

**VARTA Consumer**

**Denmark A/S**

**Herstedøstervej 27A, 1.**

*Annual report*

*1<sup>st</sup> of January 2021 – 31<sup>th</sup> December 2021*

*nineteenth financial year*

The annual report has been presented and approved at the company's annual general meeting dated 28<sup>th</sup> June 2022

conductor (Simon Falbe-Hansen)

Registration No. 26 67 28 48

## ***Contents***

<i>Statement by the Executive and Board of Directors</i>	2
<i>Auditors' report</i>	3
<i>Company details</i>	5
<i>Financial statements for the period 1 January to 31 December</i>	8
<i>Accounting policies</i>	13
<i>Income statement</i>	14
<i>Balance sheet</i>	15
<i>Notes</i>	17

## ***Statement by the Executive and Board of Directors***

*The Executive and Board of Directors have today discussed and approved the annual report of VARTA Consumer Denmark A/S for the financial year 1 January 2021 – 31 December 2021.*

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

*It is our opinion that the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2021 and of the results of operations for the financial year 1 January 2021 – 31 December 2021.*

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

*Albertslund, 28.06.2022*

*Executive Board:*

Petri Mikael Kallio

Thomas Molgaard

*Board of Directors*

Peter Werner  
*Chairman*

Julia Weber

Sebastian Neumeister

## **Independent auditor's report**

**To the shareholder of VARTA Consumer Denmark A/S**

### **Opinion**

*We have audited the financial statements of VARTA Consumer Denmark A/S for the financial year 1 January 2021 – 31 December 2021, comprising income statement, balance sheet 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 – 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' 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.*

### **Management's responsibility 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 that 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.*

## **Independent auditor's report**

### ***Management's responsibility 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 that 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.*

## **Independent auditor's report**

### ***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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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*

## **Independent auditor's report**

- *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.*

**Copenhagen 28.06.2022**

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR-nr./CVR no. 25 57 81 98

Christian Engelbrecht Friis

*State Authorised*

*Public Accountant*

mne44180

***Company details***

VARTA Consumer Denmark A/S  
Herstedøstervej 27A, 1  
2620 Albertslund  
Denmark

*Telephone:* +45 47 19 33 33  
*Fax:* +45 47 19 33 30  
*Website:* [www.varta-consumer.dk](http://www.varta-consumer.dk)  
*Registration No.:* 26 67 28 48

*Established:* 1 July 2002  
*Registered office:* Albertslund  
*Financial year:* 1. January – 31. December

***Supervisory Board***

Peter Werner (*Chairman*)

Thomas Molgaard

***Executive Board***

Petri Mikael Kallio

Julia Weber

Sebastian Neumeister

***Auditors***

KPMG P/S  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 Copenhagen  
Denmark

***Annual general meeting***

*The annual general meeting is to be held on 28.06.2022*



## Financial statements for the period 1 January to 31 December

### Income statement

tkr. DKK'000	Note	1/1 2021- 31/12 2021	1/10 2019- 31/12 2020
<b>Revenue</b>		35,403	46,262
<i>Raw materials, consumables and goods for resale</i>		-26,429	-35,012
<i>Other external costs</i>		<u>-3,348</u>	<u>-4,813</u>
<b>Gross Profit</b>		5,626	6,437
<i>Staff costs</i>	2	-2,397	-3,597
<i>Depreciation/amortization on property, plant and equipment and intangible assets</i>		-10	-29
<b>Operating result</b>		3,219	2,811
<i>Interest income and similar items</i>	3	1,572	1,866
<i>Interest expense and similar items</i>	4	-72	-157
<b>Result from ordinary activities before tax</b>		4,719	4,520
<i>Tax on ordinary activities</i>	5	<u>-1.137</u>	<u>-612</u>
<b>Result for the year</b>		<u>3,582</u>	<u>3,908</u>

