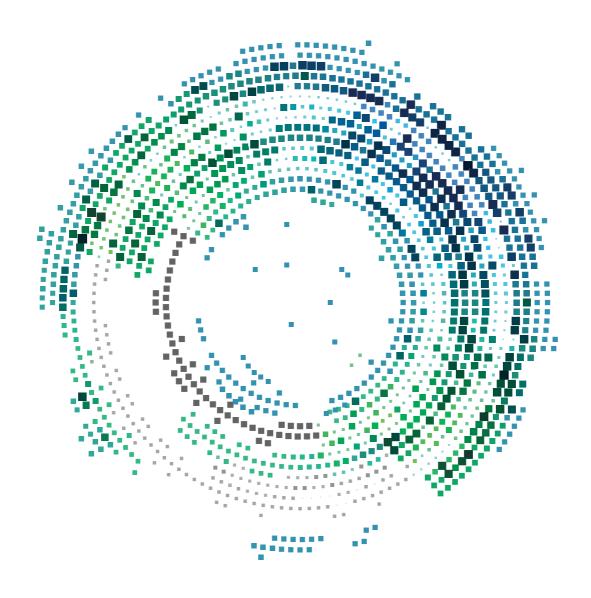
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Clemco Danmark A/S

Niels Bohrs Vej 40 8660 Skanderborg CVR No. 33392230

Annual report 01.07.2019 - 30.06.2020

The Annual General Meeting adopted the annual report on 30.11.2020

Frederik Sejersdal Uhl Nielsen

Chairman of the General Meeting

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Entity details

Entity

Clemco Danmark A/S Niels Bohrs Vej 40 8660 Skanderborg

CVR No.: 33392230

Registered office: Skanderborg

Financial year: 01.07.2019 - 30.06.2020

Board of Directors

Carl-Erik Uhl Nielsen, formand Frederik Sejersdal Uhl Nielsen Peter Bager

Executive Board

Frederik Sejersdal Uhl Nielsen, adm. dir

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab City Tower, Værkmestergade 2 8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Clemco Danmark A/S for the financial year 01.07.2019 - 30.06.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2020 and of the results of its operations for the financial year 01.07.2019 - 30.06.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Skanderborg, 30.11.2020

Executive Board

Frederik Sejersdal Uhl Nielsen

adm. dir

Board of Directors

Carl-Erik Uhl Nielsen

formand

Frederik Sejersdal Uhl Nielsen

Peter Bager

Independent auditor's report

To the shareholders of Clemco Danmark A/S

Report on the audit of the financial statements Opinion

We have audited the financial statements of Clemco Danmark A/S for the financial year 01.07.2019 - 30.06.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 30.06.2020 and of the results of its operations for the financial year 01.07.2019 - 30.06.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Report on other legal and regulatory requirements and other reporting responsibilities

Violation of criminal law or tax, duty and subsidy legislation

The company have throughout the year reported incorrect taxation on employee benefits whereby the management may incur liability. The management have taken steps to correct the mistake after the end of the financial year.

Aarhus, 30.11.2020

Deloitte

Statsautoriseret Revisionspartnerselskab CVR No. 33963556

Klaus Tvede-Jensen

State Authorised Public Accountant Identification No (MNE) mne23304

Management commentary

Primary activities

Primary activities are, likewise previous years, sales and marketing of machinery and consumables for surface treatment of steel and other materials as well as large scale fully automated turn key projects to international clients within heavy duty industrial surface treatment.

Development in activities and finances

The result for the current financial year is characterized by a good progress in Clemco Denmark A/S, which is due to a strong focus on the company's constant optimization of delivering a sustainable value to our customers. We have improved our delivery times and our errors have decreased even though they were at an already low level in the previous financial year. This means that we have an even more competitive company that is well positioned for future development of market share, and in exploiting the market opportunities that are changing due to the Covid 19 situation. The company's strategy has proven to be valuable in developing solutions for automated surface treatment.

We experience a positive demand for our in-house developed automation systems by our customers in the offshore wind energy market. This supports Clemco Denmark's transition towards an environmentally sustainable market position by helping our customers to reduce the use of resources and lead to a safer surface treatment of large steel structures used in aggressive environments.

