

Allerup Teknik A/S

Stat-Ene-Vej 50
Fraugde
5220 Odense SØ
Denmark

CVR no. 12 22 39 00

Annual report 2021

The annual report was presented and approved at
the Company's annual general meeting on

3 May 2022

Bernd Gründemann
Chairman of the annual general meeting

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Allerup Teknik A/S
Annual report 2021
CVR no. 12 22 39 00

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Allerup Teknik A/S for the financial year 1 January – 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Odense 3 May 2022
Executive Board:

Peter Møller Petersen

Board of Directors:

Stefan Weber
Chairman

Jens-Uwe Paasch
Deputy chairman

Bernd Gründemann

Independent auditor's report

To the shareholders of Allerup Teknik A/S

Opinion

We have audited the financial statements of Allerup Teknik A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

Independent auditor's report

- 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 the Management's review

Management is responsible for the Management's review.

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

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

Copenhagen, 3 May 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Klaus Rytz
State Authorised
Public Accountant
mne33205

Ilhan Dogan
State Authorised
Public Accountant
mne47842

Allerup Teknik A/S
Annual report 2021
CVR no. 12 22 39 00

Management's review

Company details

Allerup Teknik A/S
Stat-Ene-Vej 50
Fraugde
5220 Odense SØ
Denmark

| | |
|--------------------|-------------------------|
| CVR no.: | 12 22 39 00 |
| Established: | 1 June 1988 |
| Registered office: | Odense |
| Financial year: | 1 January – 31 December |

Board of Directors

Stefan Weber, Chairman
Jens-Uwe Paasch, Deputy chairman
Bernd Gründemann

Executive Board

Peter Møller Petersen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The Company's principal activity is to trade in standard products as well as customised products within the business of continuous casted iron, forged and casted goods, industrial components and bronze. The Company buys goods all over the world and primarily sells its products in Europe.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK 900,798 as against DKK -1,179,611 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 1,901,839 as against DKK 1,001,041 at 31 December 2020.

Events after the balance sheet date

No events have occurred after the balance sheet to this date, which would influence the evaluation of this annual report.

Financial statements 1 January – 31 December

Income statement

| DKK | Note | 2021 | 2020 |
|---|------|------------|------------|
| Gross profit | | 4,955,103 | 4,324,568 |
| Staff costs | 2 | -3,840,130 | -4,601,163 |
| Depreciation, amortisation and impairment losses | | -153,630 | -967,580 |
| Profit/loss before financial income and expenses | | 961,343 | -1,244,175 |
| Other financial income | | 349,695 | 148,948 |
| Other financial expenses | 3 | -310,558 | -415,164 |
| Profit/loss before tax | | 1,000,480 | -1,510,391 |
| Tax on profit/loss for the year | 4 | -99,682 | 330,780 |
| Profit/loss for the year | | 900,798 | -1,179,611 |
| Proposed profit appropriation/distribution of loss | | | |
| Retained earnings | | 900,798 | -1,179,611 |
| | | 900,798 | -1,179,611 |

Financial statements 1 January – 31 December

Balance sheet

| DKK | Note | 31/12 2021 | 31/12 2020 |
|--|------|--------------------------|--------------------------|
| ASSETS | | | |
| Fixed assets | | | |
| Property, plant and equipment | 5 | | |
| Fixtures and fittings, tools and equipment | | <u>236,386</u> | <u>390,016</u> |
| Investments | | | |
| Other receivables | | 0 | 2,107,990 |
| Deposits | | <u>122,604</u> | <u>240,000</u> |
| | | <u>122,604</u> | <u>2,347,990</u> |
| Total fixed assets | | <u>358,990</u> | <u>2,738,006</u> |
| Current assets | | | |
| Inventories | | | |
| Raw materials and consumables | | <u>10,632,137</u> | <u>9,752,025</u> |
| Receivables | | | |
| Trade receivables | | 11,593,991 | 10,014,956 |
| Other receivables | | 5,165,062 | 0 |
| Deferred tax asset | | 596,149 | 1,261,612 |
| Prepayments | | <u>49,942</u> | <u>87,907</u> |
| | | <u>17,405,144</u> | <u>11,364,475</u> |
| Cash at bank and in hand | | <u>4,418,437</u> | <u>1,880,230</u> |
| Total current assets | | <u>32,455,718</u> | <u>22,996,730</u> |
| TOTAL ASSETS | | <u><u>32,814,708</u></u> | <u><u>25,734,736</u></u> |

Financial statements 1 January – 31 December

Balance sheet

| DKK | Note | 31/12 2021 | 31/12 2020 |
|---|------|--------------------------|--------------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Contributed capital | | 1,000,000 | 1,000,000 |
| Retained earnings | | 901,839 | 1,041 |
| Total equity | | <u>1,901,839</u> | <u>1,001,041</u> |
| Liabilities | | | |
| Non-current liabilities | | | |
| Payables to group entities | 6 | <u>5,579,475</u> | <u>5,579,475</u> |
| Current liabilities | | | |
| Banks, current liabilities | | 10,802,752 | 10,455,540 |
| Trade payables | | 4,210,783 | 2,022,102 |
| Payables to group entities | | 9,348,976 | 4,828,097 |
| Other payables | | <u>970,883</u> | <u>1,848,481</u> |
| | | <u>25,333,394</u> | <u>19,154,220</u> |
| Total liabilities | | <u>30,912,869</u> | <u>24,733,695</u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>32,814,708</u></u> | <u><u>25,734,736</u></u> |
| Contractual obligations, contingencies, etc. | 7 | | |
| Related party disclosures | 8 | | |

