

AV Holding 2018 ApS

Fælledvej 17, 7600 Struer

Company reg. no. 39 45 93 96

Annual report

2019

The annual report was submitted and approved by the general meeting on the 19 February 2020.

Henning Vestergaard
chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British 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 report

The board of directors and the managing director have today presented the annual report of AV Holding 2018 ApS for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Struer, 19 February 2020

Managing director

Klaus Bülow Davidsen

Board of directors

Henning Vestergaard

Ole Halskov Thomsen

Klaus Bülow Davidsen

Mads Peter Lübeck

Independent auditor's report

To the shareholders of AV Holding 2018 ApS

Opinion

We have audited the annual accounts of AV Holding 2018 ApS for the financial year 1 January to 31 December 2019, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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 below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an 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 may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not find any material misstatement in the management's review.

Struer, 19 February 2020

KRØYER PEDERSEN

State Authorised Public Accountants
Company reg. no. 89 22 49 18

Lasse Lei Kjærsgaard Nørskov

State Authorised Public Accountant
mne42772

Company data

The company

AV Holding 2018 ApS
Fælledvej 17
7600 Struer

Company reg. no. 39 45 93 96
Established: 4 April 2018
Domicile: Struer
Financial year: 1 January - 31 December
2nd financial year

Board of directors

Henning Vestergaard, 7600 Struer
Ole Halskov Thomsen, 7600 Struer
Klaus Bülow Davidsen, 8680 Ry
Mads Peter Lübeck, 8250 Egå

Managing director

Klaus Bülow Davidsen, 8680 Ry

Auditors

KRØYER PEDERSEN Statsautoriserede Revisorer I/S

Subsidiary

CIM Industrial Systems A/S, Struer

Management's review

The principal activities of the company

Like last year, the principal activity are to own shares in group entreprise.

Development in activities and financial matters

The result for the year is DKK 634 k, against DKK 566 k last year.

The company's balance sheet shows a total asset portfolio of DKK 27.740 k compared to last year DKK 28.258 k, corresponding to a decrease of DKK 518 k.

On the balance sheet date, the equity amounts to DKK 20.851 k, corresponding to 75,2 % own financing of the total assets of DKK 27.740 k, which is an increase of 3,7 percentage points compared to last year.

Profit and loss account

All amounts in DKK.

<u>Note</u>	<u>1/1 - 31/12 2019</u>	<u>4/4 - 31/12 2018</u>
Other external costs	-45.004	-311.130
Results before net financials	-45.004	-311.130
Income from equity investment in group enterprise	800.000	1.000.000
Other financial costs	-166.900	-166.127
Results before tax	588.096	522.743
Tax on ordinary results	46.310	43.397
Results for the year	634.406	566.140
 Proposed distribution of the results:		
Allocated to results brought forward	634.406	566.140
Distribution in total	634.406	566.140

Balance sheet 31 December

All amounts in DKK.

Assets		<u>2019</u>	<u>2018</u>
<u>Note</u>			
Fixed assets			
2	Equity investment in group enterprise	27.650.000	27.650.000
	Financial fixed assets in total	<u>27.650.000</u>	<u>27.650.000</u>
	Fixed assets in total	<u>27.650.000</u>	<u>27.650.000</u>
Current assets			
	Amounts owed by group enterprises	0	550.000
	Receivable corporate tax	89.707	43.397
	Debtors in total	<u>89.707</u>	<u>593.397</u>
	Available funds	<u>0</u>	<u>14.974</u>
	Current assets in total	<u>89.707</u>	<u>608.371</u>
	Assets in total	<u>27.739.707</u>	<u>28.258.371</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities		<u>2019</u>	<u>2018</u>
<u>Note</u>			
Equity			
3	Contributed capital	510.000	510.000
4	Share premium account	0	0
5	Results brought forward	20.340.546	19.706.140
	Equity in total	<u>20.850.546</u>	<u>20.216.140</u>
 Liabilities			
	Bank debts	<u>3.250.000</u>	<u>5.004.875</u>
6	Long-term liabilities in total	<u>3.250.000</u>	<u>5.004.875</u>
6	Short-term part of long-term liabilities	1.750.000	1.000.000
	Bank debts	1.874.161	2.001.726
	Trade creditors	<u>15.000</u>	<u>35.630</u>
	Short-term liabilities in total	<u>3.639.161</u>	<u>3.037.356</u>
	Liabilities in total	<u>6.889.161</u>	<u>8.042.231</u>
	Equity and liabilities in total	<u>27.739.707</u>	<u>28.258.371</u>
 7 Mortgage and securities			
8 Contingencies			

