

# **Ammotec Denmark ApS**

Endelavevej 1,

8940 Randers SV

CVR No. 42634999

## **Annual Report 2021/22**

1. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 6 July 2023

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Lasse Juhani Kuisma  
Chairman

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## **Management's Statement**

Today, Management has considered and adopted the Annual Report of Ammotec Denmark ApS for the financial year as of the establishment of the Company 20 August 2021 - 31 December 2022.

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 assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year as of the establishment of the Company 20 August 2021 - 31 December 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Randers, 6 July 2023

### **Executive Board**

Søren Stilling Gade

### **Board of directors**

Kjell Anders Edholm  
Member

Klaus Kristian Wasastjerna  
Member

Lasse Juhani Kuisma  
Chairman

## **The independent practitioner's report**

### **To the shareholders of Ammotec Denmark ApS**

#### **Conclusion**

We have performed an extended review of the financial statements of Ammotec Denmark ApS for the financial year as of the establishment of the Company 20.08.2021 - 31.12.2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including policies. The financial statements are prepared in accordance with 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 2022 and of the results of the Company's operations for the financial year 20 August 2021 - 31 December 2022 in accordance with the Danish Financial Statements Act.

#### **Basis for conclusion**

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 believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### **Independence**

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.

#### **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 conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

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.

## **The independent practitioner's report**

### **Statement on the Management's review**

Management is responsible for the Management's review.

Our conclusion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion 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 of the Management's review.

Aarhus, 6 July 2023

**EY**

**Godkendt Revisionspartnerselskab**

CVR-no. 30700228

Peter U. Faurshou

State Authorised Public Accountant

mne34502

## Ammotec Denmark ApS

### Company details

<b>Company</b>	Ammotec Denmark ApS Endelavevej 1, 8940 Randers SV
CVR No.	42634999
Date of formation	20 August 2021
Registered office	Randers
Financial year	20 August 2021 - 31 December 2022
<b>Board of Directors</b>	Kjell Anders Edholm Klaus Kristian Wasastjerna Lasse Juhani Kuisma
<b>Executive Board</b>	Søren Stilling Gade
<b>Auditors</b>	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330 8100 Aarhus C Denmark CVR-no.: 30700228

## **Management's Review**

### **The Company's principal activities**

The Company's principal activities consist in conduct business with trade, import and export of hunting, fishing and outdoor equipment as well as related business at the management's discretion.

### **Going concern**

The parent company's shareholders have issued a letter of support, guaranteeing to provide the Company with the capital required for the continued operations in the coming financial year 2023. The financial statements have thus been prepared on a going concern basis.

The Company has lost more than half of its share capital. The Company's Management expects to reestablish the share capital through profit from the Company's activities in the coming years.

### **Development in activities and the financial situation**

The Company's Income Statement of the financial year 20 August 2021 - 31 December 2022 shows a result of DKK -2.455.840 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 21.549.251 and an equity of DKK -2.084.040.

Management considers the Company's financial performance in 2022 not to be satisfactory.

This the first year of Ammotec Denmark has been a difficult year it has been hard to get deliveries in time, late deliveries of some goods resulting in missed sales opportunities this year (we are prepared for coming years) Our inventory is not age sensitive. The war in Ukraine accompanied with energy prizes and inflation on cost of living are effecting our customers to cut down on our offerings.

### **Events after the balance sheet date**

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

## **Accounting Policies**

### **Reporting Class**

The annual report of Ammotec Denmark ApS for 20.08.2021 - 31.12.2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with the adoption of individual rules from class C.

As the financial year 20.08.2021 - 31.12.2022 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

### **Reporting currency**

The annual report is presented in Danish kroner.

### **Transactions policies**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

## **Income statement**

### **Gross profit/loss**

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods and goods for resale, other operating income, costs for raw materials and consumables and other external expenses.

### **Revenue**

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

### **Cost of sales**

Cost of sales includes the cost of goods used in generating the year's revenue.

### **Other external expenses**

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

### **Staff costs**

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Other staff expenses are recognised in other external expenses.



## **Accounting Policies**

### **Amortisation and impairment**

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Amortization and impairment of assets, equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	<b>Useful life</b>	<b>Residual value</b>
Software	7 years	0%
Leasehold improvements	20 years	0%

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit or loss resulting from the sale of intangible assets or property, plant and equipment is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the income statement under other operating income or expenses.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

### **Tax on net profit for the year**

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## **Accounting Policies**

### **Balance sheet**

#### **Intangible assets**

Intangible assets include capitalised costs in connection with the implementation of a new IT system.

Intangible assets are measured at cost less accumulated amortisation and impairment losses.

#### **Property, plant and equipment**

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

#### **Impairment of fixed assets**

The carrying amounts of intangible assets and property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortization and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

#### **Leases**

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

#### **Deposits**

Deposits are measured at cost.

## **Accounting Policies**

### **Inventories**

Inventories are measured at cost on the basis of the FIFO principle. Where the net realizable value is lower than cost, the inventories are written down to this lower value.

