

BURKERT DANMARK A/S
Hørkær 24
2730 Herlev

Annual report for the period
1 January to 31 December 2019
(52th Financial year)

Adopted at the annual general meeting on
7 February 2020



Heribert Peter Hans Rohrbeck
chairman

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COMPANY DETAILS

The company	Bürkert Danmark A/S Hørkær 24 2730 Herlev CVR no.: 19 18 58 18 Reporting period: 1 January - 31 December 2019 Incorporated: 19 May 1967 Domicile: Herlev
Supervisory board	Heribert Peter Hans Rohrbeck, chairman Marco Ivan Steinemann Rune Tarnø
Management	Marco Ivan Steinemann
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2.tv. 2100 København Ø
Consolidated financial statements	The company is included in the consolidated report for the parent company Bürkert Verwaltungs-GmbH, Christian-Bürkert-Strasse 13-17, 74653 Ingelfingen, Germany

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of Burkert Danmark A/S for the financial year 1 January - 31 December 2019.

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 company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Herlev, 7 February 2020

Management

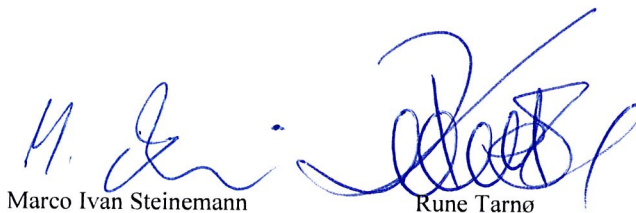


Marco Ivan Steinemann
General Manager

Supervisory board



Heribert Peter Hans Rohrbeck
chairman



Marco Ivan Steinemann

Rune Tarnø

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Burkert Danmark A/S

Opinion

We have audited the financial statements of Burkert Danmark A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 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 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.

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 the 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 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 judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT

- 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 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.

INDEPENDENT AUDITOR'S REPORT

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.

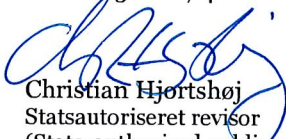
Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 7 February 2020

MAZARS

Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41



Christian Hjortshøj
Statsautoriseret revisor
(State-authorised public accountant)
MNE no. mne34485



Dennis Herholdt Rasmussen
Statsautoriseret revisor
(State-authorised public accountant)
MNE no. mne43413

MANAGEMENT'S REVIEW

Business review

The Company is a wholly owned sales company in the international part of the Bürkert Group.

The Company sells products and systems for controlling fluids and gases. The product range consists of a wide range of valve types, sensors and instruments. These products are sold as components or as customized solutions.

The Company now also manufactures system solutions to a greater extent.

The most important customers are the processing industry and machine manufacturer.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters

The company's financial position at 31 December 2019 and the results of its operations for the financial year ended 31 December 2019 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31. december 2019 shows a profit of DKK 4,276,229, and the balance sheet at 31 December 2019 shows equity of DKK 41,674,161.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

ACCOUNTING POLICIES

The annual report of Burkert Danmark A/S for 2019 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 provisions as regards larger entities

The annual report for 2019 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Income from services, comprising service contracts and extended warranties relating to products and contracts sold is recognised on a straight-line basis as the services are provided.

ACCOUNTING POLICIES

Raw materials and consumables

Cost of Raw materials and consumables include usage of raw materials and consumables after adjustment of change in inventory of these goods etc. beginning of year to year end. The item includes possible waste and usual write offs on referred inventories.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's 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. Net financials include interest income and expenses, financial expenses relating realised and unrealised exchange gains and losses on foreign currency transactions, and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

ACCOUNTING POLICIES

Balance sheet

Tangible assets

Items of tangible assets are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost includes purchase price and any costs directly attributable to the acquisition until the day the assets is ready for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

		Residual value
Other fixtures and fittings, tools and equipment	3 - 8	years 0 %

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Stocks

Stocks are measured at cost using the weighted average method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

Cost for raw materials and consumables used extend cost.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost, which usually equals nominal value. Provisions for bad debts are made to meet expected selling price.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