Notes

All amounts in DKK.

	1/1 - 31/12 2019	4/4 - 31/12 2018	
	<u> </u>	<u> </u>	
1. Staff costs			
Average number of employees	<u> 1</u>	<u> 1</u>	
	<u>31/12 2019</u>	<u>31/12 2018</u>	
2. Equity investment in group enterprise			
Acquisition sum, opening balance 1 January	27.650.000	0	
Additions during the year	<u> 0</u>	<u>27.650.000</u>	
Cost 31 December	<u>27.650.000</u>	<u>27.650.000</u>	
Book value 31 December	<u>27.650.000</u>	<u>27.650.000</u>	
The financial highlights for the enterprise according to the latest approved annual report			
	Share of ownership	Equity	Results for the year
CIM Industrial Systems A/S, Struer	80 %	16.685.170	5.018.153
		<u>31/12 2019</u>	<u>31/12 2018</u>
3. Contributed capital			
Contributed capital 1 January		510.000	218.750
Cash capital increase		<u> 0</u>	<u>291.250</u>
		<u>510.000</u>	<u>510.000</u>
4. Share premium account			
Share premium account 1 January		0	5.031.250
Share premium account for the year		0	14.108.750
Transferred to results brought forward		<u> 0</u>	<u>-19.140.000</u>
		<u> 0</u>	<u> 0</u>

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
5. Results brought forward		
Results brought forward 1 January	19.706.140	0
Profit or loss for the year brought forward	634.406	566.140
Transferred from share premium account	<u>0</u>	<u>19.140.000</u>
	<u>20.340.546</u>	<u>19.706.140</u>

6. Liabilities

	<u>Debt in total 31 Dec 2019</u>	<u>Short-term part of long- term liabilities</u>	<u>Long-term debt 31 Dec 2019</u>	<u>Outstanding debt after 5 years</u>
Bank debts	<u>5.000.000</u>	<u>1.750.000</u>	<u>3.250.000</u>	<u>0</u>
	<u>5.000.000</u>	<u>1.750.000</u>	<u>3.250.000</u>	<u>0</u>

7. Mortgage and securities

For bank debts, DKK 6.874 k, the company has provided security in equity investments in group enterprise representing a nominal value of DKK 27.650 k.

8. Contingencies

Joint taxation

CIM Gruppen A/S, company reg. no 31 89 18 92 being the administration company, the company is subject to the Danish scheme of joint taxation and it is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligation to withhold tax on interest, royalties and dividends of the jointly taxed companies.

The liabilities amount to a maximum corresponding to that share of the company capital, which is owned directly or indirectly by the ultimate parent company.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Notes

All amounts in DKK.

8. Contingencies (continued)

Joint taxation (continued)

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Accounting policies used

The annual report for AV Holding 2018 ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK). However, some items have been changed by reclassification.

The profit and loss account

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Dividend from equity investment in group enterprise is recognised in the financial year where the dividend is declared.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Financial fixed assets

Equity investment in group enterprise

Equity investment in group enterprise is measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Accounting policies used

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Share premium

Share premium comprises amounts paid as premium in connection with the issue of shares. Costs in connection with a carried through issue are deducted in the premium. The premium reserve may be utilised as dividend, issue of bonus shares, and for payment of losses.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, AV Holding 2018 ApS is proportionally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carryover, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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