added revaluations and less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Plant and machinery	12 years	0 kr.
Other fixtures and fittings, tools and equipment	4 years	0 kr.
Leasehold improvements	10 years	0 kr.

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Accounting policies

Leases

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

Fixed asset investments

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

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

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

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

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Accounting policies

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised 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.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Income statement
1 January 2019 - 31 December 2019

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Gross profit		<u>35,647,845</u>	<u>33,750,206</u>
Staff costs	1	<u>-28,722,834</u>	<u>-24,478,093</u>
Profit/loss before amortisation/depreciation and impairment losses		6,925,011	9,272,113
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-3,373,466</u>	<u>-3,341,013</u>
Profit/loss before net financials		3,551,545	5,931,100
Financial income	2	11,272	124,167
Financial costs	3	<u>-729,897</u>	<u>-985,824</u>
Profit/loss before tax		2,832,920	5,069,443
Tax on profit/loss for the year	4	<u>-769,160</u>	<u>-1,004,380</u>
Profit/loss for the year		<u>2,063,760</u>	<u>4,065,063</u>
Proposed dividend for the year		500,000	2,000,000
Retained earnings		<u>1,563,760</u>	<u>2,065,063</u>
		<u>2,063,760</u>	<u>4,065,063</u>

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Assets			
Plant and machinery		4,694,529	1,768,882
Other fixtures and fittings, tools and equipment		553,199	596,474
Leasehold improvements		3,727,248	3,924,727
Property, plant and equipment in progress		<u>18,478,128</u>	<u>18,445,392</u>
Tangible assets	5	<u>27,453,104</u>	<u>24,735,475</u>
Deposits		<u>979,500</u>	<u>979,500</u>
Fixed asset investments		<u>979,500</u>	<u>979,500</u>
Total non-current assets		<u>28,432,604</u>	<u>25,714,975</u>
Raw materials and consumables		<u>1,291,832</u>	<u>926,835</u>
Stocks		<u>1,291,832</u>	<u>926,835</u>
Trade receivables		11,973,324	12,138,964
Contract work in progress		6,627,568	2,870,702
Receivables from subsidiaries		0	1,755,418
Other receivables		671,729	597,165
Joint taxation contributions receivable		372,438	0
Prepayments		<u>68,090</u>	<u>225,249</u>
Receivables		<u>19,713,149</u>	<u>17,587,498</u>
Cash at bank and in hand		<u>67,048</u>	<u>358,957</u>
Total current assets		<u>21,072,029</u>	<u>18,873,290</u>
Total assets		<u><u>49,504,633</u></u>	<u><u>44,588,265</u></u>

Balance sheet 31 December

	Note	2019 DKK	2018 DKK
Equity and liabilities			
Share capital		1,387,302	850,000
Share premium account		7,462,698	0
Revaluation reserve		482,594	482,594
Retained earnings		14,101,115	12,537,353
Proposed dividend for the year		500,000	2,000,000
Equity	6	<u>23,933,709</u>	<u>15,869,947</u>
Provision for deferred tax		2,368,098	1,858,846
Total provisions		<u>2,368,098</u>	<u>1,858,846</u>
Lease obligations		7,708,801	10,024,685
Total non-current liabilities	7	<u>7,708,801</u>	<u>10,024,685</u>
Short-term part of lon-term debt	7	3,655,059	3,321,533
Banks		1,475,799	4,884,247
Trade payables		4,354,510	2,344,879
Payables to subsidiaries		0	299,300
Payables to associates		224,847	0
Payables to shareholders and management		53,550	65,535
Joint taxation contributions payable		0	786,918
Other payables		5,730,260	5,132,375
Total current liabilities		<u>15,494,025</u>	<u>16,834,787</u>
Total liabilities		<u>23,202,826</u>	<u>26,859,472</u>
Total equity and liabilities		<u>49,504,633</u>	<u>44,588,265</u>
Rent and lease liabilities	8		
Contingencies etc.	9		
Mortgages and collateral	10		

Notes

	<u>2019</u>	<u>2018</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	24,267,346	20,783,228
Pensions	3,070,819	2,516,332
Other social security costs	574,460	454,525
Other staff costs	810,209	724,008
	<u>28,722,834</u>	<u>24,478,093</u>
Average number of employees	<u>53</u>	<u>45</u>
2 Financial income		
Interest received from subsidiaries	11,194	105,346
Other financial income	78	18,821
	<u>11,272</u>	<u>124,167</u>
3 Financial costs		
Other financial costs	714,237	948,049
Percentage surcharge, corporation tax	15,660	37,775
	<u>729,897</u>	<u>985,824</u>
4 Tax on profit/loss for the year		
Current tax for the year	259,908	786,918
Deferred tax for the year	509,252	217,462
	<u>769,160</u>	<u>1,004,380</u>

