

**SYDDANSK
REVISION**



MEMBER OF
DANSKE REVISORER

FSR*

**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 2020**

Adopted at the annual general
meeting on 4 March 2021

Klaus Bülow Davidsen
chairman

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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 2020.

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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair 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, 4 March 2021

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 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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.

Independent auditor's report

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.

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.

Næsset, 4 March 2021

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 2020

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

Management's review

Business review

The activities of Hjernø Tool Factory A/S comprise the manufacturing of advanced 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 2020 shows a profit of DKK 436,585, and the balance sheet at 31 December 2020 shows equity of DKK 23,886,896.

During the first half year, turnover was under strong pressure and impacted by Ransomware attacks as well as the Covid situation.

In February, Hjernø was hit by a Ransomware attack and the implication was a rebuilding of the entire IT-structure from the ground, which meant that production came close to a standstill for almost 2 weeks, and subsequently over a longer period of time production was affected by the many IT challenges and interruptions that only showed later as a consequence of the attack.

Next, the Covid pandemic in March lead to several big ongoing orders being put on hold by the customers and a distinct decrease in new enquiries compared to normal activity.

Due to these circumstances, the first half of the year resulted in an unforeseen decrease in turnover without the possibility of adapting all expenses accordingly.

The situation turned positive in the second half of the year, where most of the orders previously put on hold, were restarted and new enquiries were received at a normal scale.

In the previous year, new investments have been made in advanced technology and in the further development of the company's OrderFlow system, which in particular contributes to an effective overview and operation of the capacity in the production with an enhanced coefficient of utilization, continuously increased monitoring, and ensuring delivery on time.

The managing organisation has been adapted and strengthened, among others with a new COO and a new chief accountant, who altogether shall ensure the future demands to the company's planned growth.

Management's review

Recruitment of the new production workers seems to continue without difficulties. The cause for this is, among others, the company's increased focus via social media, newsletters and additional press coverage of the company's policy and strategy for the employee's conditions and well-being.

There is a good accession of new apprentices, who contribute to secure our future needs for in-house experts.

At the same time, the company exercises a responsible commitment towards contributing to maintaining our society as an industrial society and securing young people, who may so wish, an exiting and future-proof vocational education.

The transformation from "workshop to factory" continues with a ongoing development of standardisation of processes in the factory, and the strategy of growing and being able to offer increased capacity and many more customized services will be the continued primary strategy for the future.

The result of the year is less than the previous year. However, it is considered acceptable, as the second half of the year follows the same growth as in previous, satisfactory years.

Significant events occurring after the end of the financial year

After the ending of the financial year, no occurrences have taken place which could significantly impact the financial position of the company.

Accounting policies

The annual report of HJERNØ VÆRKTØJSFABRIK A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises, as well as provisions applying to reporting class C entities.

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

The annual report for 2020 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 items of 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.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate 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, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

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 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
Finance leases	12 years	0 kr.
Plant and machinery	5-12 years	0 kr.
Other fixtures and fittings, tools and equipment	4 years	0 kr.
Leasehold improvements	10 years	0 kr.

Accounting policies

Assets costing less than DKK 14,100 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.

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

Other investments

Other financial assets, which consist of deposits, are measured at fair value at the balance sheet date.

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 expected selling price less direct 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.

Accounting policies

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.

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 deposits at banks.

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.

Accounting policies

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.

Income tax and deferred tax

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

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. Deferred tax is measured at net realisable value.

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 net 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.

The compensated absence commitment which the company's employees earn during the transitional period from 1 September 2019 to 31 August 2020, is administered by the company and is paid in to the Danish Holiday Fund before the employee reaches the pensionable age. Other debt is measured at amortised cost, which usually corresponds to the nominal value.

Deferred income

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

Income statement
1 January 2020 - 31 December 2020

	Note	2020 DKK	2019 DKK
Gross profit		<u>37,061,630</u>	<u>35,647,845</u>
Staff costs	1	<u>-32,341,517</u>	<u>-28,722,834</u>
Profit/loss before amortisation/depreciation and impairment losses		4,720,113	6,925,011
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3,479,607	-3,373,466
Other operating costs		<u>-115,556</u>	<u>0</u>
Profit/loss before net financials		1,124,950	3,551,545
Financial income	2	13	11,272
Financial costs	3	<u>-557,676</u>	<u>-729,897</u>
Profit/loss before tax		567,287	2,832,920
Tax on profit/loss for the year	4	<u>-130,702</u>	<u>-769,160</u>
Profit/loss for the year		<u>436,585</u>	<u>2,063,760</u>
Proposed dividend for the year		3,500,000	500,000
Retained earnings		<u>-3,063,415</u>	<u>1,563,760</u>
		<u>436,585</u>	<u>2,063,760</u>

Balance sheet 31 December

	Note	2020 DKK	2019 DKK
Assets			
Plant and machinery		4,409,897	4,694,529
Other fixtures and fittings, tools and equipment		1,314,273	553,199
Leasehold improvements		3,447,624	3,727,248
Finance leases		<u>17,007,364</u>	<u>18,478,128</u>
Tangible assets	5	<u>26,179,158</u>	<u>27,453,104</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>27,158,658</u>	<u>28,432,604</u>
Raw materials and consumables		<u>1,723,542</u>	<u>1,291,832</u>
Stocks		<u>1,723,542</u>	<u>1,291,832</u>
Trade receivables		17,988,641	11,973,324
Contract work in progress		6,689,290	6,627,568
Receivables from subsidiaries		31,888	0
Receivables from associates		51,059	0
Other receivables		1,196,031	671,729
Joint taxation contributions receivable		0	372,438
Prepayments		<u>0</u>	<u>68,090</u>
Receivables		<u>25,956,909</u>	<u>19,713,149</u>
Cash at bank and in hand		<u>0</u>	<u>67,048</u>
Total current assets		<u>27,680,451</u>	<u>21,072,029</u>
Total assets		<u><u>54,839,109</u></u>	<u><u>49,504,633</u></u>

