



AH Metal Solutions A/S

Solvang 21
3450 Allerød
CVR No. 83672617

Annual report 01.05.2020 - 30.04.2021

The Annual General Meeting adopted the
annual report on 07.07.2021

Ulrich Alexander Krasilnikoff
Chairman of the General Meeting

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Entity details

Entity

AH Metal Solutions A/S

Solvang 21

3450 Allerød

CVR No.: 83672617

Registered office: Allerød

Financial year: 01.05.2020 - 30.04.2021

Phone number: +4548133300

URL: www.ah-dk.dk

E-mail: ah@ah-dk.dk

Board of Directors

Steen Ulf Jensen

Ulrich Alexander Krasilnikoff

Jesper Høvelskov

Steen Ulf Jensen, formand

Jonas Høst Høvelskov

Marcus Høst Høvelskov

Executive Board

Jesper Høvelskov

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of AH Metal Solutions A/S for the financial year 01.05.2020 - 30.04.2021.

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 Entity's financial position at 30.04.2021 and of the results of its operations for the financial year 01.05.2020 - 30.04.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Allerød, 07.07.2021

Executive Board

Jesper Høvelskov

Board of Directors

Steen Ulf Jensen

Ulrich Alexander Krasilnikoff

Jesper Høvelskov

Steen Ulf Jensen
formand

Jonas Høst Høvelskov

Marcus Høst Høvelskov

Independent auditor's report

To the shareholders of AH Metal Solutions A/S

Opinion

We have audited the financial statements of AH Metal Solutions A/S for the financial year 01.05.2020 - 30.04.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.04.2021 and of the results of its operations for the financial year 01.05.2020 - 30.04.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

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 do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, 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 conclude that the management commentary 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 commentary.

København, 07.07.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Thomas Hermann

State Authorised Public Accountant
Identification No (MNE) mne26740

Management commentary

Primary activities

AH Metal Solutions A/S is a knowledge-based development company designing and manufacturing wellconsidered, intelligent, customised precision metal stamping as well as the following processes in close cooperation with our customers' development departments.

AH Metal Solutions A/S delivers an overall solution covering active development of metal components and parts - from designing and manufacturing of metal stamping tools as well as the following production to handling of the metal components and parts.

With its solution, AH Metal Solutions A/S aims at lower unit costs for the customers in the long run, either directly through the specific component or part, or as part of the following production or fitting.

Today, AH Metal Solutions A/S is well-represented within different business areas, including the medical, electronics and automotive industry, both in Denmark and abroad.

Development in activities and finances

Profit for the year is positive by DKK 3.856 thousand, which is considered satisfactory.

At 30.04.2021, equity amounts to DKK 22.531 thousand and total assets amount to DKK 55.276 thousand.

Outlook

The financial year 2021/22 will be a year focusing on investing in production facilities and earnings and efficiency in the organisation, including optimising the production and the marketing effort.

In the next few years, AH Metal Solutions A/S will increase its effort in regard to certain strategic business areas to secure the future economic development.

The performance for 2021/22 is expected to be at the level attained in 2020/21.

Events after the balance sheet date

From the balance sheet date to the present day, no circumstances have occurred which disrupt the assessment of the annual report, but the development of the spread of covid-19 in recent months may lead to uncertainty about the length of the corona, both nationally and internationally. It is not possible to quantify the economic impact at this stage, but with the current restrictions only a limited impact on profit or loss in the coming financial year is expected.

Income statement for 2020/21

	Notes	2020/21 DKK	2019/20 DKK
Gross profit/loss		14,558,572	11,130,342
Administrative expenses		(9,444,677)	(9,653,496)
Operating profit/loss		5,113,895	1,476,846
Other financial income		0	5,170
Other financial expenses	2	(654,808)	(952,964)
Profit/loss before tax		4,459,087	529,052
Tax on profit/loss for the year	3	(603,296)	(118,562)
Profit/loss for the year		3,855,791	410,490
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		1,100,000	400,000
Retained earnings		2,755,791	10,490
Proposed distribution of profit and loss		3,855,791	410,490

Balance sheet at 30.04.2021

Assets

	Notes	2020/21 DKK	2019/20 DKK
Acquired intangible assets		20,882	33,412
Intangible assets	4	20,882	33,412
Land and buildings		23,584,205	24,116,716
Plant and machinery		6,053,665	7,571,332
Other fixtures and fittings, tools and equipment		1,095,112	1,125,658
Property, plant and equipment	5	30,732,982	32,813,706
Other receivables		1,600	100
Financial assets		1,600	100
Fixed assets		30,755,464	32,847,218
Raw materials and consumables		5,336,531	6,067,920
Manufactured goods and goods for resale		6,636,465	6,880,258
Inventories		11,972,996	12,948,178
Trade receivables		10,211,953	12,009,555
Contract work in progress	6	954,267	114,716
Receivables from group enterprises		812	2,233
Other receivables		343,807	717,366
Prepayments		325,547	299,478
Receivables		11,836,386	13,143,348
Cash		710,905	221,526
Current assets		24,520,287	26,313,052
Assets		55,275,751	59,160,270

