

WIKA Danmark A/S

**Banevænget 13, st.
3460 Birkerød**

CVR no. 39 08 48 99

Annual report for 2020

Adopted at the annual general
meeting on 9 July 2021

Alexander Wiegand
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of WIKA Danmark A/S for the financial year 1 January - 31 December 2020.

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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

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, 9 July 2021

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 WIKA Danmark A/S

Opinion

We have audited the financial statements of WIKA Danmark A/S for the financial year 1 January - 31 December 2020, 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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Audit obligation - Comparative figures

With effect from the current financial year, the company is subject to audit. We must emphasize that the comparative figures in the annual report have not been audited.

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.

Independent auditor's report

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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.

Independent auditor's report

- 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.

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.

Independent auditor's report

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, 9 July 2021

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 2020

Incorporated: 2. November 2017

Financial year: 3rd 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

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 2020 shows a profit of DKK 1.903.995, and the balance sheet at 31 December 2020 shows equity of DKK 2.284.186.

With effect from the current financial year, the company is subject to audit. The comparative figures in the annual report have not been audited.

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 2020 has been prepared in accordance with the provisions of Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

With effect from the current financial year, the company is subject to audit. The comparative figures in the annual report have not been audited.

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

The annual report for 2020 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.

Accounting policies

Currency

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

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

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 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. The item is net of refunds made by public authorities.

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

Tangible assets

Items 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.

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 plant, fixtures and fittings, tools and equipment	3-8 years	0 %

Accounting policies

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

Impairment of fixed assets

The carrying amount of items of property, plant and equipment is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

Deposit

Deposits recognised under assets comprise deposits.

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.

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.

Accounting policies

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.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> DKK	2019 <u>Not audited</u> DKK
Gross profit		13.311.159	10.130.375
Staff costs	1	<u>-10.740.987</u>	<u>-10.237.568</u>
Profit/loss before amortisation/depreciation and impairment losses		2.570.172	-107.193
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	<u>-22.406</u>	<u>-19.510</u>
Profit/loss before net financials		2.547.766	-126.703
Financial income		0	6.762
Financial costs	3	<u>-91.015</u>	<u>-47.888</u>
Profit/loss before tax		2.456.751	-167.829
Tax on profit/loss for the year	4	<u>-552.756</u>	<u>25.359</u>
Profit/loss for the year		<u>1.903.995</u>	<u>-142.470</u>
Retained earnings		<u>1.903.995</u>	<u>-142.470</u>
		<u>1.903.995</u>	<u>-142.470</u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> Not audited DKK
Assets			
Other fixtures and fittings, tools and equipment		18.633	34.110
Leasehold improvements		<u>57.341</u>	<u>27.233</u>
Tangible assets	5	<u>75.974</u>	<u>61.343</u>
Deposits		<u>148.208</u>	<u>169.838</u>
Fixed asset investments		<u>148.208</u>	<u>169.838</u>
Total non-current assets		<u>224.182</u>	<u>231.181</u>
Trade receivables		4.651	165.577
Receivables affiliated companies		1.100.551	864.136
Other receivables		97.287	121.446
Deferred tax asset		9.138	43.508
Prepayments		<u>106.327</u>	<u>49.187</u>
Receivables		<u>1.317.954</u>	<u>1.243.854</u>
Cash at bank and in hand		<u>7.885.358</u>	<u>1.718.811</u>
Total current assets		<u>9.203.312</u>	<u>2.962.665</u>
Total assets		<u><u>9.427.494</u></u>	<u><u>3.193.846</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	2019 <u>Not audited</u> DKK
Equity and liabilities			
Share capital		500.000	500.000
Retained earnings		<u>1.784.186</u>	<u>-119.809</u>
Equity		<u>2.284.186</u>	<u>380.191</u>
Trade payables		136.599	175.836
Payables affiliated companies		3.107.084	0
Corporation tax		522.332	0
Other payables		<u>3.377.293</u>	<u>2.637.819</u>
Total current liabilities		<u>7.143.308</u>	<u>2.813.655</u>
Total liabilities		<u>7.143.308</u>	<u>2.813.655</u>
Total equity and liabilities		<u>9.427.494</u>	<u>3.193.846</u>
Rental and lease obligations	6		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	500.000	-119.809	380.191
Net profit/loss for the year	0	1.903.995	1.903.995
Equity at 31 December 2020	<u>500.000</u>	<u>1.784.186</u>	<u>2.284.186</u>

Notes

	<u>2020</u> DKK	<u>2019</u> Not audited DKK
1 Staff costs		
Wages and salaries	9.336.885	9.137.997
Pensions	876.005	725.572
Other social security costs	225.820	160.488
Other staff costs	302.277	213.511
	<u>10.740.987</u>	<u>10.237.568</u>
Average number of employees	<u>12</u>	<u>12</u>
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation tangible assets	<u>22.406</u>	<u>19.510</u>
	<u>22.406</u>	<u>19.510</u>
3 Financial costs		
Interest paid to affiliated companies	16.643	615
Other financial costs	47.736	16.765
Exchange loss	26.636	30.508
	<u>91.015</u>	<u>47.888</u>

Notes

	<u>2020</u> DKK	<u>2019</u> Not audited DKK
4 Tax on profit/loss for the year		
Current tax for the year	518.386	0
Deferred tax for the year	34.370	-25.359
	<u>552.756</u>	<u>-25.359</u>

5 Tangible assets

	<u>Other fixtures and fittings, tools and equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Cost at 1 January 2020	43.000	51.798	94.798
Additions for the year	0	37.037	37.037
Cost at 31 December 2020	<u>43.000</u>	<u>88.835</u>	<u>131.835</u>
Impairment losses and depreciation at 1 January 2020	15.767	17.688	33.455
Depreciation for the year	8.600	13.806	22.406
Impairment losses and depreciation at 31 December 2020	<u>24.367</u>	<u>31.494</u>	<u>55.861</u>
Carrying amount at 31 December 2020	<u>18.633</u>	<u>57.341</u>	<u>75.974</u>

Notes

	<u>2020</u>	<u>2019</u>
	DKK	Not audited DKK
6 Rental and lease obligations		
Within 1 year	531.965	549.204
Between 1 - 5 years	1.354.229	1.329.330
After 5 years	<u>77.005</u>	<u>308.020</u>
	<u>1.963.199</u>	<u>2.186.554</u>