

WIKA Danmark A/S

**Banevænget 13, st.
3460 Birkerød**

CVR no. 39 08 48 99

Annual report for 2022

Adopted at the annual general
meeting on 26 May 2023

Alexander Konrad Wiegand
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of WIKA Danmark A/S for the financial year 1 January - 31 December 2022.

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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

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.

Birkerød, 26 May 2023

Executive board

Henrik Müller Jensen

Supervisory board

Alexander Konrad Wiegand
chairman

Andreas Keiger
deputy chairman

Henrik Müller Jensen

Independent auditor's report

To the shareholder of WIK A Danmark A/S

Opinion

We have audited the financial statements of WIK A Danmark A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 2022 and of the results of the company's operations for the financial year 1 January - 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' 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 and 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 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.

Independent auditor's report

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 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.
- 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.

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, 26 May 2023

Rödl & Partner Danmark

Godkendt revisionsaktieselskab
CVR no. 39 18 86 78

Gitte Henckel
Statsautoriseret Revisor
MNE no. mne32734

Company details

The company

WIKA Danmark A/S
Banevænget 13, st.
3460 Birkerød

Website:
www.wikadanmark.dk/landingpage_plesner_en_dk

CVR no.: 39 08 48 99

Reporting period: 1 January - 31 December 2022

Incorporated: 2 November 2017

Financial year: 5th financial year

Domicile: Birkerød

Supervisory board

Alexander Konrad Wiegand, chairman
Andreas Keiger, deputy chairman
Henrik Müller Jensen

Executive board

Henrik Müller Jensen

Auditors

Rödl & Partner Danmark
Godkendt revisionsaktieselskab
Store Kongensgade 40H, 2.
1264 København K

General meeting

The annual general meeting is held at the company's address on 26 May 2023.

Management's review

Business review

The company's activities comprise sales, marketing and maintenance of measuring instruments and measurement systems.

Financial review

The company's income statement for the year ended 31 December 2022 shows a loss of DKK 151,907, and the balance sheet at 31 December 2022 shows equity of DKK 6,242,945.

During the year, Wika Danmark A/S has acquired a calibration business. The business as subsequently sold to the parent company of Wika Danmark A/S.

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 WIKA Danmark A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

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

The annual report for 2022 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.

Recognition and measurement of business combinations

Recently acquired entities are recognised in the financial statements from the date of acquisition. Sold entities are recognised in the financial statements until the date of disposal. Comparative figures are not restated in respect of recently acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the time when the company actually gains control over the acquiree.

Accounting policies

The acquisition method is applied to the acquisition of new entities where the company gains control over the acquiree. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or emanate from a contractual right. Deferred tax on the revaluations made is recognised.

Positive differences (goodwill) between, on the one side, the purchase consideration, the value of non-controlling interests in the acquiree and the fair value of any previously acquired investments and, on the other side, the fair value of the acquired identifiable assets, liabilities and contingent liabilities are recognised as goodwill under 'Intangible assets'. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of its useful life.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

On acquisition, goodwill is ascribed to / classed with the cash-generating unit, which subsequently forms a basis for impairment testing.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is conditional upon future events or the fulfilment of agreed conditions, this part of the purchase consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of conditional purchase consideration are recognised in the income statement.

Expenses defrayed in connection with acquisitions are recognised in the income statement in the year in which they are defrayed.

If, at the date of acquisition, the identification or measurement of acquired assets, liabilities and/or contingent liabilities or the size of the purchase consideration are associated with uncertainty, initial recognition will be based on preliminarily calculated amounts. If it subsequently turns out that the identification or measurement of the purchase consideration, acquired assets, liabilities and/or contingent liabilities was not correct on initial recognition, the calculation will be adjusted with retrospective effect, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments made will be recognised as error.

Accounting policies

Acquirees are accounted for using the purchase method, according to which the identifiable assets and liabilities of the acquiree are measured at their fair values at the date of acquisition. Provisions are made for costs related to announced plans to restructure the acquiree in connection with the acquisition. Allowance is made for the tax effect of revaluations made. All transaction costs are recognised in the income statement.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, less other external expenses.

Revenue, services

Income from provision is recognised in the profit and loss statement in accordance with the contract and if the income can be measured reliably and it is probable that future economic benefits will flow to the company. 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.

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 items of property, plant and equipment.

Other external costs

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

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.

Accounting policies

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on liabilities and foreign currency transactions, and surcharges and allowances under the Danish Tax Prepayment 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.

Balance sheet

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is seven years. The amortisation period is based on the assessment that the entities in question are strategically acquired entities with a strong market position and a long-term earnings profile.

Tangible assets

Other plant, fixtures and fittings, tools and equipment, and leasehold 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.

Accounting policies

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

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

	Useful life	Residual value
Leasehold improvements	3-8 years	0 %
Other fixtures and fittings, tools and equipment	3-8 years	0 %

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Deposit

Deposits recognised under assets comprise deposits.

Receivables

Receivables are measured at amortised cost.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents includes deposits in bank accounts as well as operating cash.

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.