The net realizable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

### **Receivables**

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

### **Equity**

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

### **Provisions**

#### **Income taxes and deferred tax**

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the group entities' income taxes vis à vis the tax authorities as the group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

## **Accounting Policies**

### **Liabilities**

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

### **Contingent assets and liabilities**

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

**Income Statement**

	Note	20.08.2021 - 31.12.2022 kr.
<b>Gross profit</b>		<b>653.718</b>
Staff costs	1	-2.776.629
Amortisation/depreciation of intangible assets and property, plant and equipment		-142.306
<b>Profit/loss from ordinary operating activities</b>		<b>-2.265.217</b>
Finance income from group enterprises		3.520
Finance income		74.792
Finance expenses	2	-478.397
<b>Profit/loss from ordinary activities before tax</b>		<b>-2.665.302</b>
Tax for the year		209.462
<b>Profit/loss for the year</b>		<b>-2.455.840</b>
<b>Proposed distribution of results</b>		
Retained earnings		-2.455.840
<b>Distribution of profit/loss</b>		<b>-2.455.840</b>

**Balance Sheet as of 31 December**

	Note	20.08.2021 - 31.12.2022 kr.
<b>Assets</b>		
Acquired intangible assets	3	790.072
<b>Intangible assets</b>		<u>790.072</u>
Leasehold improvements	4	2.092.688
<b>Property, plant and equipment</b>		<u>2.092.688</u>
Deposits		5.000
<b>Investments</b>		<u>5.000</u>
<b>Fixed assets</b>		<u>2.887.760</u>
Manufactured goods and goods for resale		11.689.632
<b>Inventories</b>		<u>11.689.632</u>
Trade receivables		2.538.378
Joint taxation contribution receivable		594.189
<b>Receivables</b>		<u>3.132.567</u>
<b>Cash</b>		<u>3.839.292</u>
<b>Non-fixed assets</b>		<u>18.661.491</u>
<b>Assets</b>		<u>21.549.251</u>

Ammotec Denmark ApS

Balance Sheet as of 31 December

	Note	20.08.2021 - 31.12.2022 kr.
<b>Liabilities and equity</b>		
Share capital		371.800
Retained earnings		-2.455.840
<b>Equity</b>		<b>-2.084.040</b>
Provisions for deferred tax		241.340
<b>Provisions</b>		<b>241.340</b>
Other loan obligations		1.488.164
<b>Long-term liabilities other than provisions</b>	5	<b>1.488.164</b>
Short-term part of long-term liabilities other than provisions		372.034
Trade payables		130.478
Payables to group enterprises		20.369.390
Tax payables		143.387
Other payables		888.498
<b>Short-term liabilities other than provisions</b>		<b>21.903.787</b>
<b>Liabilities other than provisions within the business</b>		<b>23.391.951</b>
<b>Liabilities and equity</b>		<b>21.549.251</b>
Contractual obligations and contingencies etc.	6	
Collaterals and assets pledges as security	7	
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## Statement of changes in Equity

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
Cash payments concerning formation of enterprise	371.800	0	371.800
Profit (loss)	0	-2.455.840	-2.455.840
<b>Equity 31 December 2022</b>	<b>371.800</b>	<b>-2.455.840</b>	<b>-2.084.040</b>

The parent company's shareholders have issued a letter of support, guaranteeing to provide the Company with the capital required for the continued operations in the coming financial year 2023. The financial statements have thus been prepared on a going concern basis.



Notes

	<b>20.08.2021 - 31.12.2022</b>		
<b>1. Staff costs</b>			
Wages and salaries			2.501.918
Pensions			261.867
Social security contributions			12.844
			<u><b>2.776.629</b></u>
Average number of employees			<u>3</u>
<b>2. Finance expenses</b>			
Intercompany interest			262.361
Exchange rate loss			137.861
Interest expenses bank			15.992
Other interest			62.183
			<u><b>478.397</b></u>
<b>3. Software</b>			
Addition during the year			<u>792.865</u>
<b>Cost at the end of the year</b>			<u><b>792.865</b></u>
Amortisation for the year			<u>-2.793</u>
<b>Impairment losses and amortisation at the end of the year</b>			<u><b>-2.793</b></u>
<b>Carrying amount at the end of the year</b>			<u><b>790.072</b></u>
<b>4. Leasehold improvements</b>			
Addition during the year			<u>2.232.201</u>
<b>Cost at the end of the year</b>			<u><b>2.232.201</b></u>
Amortisation for the year			<u>-139.513</u>
<b>Impairment losses and amortisation at the end of the year</b>			<u><b>-139.513</b></u>
<b>Carrying amount at the end of the year</b>			<u><b>2.092.688</b></u>
<b>5. Non-current liabilities other than provisions</b>			
	<b>Due</b>	<b>Due</b>	<b>Due</b>
	<b>after 1 year</b>	<b>within 1 year</b>	<b>after 5 years</b>
Other loan obligations	1.488.164	372.034	0
	<u><b>1.488.164</b></u>	<u><b>372.034</b></u>	<u><b>0</b></u>

## **Notes**

### **6. Contractual obligations and contingencies, etc.**

#### Other contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes for income year 2022 onwards as well as withholding taxes on interest, royalties and dividends.

#### Other financial obligations

Rent liabilities include a rent obligation totalling DKK 1.169 thousand in interminable rent agreements with remaining contract terms of 3 years.

Furthermore, the Company has liabilities under leases for cars and equipment, totalling DKK 301, with remaining contract terms of 1-3 years. After the lease period, the company must designate a third party who buys one leased car. The obligation amounts to DKK 151 thousand.

### **7. Collaterals and securities**

No securities or mortgages exist at the balance sheet date.

### **8. Related parties**

The group in which this annual report is consolidated is RUAG Ammotec Deutschland GmbH. The registered address for RUAG Ammotec Deutschland GmbH is Kronacher Strasse 63, 90765 Fürth, Germany.