Notes

5 Tangible assets

	Plant and ma- chinery	Other fixtures and fittings, tools and equipment	Leasehold im- provements	Property, plant and equipment in progress
Cost at 1 January 2019	3,989,093	970,145	4,501,611	29,099,147
Additions for the year	3,432,548	480,120	265,222	2,150,680
Disposals for the year	0	-599,000	0	0
Cost at 31 December 2019	<u>7,421,641</u>	<u>851,265</u>	<u>4,766,833</u>	<u>31,249,827</u>
Revaluations at 1 January 2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>618,711</u>
Revaluations at 31 December 2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>618,711</u>
Impairment losses and depre- ciation at 1 January 2019	1,941,129	652,753	576,884	11,272,441
Depreciation for the year	785,983	6,813	462,701	2,117,969
Reversal of impairment and depreciation of sold assets	<u>0</u>	<u>-361,500</u>	<u>0</u>	<u>0</u>
Impairment losses and depre- ciation at 31 December 2019	<u>2,727,112</u>	<u>298,066</u>	<u>1,039,585</u>	<u>13,390,410</u>
Carrying amount at 31 De- cember 2019	<u><u>4,694,529</u></u>	<u><u>553,199</u></u>	<u><u>3,727,248</u></u>	<u><u>18,478,128</u></u>

Notes

6 Equity

	Share ca- pital	Share premium account	Revalua- tion re- serve	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2019	850,000	0	482,594	12,537,355	0	13,869,949
Cash capital increase	537,302	7,462,698	0	0	0	8,000,000
Net profit/loss for the year	0	0	0	1,563,760	500,000	2,063,760
Equity at 31 December 2019	1,387,302	7,462,698	482,594	14,101,115	500,000	23,933,709

The share capital has developed as follows:

	2019 DKK	2018 DKK	2017 DKK	2016 DKK	2015 DKK
Share capital at 1 January 2019	850,000	850,000	850,000	850,000	850,000
Additions for the year	537,302	0	0	0	0
Share capital	1,387,302	850,000	850,000	850,000	850,000

7 Long term debt

	Debt at 1 January 2019	Debt at 31 Decem- ber 2019	Instalment ne- xt year	Debt outstan- ding after 5 years
Lease obligations	13,346,218	11,363,860	3,655,059	297,817
	13,346,218	11,363,860	3,655,059	297,817

Notes

	<u>2019</u>	<u>2018</u>
	DKK	DKK
8 Rent and lease liabilities		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	149,472	44,412
Between 1 and 5 years	<u>12,456</u>	<u>14,804</u>
	<u>161,928</u>	<u>59,216</u>
Rent obligation, non-cancellation period	1,326,000	1,900,000

9 Contingencies etc.

The company is jointly taxed with its parent company, Hjernø Holding ApS (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2019 onwards as well as for payment of withholding taxes on dividends, interest and royalties.

10 Mortgages and collateral

For Hjernø Værktøjsfabrik A/S' account with Sparekassen Kronjylland, Hjernø Værktøjsfabrik A/S has given below as security:

- DKK 6,000,000, floating charge with security in the stock of raw materials, semimanufactures and finished goods, fuel and ancillary material, unsecured debts stemming from sale of goods and services, vehicles which are not or have not previously been registered, goodwill, domains, rights according to the Act of Patents, the Act of Trade Marks, the Act of Design, the Act of Utility Models, (topography), as well as operating fixtures and workingplant.

- DKK. 1,241,100, production guarantee

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Aage Agergaard

Som Direktør NEM ID
PID: 9208-2002-2-706651637887
Tidspunkt for underskrift: 27-03-2020 kl.: 15:56:00
Underskrevet med NemID

Klaus Bülow Davidsen

Som Bestyrelsesformand NEM ID
PID: 9208-2002-2-955599641857
Tidspunkt for underskrift: 27-03-2020 kl.: 16:43:15
Underskrevet med NemID

Aage Agergaard

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-706651637887
Tidspunkt for underskrift: 27-03-2020 kl.: 15:58:20
Underskrevet med NemID

Jan Lehmann Hansen

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-549130456144
Tidspunkt for underskrift: 28-03-2020 kl.: 10:37:39
Underskrevet med NemID

Peder Kristian Eriksen

Som Bestyrelsesmedlem NEM ID
PID: 9208-2002-2-130081559505
Tidspunkt for underskrift: 27-03-2020 kl.: 16:41:59
Underskrevet med NemID

Lennard Skjoldemose Hansen

Som Revisor NEM ID
PID: 9208-2002-2-715119359919
Tidspunkt for underskrift: 28-03-2020 kl.: 19:11:19
Underskrevet med NemID

Klaus Bülow Davidsen

Som Dirigent NEM ID
PID: 9208-2002-2-955599641857
Tidspunkt for underskrift: 30-03-2020 kl.: 08:48:58
Underskrevet med NemID

This document is signed with esignatur. Embedded in the document is the original agreement document and a signed data object for each signatory. The signed data object contains a mathematical hash value calculated from the original agreement document, which secures that the signatures is related to precisely this document only. Prove for the originality and validity of signatures can always be lifted as legal evidence.

The document is locked for changes and all cryptographic signature certificates are embedded in this PDF. The signatures therefore comply with all public recommendations and laws for digital signatures. With esignatur's solution, it is ensured that all European laws are respected in relation to sensitive information and valid digital signatures. If you would like more information about digital documents signed with esignatur, please visit our website at www.esignatur.dk.

This document has esignatur Agreement-ID: 9d63afdaHQps66181953