### Proposed distribution of result

<i>Retained earnings</i>		3,582	3,908
		<u>3,582</u>	<u>3,908</u>

## Financial statements for the period 1 January to 31 December

### Balance sheet

tkr. DKK'000	Note	31/12 2021	31/12 2020
<b>ASSETS</b>			
<b>Property, plant and equipment</b>			
<i>Fixtures and fittings, tools and equipment</i>		6	17
		6	17
<b>Total fixed assets</b>		6	17
<b>Current assets</b>			
<b>Inventories</b>			
<i>Finished goods and goods for resale</i>		56	26
		56	26
<b>Receivables</b>			
<i>Trade receivables</i>		18,975	12,846
<i>Receivables from group companies</i>	6	50,390	50,132
<i>Other Receivables</i>		39	46
<i>Deferred tax asset</i>		8	18
		69,412	63,042
<b>Cash at bank and in hand</b>		5,528	6,649
<b>Total current assets</b>		74,996	69,691
<b>TOTAL ASSETS</b>		75,002	69,734

**Financial statements for the period 1 January to 31 December**  
**Balance sheet**

tkr. DKK'000	Note	31/12 2021	31/12 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		1,000	1,000
Retained earnings		55,826	52,244
<b>Total capital and reserves</b>		<b>56,826</b>	<b>53,244</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Liabilities</b>			
<b>Short-term liabilities</b>			
Trade payables		103	264
Income tax		621	516
Payables to group companies		8,584	6,065
Other payables		8,868	9,645
<b>Total liabilities</b>		<b>18,176</b>	<b>16,490</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>75,002</b>	<b>69,734</b>
<b>Contingent liabilities, contingent assets etc.</b>	7		
<b>Related parties</b>	8		
<b>The act of the company</b>	9		

## ***Financial statements for the period 1 January to 31 December***

### **1 Notes**

#### ***Accounting policies***

*The annual report of VARTA Consumer Denmark A/S for the period 1 January 2020 to 31 December 2021 has been prepared in accordance with the provisions applying class B enterprises under the Danish Financial Statements Act.*

*The annual report has been prepared in accordance with the same accounting policies as last year.*

#### ***Recognition and measurement***

*Assets are recognized 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 reliably measured.*

*Liabilities are recognized in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.*

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

*In recognizing and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.*

*Income is recognized in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortized cost. Equally, costs incurred to generate the year's earnings are recognized, including depreciation, amortization, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognized in the income statement.*

#### ***Foreign currency translation***

*On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as interest income or expense and similar items.*

*Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as interest income or expense and similar items.*

*Fixed assets purchased in foreign currencies are translated at the exchange rate at the transaction date.*

## ***Financial statements for the period 1 January to 31 December***

### ***Notes***

#### ***Income statement***

##### ***Revenue***

*Revenue from the sale of goods for resale and finished goods is recognized in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex VAT, taxes and discounts in relation to the sale.*

##### ***Raw materials, consumables and goods for resale***

*Raw materials, consumables and goods for resale are trade products bought ready-for-sale to generate the revenue.*

##### ***Other external costs***

*Other external costs comprise distribution, selling and advertising costs, administrative expenses, office rent, bad debts, operating lease expenses etc.*

##### ***Interest income and expense and similar items***

*Interest income and expense and similar items comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies etc.*

##### ***Staff***

*In CY 2021 VARTA Consumer Denmark A/S employed in average 3 employees (1 woman, 2 men)*

##### ***Tax on ordinary activities***

*Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in capital and reserves is recognised directly in capital and reserves. The recognised tax expense relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.*

##### ***Balance sheet***

*Gains and losses on the disposal of licenses are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognized in the income statement as depreciation.*

## ***Financial statements for the period 1 January to 31 December***

### ***Notes***

#### ***Property, plant and equipment***

*Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment.*

*The depreciation base is cost less expected residual value at the end of the assets' useful lives.*

*Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.*

*Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:*

<i>PC's</i>	<i>2 years</i>
<i>Servers printers</i>	<i>3 years</i>
<i>Software-PC's</i>	<i>2 years</i>
<i>Software-network</i>	<i>5 years</i>
<i>Fixtures and fittings, tools and equipment</i>	<i>5 years</i>

*The useful life and residual value are reassessed annually. Changes are treated as accounting estimates and the effect on depreciations is recognized prospectively.*

*Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.*

*Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognized in the income statement as other operating income or other operating costs, respectively.*

#### ***Inventories***

*Inventories are measured as cost in accordance with the FIFO method. Where the net realizable value is lower than cost, inventories are written down to this lower value.*

*Goods for resale are measured at cost, comprising purchase price plus delivery costs.*

*The net realizable value of inventories is calculated as the sales amount less costs of necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.*

#### ***Receivables***

*Receivables are measured at amortized cost. Write-down is made for bad debt losses.*

## ***Financial statements for the period 1 January to 31 December***

### ***Notes***

#### ***Corporation tax and deferred tax***

*Current tax payable and receivable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.*

*Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.*

*Deferred tax assets, including the tax base of tax loss carry forwards, are recognized at the expected value of their utilization; 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 and jurisdiction.*

*Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallize as current tax. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.*

#### ***Cash***

*Cash amount based on balances at YE resp. balances of Danske Bank at YE.*

#### ***Liabilities***

#### ***Liabilities are measured at net realizable value.2 Staff costs***

	1/1 2021- 31/12 2021	1/10 2019- 31/12 2020
<i>Wages and salaries</i>	2,107	3,048
<i>Pensions</i>	187	290
<i>Other social security costs</i>	103	259
	<u>2,397</u>	<u>3,597</u>
 <i>Average number of employees</i>	 <u>3</u>	 <u>4</u>

## Financial statements for the period 1 January to 31 December

### Notes

<b>3</b>	<b>Interest income and similar items</b>		
	tkr.	1/1 2021 –	1/10 2019–
	DKK'000	31/12 2021	31/12 2020
	Foreign exchange gains	22	41
	Interest income from group companies	1,550	1,825
		<u>1,572</u>	<u>1,866</u>
<b>4</b>	<b>Interest expense and similar items</b>		
	Foreign exchange loss	21	62
	Intercompany interest	51	95
		<u>72</u>	<u>157</u>
<b>5</b>	<b>Tax on ordinary activities</b>		
	Tax on profit for the year	1.137	614
	Adjustments of deferred tax	-10	-2
		<u>1.127</u>	<u>612</u>

### 6 Receivables from group companies

The Receivables from group companies is amongst others related to a loan given to VARTA Consumer Europe Holding/Germany.

### 7 Contingent liabilities, contingent assets etc.

#### Operating leases

The company has entered into operating leases, including rent contracts.

tkr.	31/12	31/12
DKK'000	2021	2020
Lease obligations falling due within one year	128	316
Lease obligations falling due after one year	197	325
	<u>325</u>	<u>641</u>



## ***Financial statements for the period 1 January to 31 December***

### ***Notes***

#### **8 *Related parties***

##### ***Control***

*VARTA Consumer Europe Holding GmbH, VARTA-Platz 1, 73479 Ellwangen, Germany owns 100% of the share capital.*

*VARTA Consumer Denmark A/S is part of the Montana Tech Components AG, domiciled in Reinach, Swiss and listed on Stock Exchange Bondpartners and ZKB. The consolidated financial statements of Montana Tech Components AG can be obtained from the Company.*

#### **9 *The act of the Company***

*The Company's principal activity is the sale of batteries and personal care products in Danish retail and industrial markets. The Company's primary products are:*

- *Alkaline batteries*
- *Zinc carbon batteries*
- *Hearing aid batteries*
- *Other speciality batteries*
- *Rechargeable batteries*
- *Flashlights*