Balance sheet 31 December

	Note	2020 DKK	2019 DKK
Equity and liabilities			
Share capital		1,387,302	1,387,302
Share premium account		7,462,698	7,462,698
Revaluation reserve		0	482,594
Retained earnings		11,536,896	14,101,115
Proposed dividend for the year		3,500,000	500,000
Equity	6	<u>23,886,896</u>	<u>23,933,709</u>
Provision for deferred tax		2,109,760	2,368,098
Total provisions		<u>2,109,760</u>	<u>2,368,098</u>
Lease obligations		8,256,972	7,708,801
Total non-current liabilities	7	<u>8,256,972</u>	<u>7,708,801</u>
Short-term part of long-term debet	7	3,557,508	3,655,059
Banks		2,485,917	1,475,799
Trade payables		2,909,089	4,589,510
Payables to associates		0	224,847
Payables to shareholders and management		67,689	53,550
Other payables		11,565,278	5,495,260
Total current liabilities		<u>20,585,481</u>	<u>15,494,025</u>
Total liabilities		<u>28,842,453</u>	<u>23,202,826</u>
Total equity and liabilities		<u>54,839,109</u>	<u>49,504,633</u>
Rent and lease liabilities	8		
Eventualforpligtelser mv.	9		
Mortgages and collateral	10		

Statement of changes in equity

	Share capital	Share premium account	Revaluation reserve	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2020	1,387,302	7,462,698	482,594	14,101,115	0	23,433,709
Dissolution of previous years' revaluation	0	0	-482,594	482,594	0	0
Other equity movements	0	0	0	16,602	0	16,602
Net profit/loss for the year	0	0	0	-3,063,415	3,500,000	436,585
Equity at 31 December 2020	1,387,302	7,462,698	0	11,536,896	3,500,000	23,886,896

Notes

	<u>2020</u>	<u>2019</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	27,102,074	24,267,346
Pensions	3,779,876	3,070,819
Other social security costs	733,526	574,460
Other staff costs	<u>726,041</u>	<u>810,209</u>
	<u>32,341,517</u>	<u>28,722,834</u>
Average number of employees	<u>58</u>	<u>53</u>
2 Financial income		
Interest received from subsidiaries	0	11,194
Other financial income	<u>13</u>	<u>78</u>
	<u>13</u>	<u>11,272</u>
3 Financial costs		
Financial expenses, group entities	2,010	0
Financial expenses, associates	3,115	0
Other financial costs	552,551	714,237
Percentage surcharge, corporation tax	<u>0</u>	<u>15,660</u>
	<u>557,676</u>	<u>729,897</u>
4 Tax on profit/loss for the year		
Current tax for the year	0	259,908
Deferred tax for the year	<u>130,702</u>	<u>509,252</u>
	<u>130,702</u>	<u>769,160</u>

Notes

5 Tangible assets

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Finance leases
Cost at 1 January 2020	7,421,641	851,265	4,766,833	31,249,827
Additions for the year	3,044,688	873,257	233,617	3,394,406
Disposals for the year	-2,343,699	0	0	-9,895,440
Cost at 31 December 2020	<u>8,122,630</u>	<u>1,724,522</u>	<u>5,000,450</u>	<u>24,748,793</u>
Revaluations at 1 January 2020	0	0	0	618,711
Reversal for the year of revaluation of assets sold	0	0	0	-618,711
Revaluations at 31 December 2020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Impairment losses and depreciation at 1 January 2020	2,727,112	298,066	1,039,585	13,390,411
Depreciation for the year	1,001,637	112,183	513,241	1,852,546
Reversal of impairment and depreciation of sold assets	-16,016	0	0	-7,501,528
Impairment losses and depreciation at 31 December 2020	<u>3,712,733</u>	<u>410,249</u>	<u>1,552,826</u>	<u>7,741,429</u>
Carrying amount at 31 December 2020	<u><u>4,409,897</u></u>	<u><u>1,314,273</u></u>	<u><u>3,447,624</u></u>	<u><u>17,007,364</u></u>

Notes

6 Equity

The share capital has developed as follows:

	2020	2019	2018	2017	2016
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January 2020	1,387,302	850,000	850,000	850,000	850,000
Additions for the year	0	537,302	0	0	0
Share capital	1,387,302	1,387,302	850,000	850,000	850,000

7 Long term debt

	Debt at 1 January 2020	Debt at 31 December 2020	Instalment next year	Debt outstanding after 5 years
Lease obligations	11,363,860	11,814,480	3,557,508	1,180,034
	11,363,860	11,814,480	3,557,508	1,180,034

8 Rent and lease liabilities

Operating lease liabilities.

Total future lease payments:

Within 1 year	169,480	149,472
Between 1 and 5 years	114,805	12,456
	284,285	161,928

Rent obligation, non-cancellation period	1,365,000	1,991,000
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9 Eventualforpligtelser mv.

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.

Notes

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 working-plant.

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.

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