

AV Holding 2018 ApS

Fælledvej 17, 7600 Struer

Company reg. no. 39 45 93 96

Annual report

2020

The annual report was submitted and approved by the general meeting on the 23 February 2021.

Klaus Bülow Davidsen
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 report

Today, the board of directors and the managing director have presented the annual report of AV Holding 2018 ApS for the financial year 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Struer, 23 February 2021

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 financial statements of AV Holding 2018 ApS for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 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 section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such 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 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 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 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.

Independent auditor's report

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 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 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 and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Struer, 23 February 2021

KRØYER PEDERSEN

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

Lasse Lei Kjærsgaard Nørskov

State Authorised Public Accountant
mne42772

Company information

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
3rd 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, Aarhus

Management commentary

The principal activities of the company

Like previous years, the principal activities are to own shares in group enterprise.

Development in activities and financial matters

Net profit of the year totals DKK 3.869 k against DKK 634 k last year. Management considers the net profit for the year satisfactory.

The company's balance sheet shows a total asset portfolio of DKK 29.733 k compared to last year DKK 27.740 k, corresponding to an increase of DKK 1.993 k.

On the statement of financial position date, the equity amounts to DKK 24.720 k, corresponding to 83,1 % own financing of the total assets of DKK 29.733 k, which is an increase of 7,9 percentage points compared to last year.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year, which would have any material impact on the company's financial position.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Other external costs	-36.833	-45.004
Gross profit	-36.833	-45.004
Income from equity investment in group enterprise	4.000.000	800.000
Other financial costs	-130.595	-166.900
Pre-tax net profit or loss	3.832.572	588.096
Tax on net profit or loss for the year	36.850	46.310
Net profit or loss for the year	3.869.422	634.406
 Proposed appropriation of net profit:		
Transferred to retained earnings	3.869.422	634.406
Total allocations and transfers	3.869.422	634.406

Statement of financial position at 31 December

All amounts in DKK.

Assets		2020	2019
<u>Note</u>			
Non-current assets			
2	Equity investment in group enterprise	27.650.000	27.650.000
	Total investments	27.650.000	27.650.000
	Total non-current assets	27.650.000	27.650.000
Current assets			
	Receivables from group enterprises	2.000.000	0
	Income tax receivables	83.160	89.707
	Total receivables	2.083.160	89.707
	Total current assets	2.083.160	89.707
	Total assets	29.733.160	27.739.707

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities	<u>2020</u>	<u>2019</u>
<u>Note</u>		
Equity		
Contributed capital	510.000	510.000
Retained earnings	<u>24.209.968</u>	<u>20.340.546</u>
Total equity	<u>24.719.968</u>	<u>20.850.546</u>
 Liabilities other than provisions		
Bank loans	<u>1.500.000</u>	<u>3.250.000</u>
3 Total long term liabilities other than provisions	<u>1.500.000</u>	<u>3.250.000</u>
3 Current portion of long term payables	1.750.000	1.750.000
Bank loans	1.743.192	1.874.161
Trade payables	<u>20.000</u>	<u>15.000</u>
Total short term liabilities other than provisions	<u>3.513.192</u>	<u>3.639.161</u>
Total liabilities other than provisions	<u>5.013.192</u>	<u>6.889.161</u>
 Total equity and liabilities	<u>29.733.160</u>	<u>27.739.707</u>
 4 Charges and security		
5 Contingencies		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2019	510.000	19.706.140	20.216.140
Profit or loss for the year brought forward	<u>0</u>	<u>634.406</u>	<u>634.406</u>
Equity 1 January 2020	510.000	20.340.546	20.850.546
Profit or loss for the year brought forward	<u>0</u>	<u>3.869.422</u>	<u>3.869.422</u>
	<u>510.000</u>	<u>24.209.968</u>	<u>24.719.968</u>

Notes

All amounts in DKK.

	<u>2020</u>	<u>2019</u>
1. Staff costs		
Average number of employees	<u>1</u>	<u>1</u>
	<u>31/12 2020</u>	<u>31/12 2019</u>
2. Equity investment in group enterprise		
Acquisition sum, opening balance 1 January	<u>27.650.000</u>	<u>27.650.000</u>
Carrying amount, 31 December	<u>27.650.000</u>	<u>27.650.000</u>

Financial highlights for the enterprise according to the latest approved annual report

	Equity interest	Equity	Results for the year
CIM Industrial Systems A/S, Aarhus	80 %	<u>17.597.823</u>	<u>4.912.653</u>
		<u>17.597.823</u>	<u>4.912.653</u>

3. Liabilities other than provisions

	Total payables 31 Dec 2020	Current portion of long term payables	Long term payables 31 Dec 2020	Outstanding payables after 5 years
Bank loans	<u>3.250.000</u>	<u>1.750.000</u>	<u>1.500.000</u>	<u>0</u>
	<u>3.250.000</u>	<u>1.750.000</u>	<u>1.500.000</u>	<u>0</u>

4. Charges and security

For bank loans, DKK 4.993 k, the company has provided security in equity investment in group enterprise representing a nominal value of DKK 650 k.

5. Contingencies

Joint taxation

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

Notes

All amounts in DKK.

5. Contingencies (continued)

Joint taxation (continued)

The company is proportionally liable for any obligations 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 emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for AV Holding 2018 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.

Income statement

Other external costs

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

Income from equity investment in group enterprise

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

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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities 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 and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

Statement of financial position

Investments

Equity investment in group enterprise

Equity investment in group enterprise is measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

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.

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.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

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

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.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries 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.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.