

Advanced Couplings ApS

Mariendalsvej 2B, 8800 Viborg

Company reg. no. 37 32 97 70

Annual report

1 January - 31 December 2021



The annual report was submitted and approved by the general meeting on the 4 February 2022.

Morten Bjerre Kirkegaard
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Advanced Couplings ApS for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company 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 true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Viborg, 4 February 2022

Executive board

Lars Andersen

Morten Bjerre Kirkegaard

Board of directors

Peter Wasyluk

Shaun Henry

Independent auditor's report on extended review

To the shareholders of Advanced Couplings ApS

Opinion

We have performed an extended review of the financial statements of Advanced Couplings ApS for the financial year 1 January - 31 December 2021, 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.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's 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 extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review 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 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 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 extended review of the Financial Statements

Our responsibility is to express a opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

Independent auditor's report on extended review

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

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 opinion thereon.

In connection with our extended review 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 extended review, 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 in the Management's Review.

Viborg, 4 February 2022

Ullits & Winther

State Authorized Public Accounting Firm
Company reg. no. 32 09 32 72

Bo Skårup Sørensen

State Authorised Public Accountant
mne29531

Company information

The company

Advanced Couplings ApS
Mariendalsvej 2B
8800 Viborg

Company reg. no. 37 32 97 70
Established: 29 December 2015
Domicile: Viborg Municipality
Financial year: 1 January 2021 - 31 December 2021

Board of directors

Peter Wasylyk
Shaun Henry

Executive board

Lars Andersen
Morten Bjerre Kirkegaard

Auditors

Ullits & Winther
Statsautoriseret Revisionspartnerselskab
Agerlandsvej 1
8800 Viborg

Management's review

The principal activities of the company

Like previous years, the principal activity consists of being a wholesale business; supplying steel tube connections and fittings to the food and pharmaceutical industries.

Development in activities and financial matters

The profit and loss account covers 1 January 2021 to 31 December 2021 and shows a result of DKK 752.845 against DKK 467.245 last year. The balance sheet shows equity of DKK 3.081.781.

Management considers the result for the year to be satisfying.

Accounting policies

The annual report for Advanced Couplings ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Accounting policies

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, debt and transactions in foreign currency, as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year.

Statement of financial position

Plant and equipment

Plant and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

All leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accounting policies

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Liabilities other than provisions

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	3.358.544	2.436.237
1 Staff costs	-2.091.062	-1.612.813
Depreciation and impairment of property, land, and equipment	-234.233	-135.400
Profit before net financials	1.033.249	688.024
Financial expenses	-57.024	-85.181
Pre-tax net profit or loss	976.225	602.843
2 Tax on net profit or loss for the year	-223.380	-135.598
Net profit or loss for the year	752.845	467.245
Proposed appropriation of net profit:		
Transferred to retained earnings	752.845	467.245
Total allocations and transfers	752.845	467.245

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Assets		
Non-current assets		
3 Other fixtures and fittings, tools and equipment	465.175	44.749
Total property, plant, and equipment	<u>465.175</u>	<u>44.749</u>
4 Deposits	98.550	0
Total investments	<u>98.550</u>	<u>0</u>
Total non-current assets	<u>563.725</u>	<u>44.749</u>
Current assets		
Manufactured goods and goods for resale	10.484.092	6.169.061
Prepayments for goods	340.460	0
Total inventories	<u>10.824.552</u>	<u>6.169.061</u>
Trade receivables	2.288.725	1.787.915
Prepayments	50.600	77.400
Total receivables	<u>2.339.325</u>	<u>1.865.315</u>
Cash and cash equivalents	982.620	1.225.093
Total current assets	<u>14.146.497</u>	<u>9.259.469</u>
Total assets	<u>14.710.222</u>	<u>9.304.218</u>

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Contributed capital	50.000	50.000
Retained earnings	3.031.781	2.278.936
Total equity	<u>3.081.781</u>	<u>2.328.936</u>
Provisions		
Provisions for deferred tax	20.000	1.000
Total provisions	<u>20.000</u>	<u>1.000</u>
Liabilities other than provisions		
Trade payables	95.260	110.485
Payables to group enterprises	10.912.896	6.083.184
Income tax payable	110.978	36.598
Other payables	489.307	744.015
Total short term liabilities other than provisions	<u>11.608.441</u>	<u>6.974.282</u>
Total liabilities other than provisions	<u>11.608.441</u>	<u>6.974.282</u>
Total equity and liabilities	<u>14.710.222</u>	<u>9.304.218</u>

5 Charges and security

6 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	50.000	1.811.691	1.861.691
Profit or loss for the year brought forward	<u>0</u>	<u>467.245</u>	<u>467.245</u>
Equity 1 January 2021	50.000	2.278.936	2.328.936
Profit or loss for the year brought forward	<u>0</u>	<u>752.845</u>	<u>752.845</u>
	<u>50.000</u>	<u>3.031.781</u>	<u>3.081.781</u>

Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
1. Staff costs		
Salaries and wages	2.062.778	1.592.105
Other costs for social security	12.780	10.413
Other staff costs	15.504	10.295
	<u>2.091.062</u>	<u>1.612.813</u>
Average number of employees	<u>4</u>	<u>3</u>
2. Tax on net profit or loss for the year		
Tax of the results for the year	204.380	136.598
Adjustment for the year of deferred tax	19.000	-1.000
	<u>223.380</u>	<u>135.598</u>
	<u>31/12 2021</u>	<u>31/12 2020</u>
3. Other fixtures and fittings, tools and equipment		
Cost opening balance	104.267	104.267
Additions during the year	479.578	0
Cost end of period	<u>583.845</u>	<u>104.267</u>
Depreciation and writedown opening balance	-59.518	-38.664
Depreciation for the year	-59.152	-20.854
Depreciation and writedown end of period	<u>-118.670</u>	<u>-59.518</u>
Carrying amount, end of period	<u>465.175</u>	<u>44.749</u>
4. Deposits		
Additions during the year	98.550	0
Cost end of period	<u>98.550</u>	<u>0</u>
Carrying amount, end of period	<u>98.550</u>	<u>0</u>

Notes

All amounts in DKK.

5. Charges and security

None.

6. Contingencies

Contingent liabilities

The company has entered into operational leases with an average annual lease payment of DKK 100k. The leases have 4-32 months to maturity and total outstanding lease payments total DKK 140k.

The company has entered into a tenancy agreement with annual rent of DKK 394k. The tenancy may be terminated by giving a 6 months notice.