ACCOUNTING POLICIES

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Liabilities

Other liabilities are measured at net realisable value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019 DKK	2018 DKK
Revenue		143,072,522	140,215,801
Raw materials and consumables		-109,800,569	-106,567,455
Other external expenses		-7,262,407	-7,201,462
Gross profit		26,009,546	26,446,884
Staff costs	1	-20,114,060	-19,014,142
Depreciation, amortisation and impairment of property, plant and equipment		-181,621	-175,029
Other operating costs		0	-18,210
Profit/loss on ordinary activities before fair value adjustments		5,713,865	7,239,503
Profit/loss before net financials		5,713,865	7,239,503
Financial income		0	567
Financial costs		-214,621	-183,363
Profit/loss before tax		5,499,244	7,056,707
Tax on profit/loss for the year	2	-1,223,015	-1,528,984
Profit/loss for the year		4,276,229	5,527,723
 Recommended appropriation of profit/loss			
Proposed dividend for the year		3,000,000	0
Retained earnings		1,276,229	5,527,723
		4,276,229	5,527,723

BALANCE SHEET 31 DECEMBER

	Note	2019 DKK	2018 DKK
ASSETS			
Other fixtures and fittings, tools and equipment		467,728	415,136
Tangible assets	3	467,728	415,136
Deposits	4	767,128	730,279
Fixed asset investments		767,128	730,279
Total non-current assets		1,234,856	1,145,415
Raw materials and consumables		21,050	13,628
Finished goods and goods for resale		15,696,964	17,363,622
COG in transit		24,929	321,200
Stocks		15,742,943	17,698,450
Trade receivables		12,740,500	16,406,161
Receivables from group companies		4,578,689	3,209,323
Other receivables		1,930	2,822
Corporation tax		130,843	0
Prepayments	5	80,641	135,472
Receivables		17,532,603	19,753,778
Cash at bank and in hand		12,483,063	4,987,138
Total current assets		45,758,609	42,439,366
Total assets		46,993,465	43,584,781

BALANCE SHEET 31 DECEMBER

	Note	2019 DKK	2018 DKK
EQUITY AND LIABILITIES			
Share capital		1,700,000	1,700,000
Retained earnings		36,974,161	35,697,932
Proposed dividend for the year		3,000,000	0
Equity	6	41,674,161	37,397,932
Other payables		594,026	0
Total non-current liabilities		594,026	0
Trade payables		478,884	1,136,089
Payables to group companies		497,706	9,392
Corporation tax		0	15,724
Other payables		3,748,688	5,025,644
Total current liabilities		4,725,278	6,186,849
Total liabilities		5,319,304	6,186,849
Total equity and liabilities		46,993,465	43,584,781
Contingent liabilities	7		

STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the year</u>	<u>Total</u>
Equity at 1 January 2019	1,700,000	35,697,932	0	37,397,932
Net profit/loss for the year	0	1,276,229	3,000,000	4,276,229
Equity at 31 December 2019	<u>1,700,000</u>	<u>36,974,161</u>	<u>3,000,000</u>	<u>41,674,161</u>

NOTES

	2019	2018
	DKK	DKK
1 STAFF COSTS		
Wages and salaries	17,587,139	16,680,848
Pensions	1,570,259	1,438,622
Other social security costs	956,662	894,672
	20,114,060	19,014,142
 Average number of employees	 26	 25
 2 TAX ON PROFIT/LOSS FOR THE YEAR		
Current tax for the year	1,229,800	1,532,696
Adjustment of tax concerning previous years	-6,785	-3,712
	1,223,015	1,528,984
 3 TANGIBLE ASSETS		<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2019		2,695,127
Additions for the year		234,213
Cost at 31 December 2019		2,929,340
Impairment losses and depreciation at 1 January 2019		2,279,991
Depreciation for the year		181,621
Impairment losses and depreciation at 31 December 2019		2,461,612
Carrying amount at 31 December 2019		467,728

NOTES

4 FIXED ASSET INVESTMENTS

	<u>Deposits</u>
Cost at 1 January 2019	730,279
Additions for the year	36,849
Disposals for the year	<u>0</u>
Cost at 31 December 2019	<u>767,128</u>
Carrying amount at 31 December 2019	<u><u>767,128</u></u>

5 PREPAYMENTS

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

6 EQUITY

The share capital consists of:

3,400 ordinary shares of DKK 500	Nominal value
	<u>1,700,000</u>
	<u><u>1,700,000</u></u>

There have been no changes in the share capital during the last 5 years.

7 CONTINGENT LIABILITIES

Liabilities regarding rent and lease contracts running to expiration amounts to 2,010,445