

Hikoki Power Tools Denmark A/S

Helgeshøj Alle 22, DK-2630 Taastrup

CVR no. 16 59 72 79

Annual report 2022/23

Approved at the Company's annual general meeting on 12 May 2023

Chair of the meeting:



.....
Claus Thorning Jensen

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 April 2022 - 31 March 2023	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Hikoki Power Tools Denmark A/S for the financial year 1 April 2022 - 31 March 2023

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 of the Company at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Taastrup, 12 May 2023

Executive Board:



Claus Thorning Jensen

Board of Directors:



Thomas Martin Kristensen



Claus Thorning Jensen



Daniel Philipp Schmid

H. ENDO

Hidenori Endo

Independent auditor's report

To the shareholder of Hikoki Power Tools Denmark A/S

Opinion

We have audited the financial statements of Hikoki Power Tools Denmark A/S for the financial year 1 April 2022 - 31 March 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023 in accordance with the Danish Financial Statements Act.

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

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 audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the 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.

Independent auditor's report

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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion 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 audit 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 audit, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 12 May 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Peter Jensen
State Authorised Public Accountant
mne33246



Jacob Thøgersen
State Authorised Public Accountant
mne49102

Management's review

Company details

Name	Hikoki Power Tools Denmark A/S
Address, Postal code, City	Helgeshøj Alle 22, DK-2630 Taastrup
CVR no.	16 59 72 79
Established	18 November 1992
Registered office	Esbjerg
Financial year	1 April 2022 - 31 March 2023
Board of Directors	Thomas Martin Kristensen Claus Thorning Jensen Daniel Philipp Schmid Hidenori Endo
Executive Board	Claus Thorning Jensen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

The main activity of the company is sales of Hikoki power tools with accessories, Hikoki Garden Tools and nail tools and screws marketed under the trade mark Basso and MFT. The product range is continually expanded with other group products.

Financial review

The Company's income statement for the year ended 31 March 2023 shows a net profit of tDKK 544, and the balance sheet at 31 March 2022 shows equity of tDKK 249.

Events after the balance sheet date

There is a planned merger between Hikoki Power Tools Denmark A/S (CVR 16597279) and Metabo Denmark A/S (CVR 20247703) with effective date 1 April 2023. The continuing company will be Metabo Denmark A/S, and as part of the expected merger, the company has changed its name to Koki Denmark A/S.

Financial statements 1 April 2022 - 31 March 2023

Income statement

Note	DKK'000	<u>2022/23</u>	<u>2021/22</u>
	Gross profit	2,503	2,733
3	Staff costs	-1,905	-2,264
	Depreciation of property, plant and equipment	-5	-19
	Other operating expenses	<u>0</u>	<u>-19</u>
	Profit before net financials	593	431
4	Financial income	4	0
5	Financial expenses	<u>-53</u>	<u>-50</u>
	Profit before tax	544	381
	Tax for the year	<u>0</u>	<u>0</u>
	Profit for the year	<u>544</u>	<u>381</u>
	Recommended appropriation of profit		
	Retained earnings	<u>544</u>	<u>381</u>
		<u>544</u>	<u>381</u>

Financial statements 1 April 2022 - 31 March 2023

Balance sheet

Note	DKK'000	<u>2022/23</u>	<u>2021/22</u>
	ASSETS		
	Fixed assets		
6	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	0	5
		<u>0</u>	<u>5</u>
	Total fixed assets	<u>0</u>	<u>5</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	961	239
		<u>961</u>	<u>239</u>
	Receivables		
	Trade receivables	1,912	2,726
	Receivables from group entities	0	416
	Other receivables	187	135
		<u>2,099</u>	<u>3,277</u>
	Cash	312	1,977
	Total non-fixed assets	<u>3,372</u>	<u>5,493</u>
	TOTAL ASSETS	<u><u>3,372</u></u>	<u><u>5,498</u></u>

Financial statements 1 April 2022 - 31 March 2023

Balance sheet

Note	DKK'000	2022/23	2021/22
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	10,000	10,000
	Retained earnings	-9,751	-10,295
	Total equity	249	-295
	Provisions		
	Other provisions	154	288
	Total provisions	154	288
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	930	486
	Payables to group entities	1,211	3,590
	Other payables	828	1,429
		2,969	5,505
	Total liabilities other than provisions	2,969	5,505
	TOTAL EQUITY AND LIABILITIES	3,372	5,498

