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# *Ziemann Holvrieka A/S*

Tronholmen 3, DK-8930 Randers NØ

## Annual Report for 1 January - 31 December 2020

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CVR No 58 97 69 11

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
12/7 2021

Ko Brink  
Chairman of the General  
Meeting



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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Ziemann Holvrieka A/S for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

In our opinion, 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, 12 July 2021

## Executive Board

Allan Ejgaard Jensen  
Managing Director

## Board of Directors

Ko Roelof Reint Brink  
Chairman

Arend Muggen

Allan Ejgaard Jensen

# Independent Auditor's Report

To the Shareholder of Ziemann Holvrieka A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Ziemann Holvrieka A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, 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 Management's Review.

## 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 misstate-

# Independent Auditor's Report

ment, 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 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 that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 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 use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to 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 the

## Independent Auditor's Report

disclosures, and whether the Financial Statements represent 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 internal control that we identify during our audit.

Aarhus, 12 July 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Michael Nielsson

statsautoriseret revisor

mne15151

## Company Information

### **The Company**

Ziemann Holvrieka A/S  
Tronholmen 3  
DK-8930 Randers NØ

CVR No: 58 97 69 11  
Financial period: 1 January - 31 December  
Municipality of reg. office: Randers

### **Board of Directors**

Ko Roelof Reint Brink, Chairman  
Arend Muggen  
Allan Ejgaard Jensen

### **Executive Board**

Allan Ejgaard Jensen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Nobelparken  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C

# Management's Review

## Key activities

The major part of the company activities relates to selling tanks to the food and beverage industry as well as sale of process equipment and process lines especially for the brewing industry as well as tanks for the pharmaceutical industry.

## Development in the year

The income statement of the Company for 2020 shows a profit of DKK 2,067,856, and at 31 December 2020 the balance sheet of the Company shows negative equity of DKK 8,881,283.

During 2020 the company stopped production at its factory in Randers. The company has continued as a Sales and Engineering organization.

The results realized during 2020 are therefore mostly the result of phasing out of the order backlog per year end 2019 and results realized from Sales and Engineering.

## Capital resources

The company has secured financing in the coming financial year through the ownership circle. See the discussion hereof in note 1.

## Uncertainty relating to recognition and measurement

The calculation of contract work in progress requires estimates of future events. The estimates used are based on assumptions that the management considers to be reasonable, but which by nature is uncertain and unpredictable as unexpected events or circumstances may arise, which change the basis for applied assumptions. The relationship is further discussed in note 2.



## Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
<b>Gross profit/loss</b>		<b>5.026.443</b>	<b>13.544.911</b>
Staff expenses	3	-3.047.831	-17.572.243
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-28.542	189.475
<b>Profit/loss before financial income and expenses</b>		<b>1.950.070</b>	<b>-3.837.857</b>
Financial income		267.229	529.499
Financial expenses	4	-149.443	-354.660
<b>Profit/loss before tax</b>		<b>2.067.856</b>	<b>-3.663.018</b>
Tax on profit/loss for the year		0	0
<b>Net profit/loss for the year</b>		<b>2.067.856</b>	<b>-3.663.018</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		2.067.856	-3.663.018
		<b>2.067.856</b>	<b>-3.663.018</b>

# Balance Sheet 31 December

## Assets

	Note	2020 DKK	2019 DKK
Land and buildings		0	0
Other fixtures and fittings, tools and equipment		57.085	85.627
<b>Property, plant and equipment</b>		<b>57.085</b>	<b>85.627</b>
<b>Fixed assets</b>		<b>57.085</b>	<b>85.627</b>
Trade receivables		355.095	8.420.671
Contract work in progress	5	5.899.459	8.196.206
Receivables from group enterprises		5.235.869	2.996.226
Other receivables		69.372	0
Corporation tax		0	86.000
Prepayments		0	602.807
<b>Receivables</b>		<b>11.559.795</b>	<b>20.301.910</b>
<b>Cash at bank and in hand</b>		<b>1.677.925</b>	<b>2.208.217</b>
<b>Currents assets</b>		<b>13.237.720</b>	<b>22.510.127</b>
<b>Assets</b>		<b>13.294.805</b>	<b>22.595.754</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		1.000.001	1.000.001
Retained earnings		-9.881.284	-11.949.141
<b>Equity</b>		<b>-8.881.283</b>	<b>-10.949.140</b>
Other provisions		5.899.459	6.153.844
<b>Provisions</b>		<b>5.899.459</b>	<b>6.153.844</b>
Trade payables		2.801.758	4.907.734
Payables to group enterprises		12.664.999	19.929.045
Other payables		809.872	2.554.271
<b>Short-term debt</b>		<b>16.276.629</b>	<b>27.391.050</b>
<b>Debt</b>		<b>16.276.629</b>	<b>27.391.050</b>
<b>Liabilities and equity</b>		<b>13.294.805</b>	<b>22.595.754</b>
Going concern	1		
Uncertainty relating to recognition and measurement	2		
Contingent assets, liabilities and other financial obligations	6		
Related parties	7		
Accounting Policies	8		

## Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	1.000.001	-11.949.140	-10.949.139
Net profit/loss for the year	0	2.067.856	2.067.856
<b>Equity at 31 December</b>	<b>1.000.001</b>	<b>-9.881.284</b>	<b>-8.881.283</b>

# Notes to the Financial Statements

## 1 Going concern

The company was restructured in 2019 and 2020 to function exclusively as a sales company for Group Companies.