Equity and liabilities

	Notes	2020/21 DKK	2019/20 DKK
Contributed capital	7	500,000	500,000
Retained earnings		20,931,233	18,175,442
Proposed dividend		1,100,000	400,000
Equity		22,531,233	19,075,442
Deferred tax	8	3,974,676	3,971,081
Provisions		3,974,676	3,971,081
Mortgage debt		6,216,944	8,078,740
Bank loans		2,938,048	2,608,685
Lease liabilities		2,456,311	2,784,151
Joint taxation contribution payable		746,718	0
Other payables		2,132,078	0
Non-current liabilities other than provisions	9	14,490,099	13,471,576
Current portion of non-current liabilities other than provisions	9	1,880,216	3,136,082
Bank loans		5,133,301	8,141,088
Trade payables		2,630,734	4,366,164
Payables to group enterprises		22,797	0
Joint taxation contribution payable		0	1,068,493
Other payables		4,431,645	5,555,494
Deferred income		181,050	374,850
Current liabilities other than provisions		14,279,743	22,642,171
Liabilities other than provisions		28,769,842	36,113,747
Equity and liabilities		55,275,751	59,160,270
Staff costs	1		
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		

Statement of changes in equity for 2020/21

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	18,175,442	400,000	19,075,442
Ordinary dividend paid	0	0	(400,000)	(400,000)
Profit/loss for the year	0	2,755,791	1,100,000	3,855,791
Equity end of year	500,000	20,931,233	1,100,000	22,531,233

Notes

1 Staff costs

	2020/21 DKK	2019/20 DKK
Wages and salaries	18,160,718	18,805,482
Pension costs	452,307	468,629
Other social security costs	1,797,441	1,950,758
	20,410,466	21,224,869
Average number of full-time employees	35	37

2 Other financial expenses

	2020/21 DKK	2019/20 DKK
Other interest expenses	609,228	851,399
Other financial expenses	45,580	101,565
	654,808	952,964

3 Tax on profit/loss for the year

	2020/21 DKK	2019/20 DKK
Current tax	828,524	0
Change in deferred tax	3,398	118,562
Adjustment concerning previous years	(228,626)	0
	603,296	118,562

4 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	37,589
Cost end of year	37,589
Amortisation and impairment losses beginning of year	(4,177)
Amortisation for the year	(12,530)
Amortisation and impairment losses end of year	(16,707)
Carrying amount end of year	20,882

5 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	32,597,729	44,915,734	7,954,871
Additions	0	222,510	289,083
Cost end of year	32,597,729	45,138,244	8,243,954
Depreciation and impairment losses beginning of year	(8,481,013)	(37,344,402)	(6,829,213)
Depreciation for the year	(532,511)	(1,740,177)	(319,629)
Depreciation and impairment losses end of year	(9,013,524)	(39,084,579)	(7,148,842)
Carrying amount end of year	23,584,205	6,053,665	1,095,112

6 Contract work in progress

	2020/21 DKK	2019/20 DKK
Contract work in progress	3,046,118	214,716
Progress billings regarding contract work in progress	(2,091,851)	(100,000)
	954,267	114,716

7 Share capital

	Number	Par value DKK	Nominal value DKK
Ordinary Shares	500	1.000	500,000
	500		500,000

8 Deferred tax

	2020/21 DKK	2019/20 DKK
Intangible assets	(1,313)	262
Property, plant and equipment	3,622,752	3,660,209
Inventories	367,077	586,606
Liabilities other than provisions	(13,840)	(16,584)
Tax losses carried forward	0	(259,412)
Deferred tax	3,974,676	3,971,081

9 Non-current liabilities other than provisions

	Due within 12 months 2020/21 DKK	Due within 12 months 2019/20 DKK	Due after more than 12 months 2020/21 DKK	Outstanding after 5 years 2020/21 DKK
Mortgage debt	878,463	1,220,643	6,216,944	4,721,569
Bank loans	673,913	1,241,639	2,938,048	328,928
Lease liabilities	327,840	673,800	2,456,311	170,910
Joint taxation contribution payable	0	0	746,718	0
Other payables	0	0	2,132,078	0
	1,880,216	3,136,082	14,490,099	5,221,407

10 Unrecognised rental and lease commitments

	2020/21 DKK	2019/20 DKK
Liabilities under rental or lease agreements until maturity in total	6,822,787	4,994,498

11 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Jesper Høvelskov Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

12 Assets charged and collateral

Bank debt, mortgage debt and mortgaged machinery are secured by way of mortgage deeds on properties registered to the mortgagor of nominal DKK 49,706 thousand. The carrying amount of the properties totals DKK 23,584 thousand.

Furthermore, debts are secured by way of mortgage deeds on movable properties registered to the owner of DKK 8,880 thousand.

A floating charge of DKK 10,000 thousand has been provided.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Administrative expenses

Administrative costs comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial income

Other financial income comprises interest income etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Jesper Høvelskov Holding ApS and all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Acquired intellectual property rights	3 years
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Estimated useful lives and residual values are reassessed annually.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	50 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.