- 1 Accounting policies
- 2 Events after the balance sheet date
- 7 Contractual obligations and contingencies, etc.
- 8 Collateral
- 9 Related parties

Financial statements 1 April 2022 - 31 March 2023

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 April 2022	10,000	-10,295	-295
Transfer through appropriation of profit	0	544	544
Equity at 31 March 2023	<u>10,000</u>	<u>-9,751</u>	<u>249</u>

Financial statements 1 April 2022 - 31 March 2023

Notes to the financial statements

1 Accounting policies

The annual report of Hikoki Power Tools Denmark A/S for 2022/23 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies applied by the company are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

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.

Monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Income statement

Revenue

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

Income from the sale of goods held for sale and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably. VAT, indirect taxes and discounts are excluded from the revenue.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

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 related to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

Staff costs

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

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Financial statements 1 April 2022 - 31 March 2023

Notes to the financial statements

1 Accounting policies (continued)

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

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses, realised and unrealised capital and exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Balance sheet

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements and other fixtures, fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and write-downs.

An impairment test is made for property, plant and equipment if there are indications of decreases in value. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Inventories

Inventories are measured at the lower of cost, measured by reference to the weighted average method, and net realisable value.

Goods for resale are measured at cost, which includes the cost of acquisition plus costs of delivery.

Financial statements 1 April 2022 - 31 March 2023

Notes to the financial statements

1 Accounting policies (continued)

Receivables

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

Receivables are measured at amortised cost, which usually corresponds to the nominal value. An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired, in which case the carrying amount is reduced to the net realisable value.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise of cash.

Provisions

Provisions comprise expected expenses relating to guarantee commitments. Provisions are recognised when, at the balance sheet date, the enterprise has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions expected to be settled after more than one year after the balance sheet date are measured at the net present value of the expected payments. Other provisions are measured at net realisable value.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

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.

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.

Financial statements 1 April 2022 - 31 March 2023

Notes to the financial statements

1 Accounting policies (continued)

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

Other payables

Other payables are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

2 Events after the balance sheet date

There is a planned merger between Hikoki Power Tools Denmark A/S (CVR 16597279) and Metabo Denmark A/S (CVR 20247703) with effective date 1 April 2023. The continuing company will be Metabo Denmark A/S, and as part of the expected merger, the company has changed its name to Koki Denmark A/S.

DKK'000	<u>2022/23</u>	<u>2021/22</u>
3 Staff costs		
Wages/salaries	1,794	2,124
Pensions	78	95
Other social security costs	33	45
	<u>1,905</u>	<u>2,264</u>
Average number of full-time employees	<u>4</u>	<u>4</u>
4 Financial income		
Other interest income	4	0
	<u>4</u>	<u>0</u>
5 Financial expenses		
Interest expenses, group entities	18	18
Other interest expenses	8	14
Exchange losses	20	14
Other financial expenses	7	4
	<u>53</u>	<u>50</u>

Financial statements 1 April 2022 - 31 March 2023

Notes to the financial statements

6 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment
Cost at 1 April 2022	56
Cost at 31 March 2023	56
Impairment losses and depreciation at 1 April 2022	51
Amortisation/depreciation in the year	5
Impairment losses and depreciation at 31 March 2023	56
Carrying amount at 31 March 2023	0

7 Contractual obligations and contingencies, etc.

As management company, the Company is jointly taxed with other Danish group entities; Koki Denmark A/S and is jointly and severally with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2022/23	2021/22
Rent and lease liabilities	168,420	399,616

Rent and lease liabilities include liabilities under operating leases for cars and other fittings, totalling DKK 168,420 for a contract period of up to 3 year.

8 Collateral

The Company has not provided any security or other collateral in assets at 31 March 2023.

9 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Koki Holdings Co., Ltd.	Japan	www.koki-holdings.com

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Hikoki Power Tools Norway AS	Kjeller Vest 7, Postboks 124, 2027 Kjeller, Norway