

Solbjerg Stålvarefabrik ApS

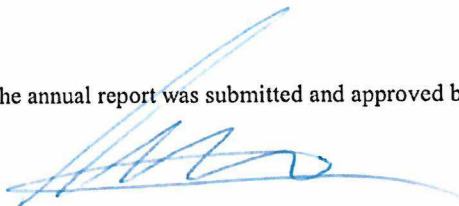
Silkeborgvej 136, Horsens

Company reg. no. 51 82 34 19

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 31 March 2022.



Eduardo Jose Fernandez Urrestarazu
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 Executive board has approved the annual report of Solbjerg Stålvarefabrik ApS for the financial year 1 January - 31 December 2021.

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

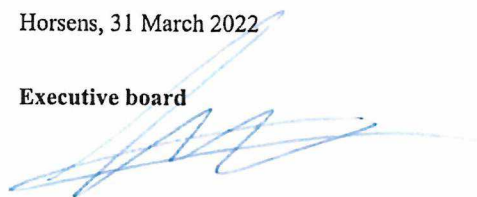
I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

I am of the opinion that the management commentary gives a fair view of the development in the company's operations and financial matters and the results of the company's operations and financial position.

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

Horsens, 31 March 2022

Executive board



Eduardo Jose Fernandez Urrestarazu
CEO

Independent auditor's report

To the shareholders of Solbjerg Stålvarefabrik ApS

Opinion

We have audited the financial statements of Solbjerg Stålvarefabrik ApS for the financial year 1 January - 31 December 2021, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies. 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 2021 and of the results of the company's activities for the financial year 1 January - 31 December 2021 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 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 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.

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.

Independent auditor's report

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.

Aarhus, 31 March 2022

EY Godkendt Revisionspartnerselskab

Godkendt Revisionspartnerselskab
Company reg. no. 30 70 02 28


Henrik Pungvig Jensen
State Authorised Public Accountant
mne24825

Company information

The company	Solbjerg Stålvarefabrik ApS Silkeborgvej 136 Horsens
	Company reg. no. 51 82 34 19 Established: 21 April 1975 Domicile: Horsens Financial year: 1 January - 31 December
Executive Board	Eduardo Jose Fernandez Urrestarazu, CEO
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, Postboks 330, 8100 Aarhus C
Parent company	Bellotta Holding A.G.

Management commentary

The principal activities of the company

Since 1975, Solbjerg Stålvarefabrik ApS has sold wearing parts to the agricultural industry.

Solbjerg Stålvarefabrik is known for its extremely high quality, which relates not only to the quality of the articles, but also relates to supply security, professional cooperation, development and customised articles as well as the wide product range.

Development in activities and financial matters

The income statement for 2021 shows a loss of DKK -131.386 against a profit of DKK 707.471 last year.

Management considers the net loss for the year as expected.

During the financial year 2021 the Company has outsourced its inventory, administration and supply activities. The Company completed its restructuring in Q4 2021.

After the completion of restructuring the Company primarily operates with sales activities.

The restructuring does not influence the Company's ability as going concern.

Events occurring after the end of the financial year

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	3.342.063	3.787.774
1 Staff costs	-3.864.019	-3.246.173
Profit before net financials	-521.956	541.601
Other financial income from group enterprises	415.743	374.207
Other financial income	0	160
Other financial costs	-59.873	-9.102
Pre-tax net profit or loss	-166.086	906.866
2 Tax on net profit or loss for the year	34.700	-199.395
Net profit or loss for the year	-131.386	707.471
Proposed appropriation of net profit:		
Transferred to retained earnings	0	707.471
Allocated from retained earnings	-131.386	0
Total allocations and transfers	-131.386	707.471

Statement of financial position at 31 December

All amounts in DKK.

Assets		
Note	2021	2020
Non-current assets		
Other securities and investments	0	56.280
Other receivables	17.500	248.447
Total investments	17.500	304.727
Total non-current assets	17.500	304.727
Current assets		
Finished goods and goods for resale	0	3.910.633
Total inventories	0	3.910.633
Trade receivables	0	4.868.006
Receivables from group enterprises	11.444.504	8.554.338
Deferred tax assets	70.900	36.200
Other receivables	55.658	0
Prepayments and accrued income	36.780	0
Total receivables	11.607.842	13.458.544
Cash	807.640	916.478
Total current assets	12.415.482	18.285.655
Total assets	12.432.982	18.590.382

Statement of financial position at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Share capital	3.015.000	3.015.000
Retained earnings	7.788.990	7.920.371
Total equity	10.803.990	10.935.371
Provisions		
Other provisions	0	145.969
Total provisions	0	145.969
Liabilities other than provisions		
Trade payables	304.022	579.294
Payables to group enterprises	426.951	5.540.307
Income tax payable	0	189.717
Other payables	898.019	1.199.724
Total short term liabilities other than provisions	1.628.992	7.509.042
Total liabilities other than provisions	1.628.992	7.509.042
Total equity and liabilities	12.432.982	18.590.382
3 Collateral		
4 Contingencies		
5 Related parties		

Statement of changes in equity

All amounts in DKK.

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	3.015.000	7.920.376	10.935.376
Retained earnings for the year	0	-131.386	-131.386
	<u>3.015.000</u>	<u>7.788.990</u>	<u>10.803.990</u>

Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
1. Staff costs		
Salaries and wages	3.542.789	3.046.938
Pension costs	308.450	185.603
Other costs for social security	<u>12.780</u>	<u>13.632</u>
	<u>3.864.019</u>	<u>3.246.173</u>
Average number of full-time employees	<u>4</u>	<u>4</u>
2. Tax on net profit or loss for the year		
Tax charge for the year	0	189.695
Deferred tax adjustments in the year	<u>-34.700</u>	<u>9.700</u>
	<u>-34.700</u>	<u>199.395</u>
3. Collateral		
The Company has not provided any security or other collateral in assets at 31 December 2021.		
4. Contingencies		
Other financial obligations		
		31/12 2021
		DKK
Lease liabilities		<u>41.000</u>
The company has liabilities under operating leases totalling DKK 41 thousand at 31. december 2021.		
5. Related parties		
Consolidated financial statements		
The company is included in the consolidated financial statements of Bellotta Holding A.G., Bohlstrasse 9a, 6301 Zug, Switzerland.		

Accounting policies

The annual report for Solbjerg Stålvarefabrik 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

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and 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 costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

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.

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 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.

Accounting policies

Statement of financial position

Investments

Other financial instruments and equity investments

Financial instruments and equity investments recognised under non-current assets comprise listed bonds and shares measured at fair value on the reporting date. Listed financial instruments are measured at market price.

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Deposits

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

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

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.

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.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Accounting policies

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

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

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

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 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.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Warranty commitments include expenses for remedial action in respect of the contract work within the warranty period. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Accounting policies

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