Our dedication to develop the world's best automation systems for surface treatment will continue in the next financial year. We expect progress in this market, which is based on our continual receival of orders from existing customers in the wind energy industry. During the last financial year Clemco Denmark developed well proven standard automation solutions to be marketed to several companies within the renewable energy sector worldwide.

We have experienced that our local sales of equipment and machines, as well as consumables to the surface treatment industry, have been strengthened through increased sales resources during the year. We expect the market to develop less positively in the coming financial year in Denmark, but we do expect the situation will be offset by sales of automation solutions to other countries with a strong market demand.

The risk of bad debts is managed by close debtor management and credit insurance on all larger debtors.

The Entity's inventories are considered reasonable in proportion to revenue, and the share of obsolete goods has been reduced through sales below cost price.

Profit for the year is considered satisfactory.

Events after the balance sheet date

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

Income statement for 2019/20

		2019/20	2018/19
	Notes	DKK	DKK
Gross profit/loss		18,865,760	17,036,939
Staff costs	1	(12,021,430)	(12,342,653)
Depreciation, amortisation and impairment losses	2	(694,184)	(550,605)
Operating profit/loss		6,150,146	4,143,681
Other financial income	3	333,730	86,769
Other financial expenses		(307,024)	(141,535)
Profit/loss before tax		6,176,852	4,088,915
Tax on profit/loss for the year	4	(1,376,045)	(950,060)
Profit/loss for the year		4,800,807	3,138,855
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		4,800,000	0
Retained earnings		807	3,138,855
Proposed distribution of profit and loss		4,800,807	3,138,855

Balance sheet at 30.06.2020

Assets

		2019/20	2018/19
	Notes	DKK	DKK
Completed development projects	6	2,463,561	317,695
Goodwill		0	0
Intangible assets	5	2,463,561	317,695
Other fixtures and fittings, tools and equipment		1,167,913	1,065,321
Leasehold improvements		34,248	52,502
Property, plant and equipment	7	1,202,161	1,117,823
Investments in group enterprises		1,250,000	1,250,000
Deposits		450,914	450,914
Other financial assets	8	1,700,914	1,700,914
Fixed assets		5,366,636	3,136,432
Manufactured goods and goods for resale		11,370,465	14,787,037
Inventories		11,370,465	14,787,037
Trade receivables		22,947,141	21,498,039
Contract work in progress	9	0	0
Receivables from group enterprises		2,254,786	2,707,441
Other receivables		219,301	138,616
Prepayments		1,252,758	404,386
Receivables		26,673,986	24,748,482
Cash		8,151,257	1,577,716
Current assets		46,195,708	41,113,235
Assets		51,562,344	44,249,667

Equity and liabilities

		2019/20	2018/19
	Notes	DKK	DKK
Contributed capital		500,000	500,000
Reserve for development expenditure		1,796,777	60,602
Retained earnings		18,211,848	19,947,216
Proposed dividend		4,800,000	0
Equity		25,308,625	20,507,818
Deferred tax		853,000	184,381
Provisions		853,000	184,381
Joint taxation contribution payable		698,632	665,679
Non-current liabilities other than provisions		698,632	665,679
Bank loans		4,538,307	1,002,807
Prepayments received from customers		30,000	2,801,296
Contract work in progress	9	334,201	2,986,518
Trade payables		10,854,631	11,838,708
Joint taxation contribution payable		674,473	866,000
Other payables		8,270,475	3,396,460
Current liabilities other than provisions		24,702,087	22,891,789
Liabilities other than provisions		25,400,719	23,557,468
			44.040.667
Equity and liabilities		51,562,344	44,249,667
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		

Statement of changes in equity for 2019/20

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	60,602	19,947,216	0	20,507,818
Transfer to reserves	0	1,736,175	(1,736,175)	0	0
Profit/loss for the year	0	0	807	4,800,000	4,800,807
Equity end of year	500,000	1,796,777	18,211,848	4,800,000	25,308,625

