Fritz Schur Technical Group A/S

Esplanaden 40, 1263 København K

CVR no. 18 86 09 88

Annual report for 2020

Table of contents

Company information etc.

The company

Fritz Schur Technical Group A/S
Esplanaden 40
1263 København K
CVR no.: 18 86 09 88
Financial year: 01.01 - 31.12

Executive Board

Mads-Ole Astrupgaard

Board of Directors

Fritz H. Schur
Peter S. Helbirk
Mads-Ole Astrupgaard

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Parent company

FS 12 ApS, København

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.20 - 31.12.20 for Fritz Schur Technical Group A/S.

The annual report is presented in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.20 and of the results of the company's activities for the financial year 01.01.20 - 31.12.20.

The annual report is submitted for adoption by the general meeting.

Copenhagen, June 22, 2021

Executive Board

Mads-Ole Astrupgaard

Board of Directors

Fritz H. Schur Chairman	Peter S. Helbirk	Mads-Ole Astrupgaard

To the Shareholder of Fritz Schur Technical Group A/S

Opinion

We have audited the financial statements of Fritz Schur Technical Group A/S for the financial year 01.01.20 - 31.12.20, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.20 and of the results of the company's operations for the financial year 01.01.20 - 31.12.20 in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing 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 responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 International Standards on Auditing 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.

Næstved, June 22, 2021

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Jørgen Stegmann
State Authorized Public Accountant
MNE-no. mne11738

Jette Jordan Andersen
State Authorized Public Accountant
MNE-no. mne46630

Income statement

Note		2020 DKK '000	2019 DKK '000
	Gross loss	**-11**	**-11**
2	Income from equity investments in group enterprises	4,788	-13,511
3	Financial expenses	-286	-480
	Profit/loss before tax	**4,491**	**-14,002**
4	Tax on profit or loss for the year	65	108
	Profit/loss for the year	**4,556**	**-13,894**

Proposed appropriation account

Reserve for net revaluation according to the equity method	4,788	-13,511
Retained earnings	-232	-383
Total	**4,556**	**-13,894**

Balance sheet

ASSETS

Note		31.12.20 DKK '000	31.12.19 DKK '000
	Equity investments in group enterprises	85,314	80,366
	Total investments	**85,314**	**80,366**
	Total non-current assets	**85,314**	**80,366**
	Receivables from group enterprises	30,651	35,558
	Deferred tax asset	175	164
	Income tax receivable	55	8
	Total receivables	**30,881**	**35,730**
	Total current assets	**30,881**	**35,730**
	Total assets	**116,195**	**116,096**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.20 DKK '000	31.12.19 DKK '000
	Share capital	1,000	1,000
	Reserve for net revaluation according to the equity method	48,315	43,366
	Retained earnings	38,144	38,375
	Total equity	**87,459**	**82,741**
	Payables to group enterprises	28,728	29,076
	Total long-term payables	**28,728**	**29,076**
	Trade payables	8	9
	Payables to group enterprises	0	4,270
	Total short-term payables	**8**	**4,279**
	Total payables	**28,736**	**33,355**
	Total equity and liabilities	**116,195**	**116,096**

5 Contingent liabilities
6 Related parties

Statement of changes in equity

Figures in DKK '000	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Total equity
Statement of changes in equity for 01.01.19 - 31.12.19				
Balance as at 01.01.19	1,000	56,987	18,758	76,745
Foreign currency translation adjustment of foreign enterprises	0	-110	0	-110
Group contribution	0	0	20,000	20,000
Net profit/loss for the year	0	-13,511	-383	-13,894
Balance as at 31.12.19	1,000	43,366	38,375	82,741
Statement of changes in equity for 01.01.20 - 31.12.20				
Balance as at 01.01.20	1,000	43,366	38,375	82,741
Foreign currency translation adjustment of foreign enterprises	0	161	0	161
Net profit/loss for the year	0	4,788	-231	4,557
Balance as at 31.12.20	1,000	48,315	38,144	87,459

1. Primary activities

The main activity of the company is holding participating interests in two 100% owned subsidiaries:

- Fritz Schur Teknik A/S, a technical engineering, trading, and production company.
- Fritz Schur Industri ApS, primarily an engineering and trading company operated through its subsidiaries Hans Buch A/S and Johs. Thornam A/S.

The group has a number of exclusive distribution rights from foreign producers as well as own facilities for development, construction, processing and assembly.

	2020 DKK '000	2019 DKK '000
2. Income from equity investments in group enterprises		
Share of profit or loss of group enterprises	4,788	-13,511

3. Financial expenses		
Interest, group enterprises	286	480

4. Tax on profit or loss for the year		
Current tax for the year	-55	-8
Adjustment of deferred tax for the year	-10	-100
Total	-65	-108

5. Contingent liabilities

Guarantee commitments

The company has provided a quarantee commitment of th.DKK 8,846 to a third party. The guarantee commitment regards pension obligations.

Other contingent liabilities

The company is taxed jointly with the other companies in the group and has joint, several and unlimited liability for income taxes for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

6. Related parties

The company is included in the consolidated financial statements of the parent company FS 12 ApS, København.

7. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

In accordance with section 112 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements. The company is a subsidiary of FS 12 ApS, København, CVR no. 30 17 79 08, which prepares consolidated financial statements.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

INCOME STATEMENT

Gross loss

Gross loss comprises other external expenses.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

7. Accounting policies - continued -

Income from equity investments in group entreprises

For equity investments in equity investments in subsidiaries, measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method. For equity investments in subsidiaries, the equity method is considered a measurement method.

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

Under subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the

7. Accounting policies - continued -

enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

For equity investments measured according to the equity method, the proportionate share of the equity investments' equity value is determined according to the accounting policies of the parent, stated in the other sections. Equity value is also based on the following accounting policies:

Revenue
Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Inventories
Inventories are measured at cost calculated according to the FIFO principle. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The cost of manufactured finished goods and work in progress is determined as the value of direct and indirect material and labour costs. Production overheads include indirect material and labour costs as well as maintenance and depreciation of machinery, buildings and equipment used in the production process as well as the costs of factory administration and management. Interest on loans arranged to finance production is not included in the cost.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

7. Accounting policies - continued -

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Grants received from the parent are recognised directly in equity under retained earnings, as the grants are treated as capital contributions.

7. Accounting policies - continued -

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.