Financial statements 1 January – 31 December

Statement of changes in equity

| DKK | Contributed capital | Retained earnings | Total |
|---|-------------------------|-----------------------|-------------------------|
| Equity at 1 January 2021 | 1,000,000 | 1,041 | 1,001,041 |
| Transferred over the distribution of loss | <u>0</u> | <u>900,798</u> | <u>900,798</u> |
| Equity at 31 December 2021 | <u><u>1,000,000</u></u> | <u><u>901,839</u></u> | <u><u>1,901,839</u></u> |

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Allerup Teknik A/S for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reclassification changes

Reclassification changes have been made in the financial statements regarding classification of "Non-current payables to the group entities" and "current liabilities to the group entities". The comparative figures have been restated to reflect the classification change. In the non-current liabilities statement for 2020 of DKK 1,488 thousand, have been reclassified to current liabilities. The classification change did not impact the income statement for 2021.

Reclassification changes have been made in the financial statements regarding classification of "Bank, Current liabilities" and "Cash at bank and in hand". The comparative figures have been restated to reflect the classification change. In the Bank, Current liabilities statement for 2020 of DKK 1,880 thousand, have been reclassified to Cash at bank and in hand. The classification change did not impact the income statement for 2021.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event 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 the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, other operating income, cost of raw materials and consumables and other external costs.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the agreed consideration.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation the Company's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external costs

Other external costs include costs relating to the Company's ordinary activities, including expenses for premises, stationery and office supplies, marketing cost, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for the Company's staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income and expenses

Other financial income comprises dividends, etc received on other investments, interest income, including interest income on receivables from group entities, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish on-account tax scheme, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in income statement by the portion attributable to the profit/loss for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

| | |
|--|------------|
| Fixtures and fittings, tools and equipment | 3-10 years |
| Leasehold improvements | 5-10 years |

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Investments

Other receivables and deposits are recognised at amortised cost.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Inventories

Inventories are measured at the lower of cost using method of average prices and net realisable value.

Cost comprises purchase price plus delivery costs. Goods in transit are recognised upon transfer of risk to the Company.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to make the sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less write-downs for bad debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax value of assets and liabilities, for which the tax value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprises cash in hand and bank deposits.

Liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Financial statements 1 January – 31 December

Notes

| DKK | <u>2021</u> | <u>2020</u> |
|--|------------------|--|
| 2 Staff costs | | |
| Wages and salaries | 3,459,306 | 4,062,250 |
| Pensions | 286,003 | 427,961 |
| Other social security costs | 61,033 | 72,327 |
| Other staff costs | <u>33,788</u> | <u>38,625</u> |
| | <u>3,840,130</u> | <u>4,601,163</u> |
| | | |
| Average number of full-time employees | <u>6</u> | <u>7</u> |
| 3 Other financial expenses | | |
| Interest expense to group entities | 183,307 | 186,768 |
| Other financial costs | 127,251 | 121,215 |
| Exchange adjustments costs | <u>0</u> | <u>107,181</u> |
| | <u>310,558</u> | <u>415,164</u> |
| 4 Tax on profit/loss for the year | | |
| Deferred tax for the year | 221,617 | -330,780 |
| Adjustment of tax concerning previous years | <u>-121,935</u> | <u>0</u> |
| | <u>99,682</u> | <u>-330,780</u> |
| 5 Property, plant and equipment | | |
| DKK | | Fixtures and fittings, tools and equipment |
| Cost at 1 January 2021 | | <u>2,768,339</u> |
| Cost at 31 December 2021 | | <u>2,768,339</u> |
| Depreciation and impairment losses at 1 January 2021 | | -2,378,323 |
| Depreciation for the year | | <u>-153,630</u> |
| Depreciation and impairment losses at 31 December 2021 | | <u>-2,531,953</u> |
| Carrying amount at 31 December 2021 | | <u>236,386</u> |
| 6 Non-current liabilities other than provisions | | |
| Long-term debt due within five years represents DKK 5,579,475. Long-term debt due after five years represents DKK 0. | | |

Financial statements 1 January – 31 December

Notes

7 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company participates in a Danish joint taxation arrangement where ACO Nordic Group A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes, etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 53 months and an average monthly lease payments of DKK 46 thousand, totalling DKK 2,438 thousand.

8 Related party disclosures

Control

Allerup Teknik A/S is part of the consolidated financial statements of ACO Severin Ahlmann GmbH & Co. D-24782 Büdelsdorf, Germany, which is the smallest group, in which the Company is included as a subsidiary.