Notes

1 Staff costs

1 Staff Costs	2019/20	2018/19
	DKK	DKK
Wages and salaries	12,900,178	11,266,419
Pension costs	1,202,897	930,657
Other social security costs	157,779	145,577
	14,260,854	12,342,653
Staff costs classified as assets	(2,239,424)	0
	12,021,430	12,342,653
Average number of full-time employees	26	24
2 Depreciation, amortisation and impairment losses		
	2019/20	2018/19
	DKK	DKK
Amortisation of intangible assets	334,893	273,400
Depreciation of property, plant and equipment	427,281	412,880
Profit/loss from sale of intangible assets and property, plant and equipment	(67,990)	(135,675)
	694,184	550,605
3 Other financial income		
	2019/20	2018/19
	DKK	DKK
Financial income from group enterprises	64,407	42,675
Other interest income	30,269	22,350
Exchange rate adjustments	239,054	21,744
	333,730	86,769
4 Tax on profit/loss for the year		
	2019/20	2018/19
	DKK	DKK
Current tax	707,426	665,679
Change in deferred tax	668,619	284,381
	1,376,045	950,060

5 Intangible assets

	Completed development projects	Goodwill
	DKK	DKK
Cost beginning of year	899,841	225,000
Additions	2,480,759	0
Cost end of year	3,380,600	225,000
Amortisation and impairment losses beginning of year	(582,146)	(225,000)
Amortisation for the year	(334,893)	0
Amortisation and impairment losses end of year	(917,039)	(225,000)
Carrying amount end of year	2,463,561	0

6 Development projects

It is Management's assessment that the Company's robot projects of a total carrying amount of DKK 2.463,561 contribute positively and effectively to the Company's earnings. Thus, in 2020, the Company has sold and delivered several systems. Management performs a annually impairment test, which have not given any impairment indications as of 30.06.2020.

The robot systems is technically well-functioning, and the Company receives inquiries every month from customers in the wind power industry from the EU as well as Asia.

7 Property, plant and equipment

	Other fixtures	
	and fittings,	
	tools and	Leasehold
	equipment	improvements
	DKK	DKK
Cost beginning of year	2,595,328	97,511
Additions	809,701	0
Disposals	(439,272)	0
Cost end of year	2,965,757	97,511
Depreciation and impairment losses beginning of year	(1,530,007)	(45,009)
Depreciation for the year	(409,027)	(18,254)
Reversal regarding disposals	141,190	0
Depreciation and impairment losses end of year	(1,797,844)	(63,263)
Carrying amount end of year	1,167,913	34,248

8 Financial assets

o Filialiciai assets		
	Investments in	
	group	
	enterprises	Deposits
	DKK	DKK
Cost beginning of year	1,250,000	450,914
Cost end of year	1,250,000	450,914
Carrying amount end of year	1,250,000	450,914
9 Contract work in progress		
	2019/20	2018/19
	DKK	DKK
Contract work in progress	8,949,130	1,230,754
Progress billings regarding contract work in progress	(9,283,331)	(4,217,272)
Transferred to liabilities other than provisions	334,201	2,986,518
	0	0
10 Unrecognised rental and lease commitments		
	2019/20	2018/19
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	3,688,101	4,203,196

11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where FSUN ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities.

12 Assets charged and collateral

Bank debt is secured by way of a deposited mortgage deed registered to the mortgagor with a floating charge of DKK 5,500k nominal.

The carrying amount of assets charged is specified below:

The carrying amount of intangible assets charged amounts to DKK 2.203k.

The carrying amount of property, plant and equipment charged amounts to DKK 1,202k.

The carrying amount of fixed asset investments charged amounts to DKK 1,701k.

The carrying amount of inventories charged amounts to DKK 11,370k.

The carrying amount of trade receivables charged amounts to DKK 26,480k.

The company has provided an unlimited guarantee to the bank of a subsidary. The carrying amount of the subsidary's debt to the bank is DKK 117k.

The company has proviedet an advance payment guarantee to a costumer. The guarentee is limited to DKK 3.977k.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

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 Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity 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 Entity, 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

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 consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Cost of sales

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

Other external expenses

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

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

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

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses etc.

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 the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 7 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. The amortisation periods used are 3-7 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Machinery, and other 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.

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:

Other fixtures and fittings, tools and equipment

3-5 years

Leasehold improvements

3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax

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

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.