A capital increase will be made in 2021 for the re-establishment of the negative equity.

The company's parent company; CIMC Enric Tank and Process B.V., have issued a letter of financial support that will secure sufficient funds to finance the company's operating activities and to settle its financial obligations.

The Annual Report is therefore presented on the assumption of the company continuing as a going concern.

## 2 Uncertainty relating to recognition and measurement

The calculation of contract work in progress requires estimates of future events. The estimates used are based on assumptions that the management considers to be reasonable, but which by nature is uncertain and unpredictable as unexpected events or circumstances may arise, which change the basis for applied assumptions.

An essential condition for the application of the production principle is that the income and costs of individual contract can be estimated reliably. Expected revenues and costs of a contract may however change as the contract is executed and uncertainties are clarified. Similarly, during the execution of the contract, changes may be made to the contract, as well as conditions for the execution of the contract may prove not to be met.

The company's internal business processes, financial management and calculation tools, along with project management's knowledge and experience, support that construction work in progress can be measured reliably in accordance with the production principle.

## Notes to the Financial Statements

	2020 <u>DKK</u>	2019 <u>DKK</u>
<b>3 Staff expenses</b>		
Wages and salaries	2.701.911	16.044.956
Pensions	263.488	1.206.566
Other social security expenses	82.432	320.721
	<u><b>3.047.831</b></u>	<u><b>17.572.243</b></u>
 Including remuneration to the Executive Board of:		
Executive Board	<u>0</u>	<u>973.661</u>
	<u><b>0</b></u>	<u><b>973.661</b></u>
 <b>Average number of employees</b>	<u><b>4</b></u>	<u><b>31</b></u>

Remuneration to the Executive Board has not been disclosed in 2020 in accordance with section 98 B(3) of the Danish Financial Statements Act.

### 4 Financial expenses

Interest paid to group enterprises	121.503	226.971
Other financial expenses	6.240	91.756
Exchange loss	21.700	35.933
	<u><b>149.443</b></u>	<u><b>354.660</b></u>

	2020 <u>DKK</u>	2019 <u>DKK</u>
<b>5 Contract work in progress</b>		
Selling price of work in progress	24.019.185	64.989.814
Payments received on account	-18.119.726	-56.793.608
	<u><b>5.899.459</b></u>	<u><b>8.196.206</b></u>

# Notes to the Financial Statements

## 6 Contingent assets, liabilities and other financial obligations

### Contingent assets

The company has a deferred tax asset per. December 31 TDKK 8.003. The amount is not included in the balance sheet, since there is uncertainty about the time of its utilization.

### Contingent liabilities

Through Nationale Borg the company has guarantees for customers issued for totally TDKK 4,226

The company has received a claim from the Danish Tax Agency to pay A-tax and Labor Market Contribution of temporary employment related to foreign labor of TDKK 2,794. An appeal has been submitted against the decision and the case is not expected to incur costs for the company as the claim is considered uncollectible.

## 7 Related parties

	<u>Basis</u>
<b>Controlling interest</b>	
Allan Ejgaard Jensen, Linavænget 45, 7451 Sunds	CEO
Ko Brink, Thorbeckewal 46, 8011 WD Zwolle, Netherlands	Board Member
Arrend Muggen, Kartanjelaan 23, 8441 NC Heerenveen, Netherlands	Board Member
Allan Ejgaard Jensen, Linavænget 45, 7451 Sunds	Board Member
CIMC Group Co. Ltd., No. 2 Gangwan Avenue, Shekou Industrial Zone, Shenzhen, Guangdong P.R.C., China	Ultimative parent company
CIMC Enric Tank and Process B.V., Burg.Roelenweg 30, 8021 EW Zwolle, Netherlands	Imidiate parent company
Coöperatie Vela Holding U.A., Burg.Roelenweg 30, 8021 EW Zwolle, Netherlands	Domestic parent

# Notes to the Financial Statements

## 7 Related parties (continued)

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There have been no transactions with Board members, CEO or significant shareholders, except for normal management remuneration.

There have been transactions with group companies at market terms.

### Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

CIMC Enric Tank and Process B.V.  
Burgemeester Roelenweg 30  
8021 EW ZWOLLE  
Netherlands

### Consolidated Financial Statements

The company is included in the consolidated report of the parent company

<u>Name</u>	<u>Place of registered office</u>
Coöperatie Vela Holding U.A	Burgemeester Roelenweg 30 8021 EW, Zwolle Netherlands.



# Notes to the Financial Statements

## 8 Accounting Policies

The Annual Report of Ziemann Holvrieka A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Income Statement

#### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT.

#### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

#### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

#### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

#### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Balance Sheet

#### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings, 20 years

Plant and machinery, 8 years

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

#### Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

#### Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.