

ifm electronic A/S

Ringager 4A, 1. tv., 2605 Brøndby

Company reg. no. 21 40 92 86

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 15 March 2022.

Merete Jørgensen
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's statement

Today, the board of directors and the executive board have presented the annual report of ifm electronic A/S for the financial year 1 January - 31 December 2021.

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

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

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Brøndby, 15 March 2022

Executive board

Jørn Poulsen

Merete Jørgensen

Board of directors

Simon Peter Evans

Markus Wolf

Jørn Poulsen

Independent auditor's report

To the shareholders of ifm electronic A/S

Opinion

We have audited the financial statements of ifm electronic A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies,, for the Company. 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 financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (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’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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.

Independent auditor's report

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:

- 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.

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.

Independent auditor's report

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 Statement Act. We did not identify any material misstatement of Management's Review.

Alleroed, 15 March 2022

Piaster Revisorerne

Statsautoriseret Revisionsaktieselskab
Company reg. no. 25 16 00 37

Stefan Sølvhøj Johansson

State Authorised Public Accountant
mne34123

Company information

The company

ifm electronic A/S
Ringager 4A, 1. tv.
2605 Brøndby

Company reg. no. 21 40 92 86
Established: 1 October 1998
Domicile: Brøndby
Financial year: 1 January - 31 December

Board of directors

Simon Peter Evans
Markus Wolf
Jørn Poulsen

Executive board

Jørn Poulsen
Merete Jørgensen

Auditors

Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab
Engholm Parkvej 8
3450 Allerød

Management's review

The principal activities of the company

The significant activities in the fiscal year of the company has been sale and marketing of electronically components for industrial automation under the trademarks "efector", "ecosys" and "ecomat".

Development in activities and financial matters

The company's profit for the year is considered satisfying.

It has been planned to increase the activity of the company in order to obtain significantly improvement of the net result within the coming years.

Events occurring after the end of the financial year

No events materially affecting the financial position of the company have occurred after the end of the financial year.

Group information

ifm electronic a/s is a part of the ifm Group as a 100% owned subsidiary of ifm electronic GmbH, Essen Deutschland.

The ifm group owns undertaking and has representing agents in more than 90 countries.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	17.807.226	15.120.380
1 Staff costs	<u>-14.068.716</u>	<u>-12.492.829</u>
Operating profit	3.738.510	2.627.551
Other financial income	2	1.510
2 Other financial costs	<u>-145.222</u>	<u>-108.448</u>
Pre-tax net profit or loss	3.593.290	2.520.613
3 Tax on net profit or loss for the year	<u>-792.755</u>	<u>-308.766</u>
Net profit or loss for the year	2.800.535	2.211.847
Proposed appropriation of net profit:		
Transferred to retained earnings	<u>2.800.535</u>	<u>2.211.847</u>
Total allocations and transfers	2.800.535	2.211.847

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
4 Other fixtures and fittings, tools and equipment	0	0
Total property, plant, and equipment	0	0
Total non-current assets	0	0
Current assets		
Trade receivables	28.891.929	19.532.822
Deferred tax assets	7.279	9.706
Other receivables	204.034	202.731
Total receivables	29.103.242	19.745.259
Cash on hand and demand deposits	971.538	920.923
Total current assets	30.074.780	20.666.182
Total assets	30.074.780	20.666.182

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity		
Contributed capital	500.000	500.000
Retained earnings	3.725.011	924.476
Total equity	<u>4.225.011</u>	<u>1.424.476</u>
Long term liabilities other than provisions		
Payables to shareholders and management	19.886.363	12.748.487
Income tax payable	290.328	68.472
Other payables	5.673.078	6.424.747
Total short term liabilities other than provisions	<u>25.849.769</u>	<u>19.241.706</u>
Total liabilities other than provisions	<u>25.849.769</u>	<u>19.241.706</u>
Total equity and liabilities	<u>30.074.780</u>	<u>20.666.182</u>
5 Contingencies		
6 Related parties		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	500.000	-1.287.371	-787.371
Retained earnings for the year	<u>0</u>	<u>2.211.847</u>	<u>2.211.847</u>
Equity 1 January 2021	500.000	924.476	1.424.476
Retained earnings for the year	<u>0</u>	<u>2.800.535</u>	<u>2.800.535</u>
	<u>500.000</u>	<u>3.725.011</u>	<u>4.225.011</u>

Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
1. Staff costs		
Salaries and wages	12.316.980	10.960.460
Pension costs	1.607.608	1.391.971
Other costs for social security	<u>144.128</u>	<u>140.398</u>
	<u>14.068.716</u>	<u>12.492.829</u>
Average number of employees	<u>17</u>	<u>15</u>
2. Other financial costs		
Financial costs, group enterprises	46.326	27.282
Other financial costs	<u>98.896</u>	<u>81.166</u>
	<u>145.222</u>	<u>108.448</u>
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	790.328	318.472
Adjustment of deferred tax for the year	<u>2.427</u>	<u>-9.706</u>
	<u>792.755</u>	<u>308.766</u>
4. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	<u>243.660</u>	<u>243.660</u>
Cost 31 December 2021	<u>243.660</u>	<u>243.660</u>
Depreciation and writedown 1 January 2021	<u>-243.660</u>	<u>-243.660</u>
Depreciation and writedown 31 December 2021	<u>-243.660</u>	<u>-243.660</u>
Carrying amount, 31 December 2021	<u>0</u>	<u>0</u>
5. Contingencies		
The company has entered rentcontracts which can be terminated within 6-67 months. The total lease obligations are T.DKK 3.703.		
The company has leases for which the company is the lessee. The lease agreements terminate within 1 and 35 mounts. The total leasing fee is T.DKK 1.592.		

Notes

All amounts in DKK.

6. Related parties

Controlling interest

ifm electronic GmbH, Friedrichstr. 1, D 45128 Essen, Germany, who makes the annual report for the ifm Group

Owners

The following shareholder is registered in the Register of Shareholders as holding a minimum of 5 % of the votes or at least 5 % of the share capital:

ifm electronic GmbH
Friedrichstr. 1
D 45128 Essen
Germany

Accounting policies

The annual report for ifm electronic A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Non-current assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Consolidated financial statements

In accordance with the exemption in the Danish Financial Statements Act no consolidated financial statements have been prepared.

Income statement

Gross profit

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

Revenue

Revenue includes invoiced sales of goods and rendering of services, recognition is done, when

- delivery and transfer of risk to the buyer has taken place before year end
- a committing sales agreement exists
- sales price is determined, and
- payment is received, or there are reasonable security that it will be received

Revenue is recognized excluding value added tax and after deduction of provisions rebates and trade discounts relating to the sale.

Cost of sales include costs incurred to achieve revenue for the year. Cost of sales include freight and forwarding costs.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Financial income and expenses

Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest receivable and payable, realised and unrealised capital gains on securities and currency translation adjustments.

Accounting policies

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Fixed tangible assets

Fixed tangible assets are measured at historic cost less accumulated depreciation and impairment losses.

Historic cost comprise the purchase price and any cost directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Cars, fixtures and fitting	5 years	0-20 %
Other fixtures and fittings, tools and equipment	3 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Gains and losses on disposals are determined as the difference between selling price less sales cost and carrying amount at time of disposal and are recognized in the income statement. Gains or losses are recognized in the income statement under other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of fixed tangible assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Accounting policies

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. The value is reduced with provisions for expected bad debts.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

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