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Stahlwille Nordic A/S Tools & Technical Solutions

Baldershøj 11 e-f, 2635 Ishøj

Company reg. no. 29 17 63 88

Annual report

1 July 2022 - 31 December 2022

The annual report was submitted and approved by the general meeting on the 27 February 2023

Anders Gram Simonsen
Chairman of the meeting

Contents

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 Managing Director have approved the annual report of Stahlwille Nordic A/S Tools & Technical Solutions for the financial year 1 July - 31 December 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 July – 31 December 2022.

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

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

Ishøj, 27 February 2023

Managing Director

Anders Gram Simonsen
CEO

Board of directors

Udo Hehemann	Martin Buchholz	Vera Mechtild Berta Maria Bökenbrink
Chairman of the Board		

Independent auditor's report

To the Shareholder of Stahlwille Nordic A/S Tools & Technical Solutions

Opinion

We have audited the financial statements of Stahlwille Nordic A/S Tools & Technical Solutions for the financial year 1 July - 31 December 2022, 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 2022, and of the results of the Company's operations for the financial year 1 July - 31 December 2022 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.

Copenhagen, 27 February 2023

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Claus Carlsen
State Authorised Public Accountant
mne23451

Company information

The company	Stahlwille Nordic A/S Tools & Technical Solutions Baldershøj 11 e-f 2635 Ishøj	
	Phone	43 77 77 87
	Company reg. no.	29 17 63 88
	Established:	15 November 2005
	Domicile:	Ishøj
	Financial year:	1 July - 31 December 18th financial year
Board of directors	Udo Hehemann, Chairman of the Board Martin Buchholz Vera Mechtild Berta Maria Bökenbrink	
Managing Director	Anders Gram Simonsen, CEO	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Parent company	Stahlwille Betailigungen GmbH	

Management´s review

The principal activities of the company

The company's main activities include marketing, sales, distribution and servicing of hand tools, machines, and torque technology for various industries and automotive in Denmark and Sweden. Most of the distribution takes place primarily through retailers, wholesalers, and special dealers for the Wind Industry.

Development in activities and financial matters

The general activity of the year has been characterized by a very positive development in revenue and a positive development in operating result. The activity level in the market has been stable and the company has been able to gain market shares from the main competitors.

It is the management's assessment that the market will continue with a minor organic growth in 2023. With that in mind, the Management expect to continue a two-digit growth, focusing on continue to gain market shares especially with standard hand tools.

The Pre-tax net profit 98 k.DKK is considered by management to be satisfactory, and Iine with the expectations, where we see a clear improvement in revenue.

The group has through a letter of support guaranteed to provide the necessary funds to the company, so the planned activities can be carried out in accordance with the approved budget for 2023.

Special risks

The company's management assesses that there are no supplier, customer or market conditions that contain special risks or conditions that in the short term can devastate decisively in the company's situation or expectations for the future. Through a letter of support, the Group has guaranteed to provide the necessary liquidity so that the planned activities can be carried out in accordance with the approved budget for the financial year 2023.

Expected development

In general, the Management expects to continue a positive two-digit growth over the coming years, while strengthen the financial position and generate positive results. There are many potentials to pursue in both Denmark and Sweden.

Income statement

All amounts in DKK.

Note		1/7 2022 - 31/12 2022	1/7 2021 - 30/6 2022
	Gross profit	**3.757.899**	**6.105.002**
2	Staff costs	-3.202.314	-6.421.469
	Depreciation and impairment of property, land, and equipment	-166.256	-168.225
	Operating profit	**389.329**	**-484.692**
	Other financial income	14.437	42.448
3	Other financial expenses	-306.195	-260.345
	Pre-tax net profit or loss	**97.571**	**-702.589**
	Tax on net profit or loss for the year	500.000	0
	Net profit or loss for the year	**597.571**	**-702.589**
	Proposed appropriation of net profit:		
	Transferred to retained earnings	597.571	0
	Allocated from retained earnings	0	-702.589
	Total allocations and transfers	**597.571**	**-702.589**

Balance sheet

All amounts in DKK.

Note	Assets	31/12 2022	30/6 2022
	Non-current assets		
	Other fixtures and fittings, tools and equipment	1.368.567	861.185
	Total property, plant, and equipment	1.368.567	861.185
	Total non-current assets	**1.368.567**	**861.185**
	Current assets		
	Manufactured goods and goods for resale	9.604.107	9.755.594
	Total inventories	9.604.107	9.755.594
	Trade receivables	12.242.459	10.702.062
	Deferred tax assets	500.000	0
	Other receivables	861.794	511.476
	Prepayments	668.999	95.106
	Total receivables	14.273.252	11.308.644
	Cash and cash equivalents	4.319.866	4.467.271
	Total current assets	**28.197.225**	**25.531.509**
	Total assets	**29.565.792**	**26.392.694**

Balance sheet

All amounts in DKK.

Note	**Equity and liabilities**	31/12 2022	30/6 2022
	Equity		
	Contributed capital	500.000	500.000
	Retained earnings	-7.105.723	-7.703.294
	Total equity	**-6.605.723**	**-7.203.294**
	Liabilities other than provisions		
	Payables to subsidiaries	5.215.715	5.215.715
	Total long term liabilities other than provisions	5.215.715	5.215.715
	Trade payables	929.833	514.172
	Payables to subsidiaries	27.183.110	25.398.412
	Other payables	2.842.857	2.467.689
	Total short term liabilities other than provisions	30.955.800	28.380.273
	Total liabilities other than provisions	**36.171.515**	**33.595.988**
	Total equity and liabilities	**29.565.792**	**26.392.694**

1 Capital loss

4 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 July 2022	500.000	-7.703.294	-7.203.294
Retained earnings for the year	0	597.571	597.571
	500.000	**-7.105.723**	**-6.605.723**

Notes

All amounts in DKK.

1. Capital loss

The group has through a letter of support guaranteed to provide the necessary funds to the company, so the planned activities can be carried out in accordance with the approved budget for 2023.

Furthermore, the majority of the liabilities comprise of debt to the parent company. The parent company has provided a subordination agreement thereby withdrawing from repayment until all other creditors have been paid in full. The subordination agreement is valid until next year. Management have therefore presented the annual report under the assumption of going concern.

		1/7 2022 - 31/12 2022	1/7 2021 - 30/6 2022
2.	**Staff costs**		
	Salaries and wages	2.857.612	5.757.211
	Pension costs	306.461	595.215
	Other costs for social security	38.241	69.043
		3.202.314	**6.421.469**
	Average number of employees	10	11
3.	**Other financial expenses**		
	Financial costs, group enterprises	26.289	52.150
	Other financial costs	279.906	208.195
		306.195	**260.345**

4. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	1.213
Total contingent liabilities	**1.213**

Accounting policies

The annual report for Stahlwille Nordic A/S Tools & Technical Solutions 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 the previous year, and the annual report is presented in DKK. The accounting period has been changed in the current financial year and comprises the period 1 July 2022 – 31 December 2022. The comparative figures in the profit and loss statement comprise the period 1 July 2021 – 30 June 2022.

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.

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.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Accounting policies

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.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

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

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Accounting policies

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
Other fixtures and fittings, tools and equipment	3-5 years	0 %

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.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement under depreciation.

Leases

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets 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.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Accounting policies

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables
Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value.

Prepayments
Prepaymentsrecognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents
Cash and cash equivalents 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
Liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.