Accounting policies

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.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal 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.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Gross profit		16.716.896	16.545.954
Staff costs	1	<u>-16.778.016</u>	<u>-11.036.120</u>
Profit/loss before amortisation/depreciation and impairment losses		-61.120	5.509.834
Depreciation, amortisation and impairment of property, plant and equipment	2	-32.495	-30.898
Other operating costs		<u>-2.430</u>	<u>0</u>
Profit/loss before net financials		-96.045	5.478.936
Financial income		17.327	5.525
Financial costs	3	<u>-95.840</u>	<u>-82.511</u>
Profit/loss before tax		-174.558	5.401.950
Tax on profit/loss for the year	4	<u>22.651</u>	<u>-1.291.284</u>
Profit/loss for the year		<u>-151.907</u>	<u>4.110.666</u>
Retained earnings		<u>-151.907</u>	<u>4.110.666</u>
		<u>-151.907</u>	<u>4.110.666</u>

Balance sheet 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Assets			
Goodwill		<u>0</u>	<u>0</u>
Intangible assets	5	<u>0</u>	<u>0</u>
Other fixtures and fittings, tools and equipment		1.433	10.033
Leasehold improvements		<u>35.224</u>	<u>59.118</u>
Tangible assets	6	<u>36.657</u>	<u>69.151</u>
Deposits	7	<u>352.718</u>	<u>181.958</u>
Fixed asset investments		<u>352.718</u>	<u>181.958</u>
Total non-current assets		<u>389.375</u>	<u>251.109</u>
Trade receivables		159	269
Receivables affiliated companies		7.974.764	6.882.767
Other receivables		81.995	176.827
Deferred tax asset		29.853	7.202
Corporation tax		92.000	0
Prepayments		<u>100.988</u>	<u>59.815</u>
Receivables		<u>8.279.759</u>	<u>7.126.880</u>
Cash at bank and in hand		<u>1.510.336</u>	<u>2.989.359</u>
Total current assets		<u>9.790.095</u>	<u>10.116.239</u>
Total assets		<u>10.179.470</u>	<u>10.367.348</u>

Balance sheet 31 December

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Equity and liabilities			
Share capital		500.000	500.000
Retained earnings		5.742.945	5.894.852
Equity		<u>6.242.945</u>	<u>6.394.852</u>
Trade payables		464.108	322.696
Corporation tax		0	1.244.278
Other payables		3.472.417	2.405.522
Total current liabilities		<u>3.936.525</u>	<u>3.972.496</u>
Total liabilities		<u>3.936.525</u>	<u>3.972.496</u>
Total equity and liabilities		<u><u>10.179.470</u></u>	<u><u>10.367.348</u></u>

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	500.000	5.894.852	6.394.852
Net profit/loss for the year	0	-151.907	-151.907
Equity at 31 December 2022	<u>500.000</u>	<u>5.742.945</u>	<u>6.242.945</u>

Notes

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	14.493.530	9.387.150
Pensions	1.345.872	993.717
Other social security costs	590.525	196.106
Other staff costs	<u>348.089</u>	<u>459.147</u>
	<u>16.778.016</u>	<u>11.036.120</u>
Average number of employees	<u>18</u>	<u>12</u>
2 Depreciation, amortisation and impairment of property, plant and equipment		
Depreciation tangible assets	<u>32.495</u>	<u>30.898</u>
	<u>32.495</u>	<u>30.898</u>
3 Financial costs		
Interest paid to affiliated companies	8.555	523
Other financial costs	17.034	23.494
Exchange loss	<u>70.251</u>	<u>58.494</u>
	<u>95.840</u>	<u>82.511</u>

Notes

	<u>2022</u> DKK	<u>2021</u> DKK
4 Tax on profit/loss for the year		
Current tax for the year	0	1.252.278
Deferred tax for the year	-22.651	1.936
Adjustment of tax concerning previous years	0	37.070
	<u><u>-22.651</u></u>	<u><u>1.291.284</u></u>

5 Intangible assets

	<u>Goodwill</u>
Cost at 1 January 2022	0
Net effect from merger and acquisition	952.112
Disposals for the year	<u>-952.112</u>
Cost at 31 December 2022	<u>0</u>
Carrying amount at 31 December 2022	<u><u>0</u></u>

The useful life of purchased goodwill is estimated by management to be 7 years. Management considers the competitive position at the acquisition to be good compared to competitors and it has built up significant competitive advantages.

Notes**6 Tangible assets**

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2022	43.000	112.910	155.910
Net effect from merger and acquisition	1.281.268	0	1.281.268
Disposals for the year	-1.281.268	0	-1.281.268
Cost at 31 December 2022	<u>43.000</u>	<u>112.910</u>	<u>155.910</u>
Impairment losses and depreciation at 1 January 2022	32.967	53.792	86.759
Depreciation for the year	<u>8.600</u>	<u>23.894</u>	<u>32.494</u>
Impairment losses and depreciation at 31 December 2022	<u>41.567</u>	<u>77.686</u>	<u>119.253</u>
Carrying amount at 31 December 2022	<u>1.433</u>	<u>35.224</u>	<u>36.657</u>

7 Fixed asset investments

	Deposits
Cost at 1 January 2022	181.958
Additions for the year	203.460
Disposals for the year	<u>-32.700</u>
Cost at 31 December 2022	<u>352.718</u>
Carrying amount at 31 December 2022	<u>352.718</u>

Notes

	<u>2022</u> DKK	<u>2021</u> DKK
8 Rental and lease obligations		
Within 1 year	1.184.427	882.227
Between 1 - 5 years	<u>1.083.988</u>	<u>1.400.911</u>
	<u>2.268.415</u>	<u>2.283.138</u>

9 Related parties and ownership structure

According to the company's register of shareholders, the following shareholders holds at least 5% of the votes or at least 5% of the share capital:

Alexander Konrad Wiegand
Erlenbach
Germany

Michael Alexander Konrad Wiegand
Berlin
Germany

Consolidated financial statements

The company is reflected in the group report of the parent company WIKA Alexander Wiegand SE & Co. KG

The group report of WIKA Alexander Wiegand SE & Co. KG can be obtained at the following address:

WIKA Alexander Wiegand SE & Co. KG
Alexander-Wiegand-Str. 30
63911 Klingenberg
Tyskland