

WAGNER SPRAYTECH SCANDINAVIA A/S

Viborgvej 100, A,

8600 Silkeborg

CVR No. 50750019

Annual Report 2023/24

47. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 6 June 2024

Christian Hermann Glaser
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of WAGNER SPRAYTECH SCANDINAVIA A/S for the financial year 1 February 2023 - 31 January 2024.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 January 2024 and of the results of the Company's operations for the financial year 1 February 2023 - 31 January 2024.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

Management recommends to the company in general meeting that the financial statements for 2023 are not to be audited. Management considers the criteria for not auditing the financial statements to be met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Silkeborg, 6 June 2024

Executive Board

Niels Ole Larsen
Manager

Supervisory Board

Michael Müller
Member

Markus Sonnenstatter
Member

Christian Hermann Glaser
Member

WAGNER SPRAYTECH SCANDINAVIA A/S

Company details

Company	WAGNER SPRAYTECH SCANDINAVIA A/S Viborgvej 100, A, 8600 Silkeborg
Telephone	70200245
E-mail	kmb@wagner-group.dk
Website	www.wagner-group.dk
CVR No.	50750019
Date of formation	25 November 1974
Registered office	Silkeborg
Financial year	1. februar 2023 - 31. januar 2024
Supervisory Board	Michael Müller Markus Sonnenstatter Christian Hermann Glaser
Executive Board	Niels Ole Larsen

Management's Review

The Company's principal activities

The Company's principal activities consist in providing sales and marketing support regarding coating and painting systems.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 February 2023 - 31 January 2024 shows a result of DKK 579.023 and the Balance Sheet at 31 January 2024 a balance sheet total of DKK 4.639.452 and an equity of DKK 3.221.001.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Accounting Policies

Reporting Class

The annual report of WAGNER SPRAYTECH SCANDINAVIA A/S for 2023/24 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operating income, costs for raw materials and consumables and other external expenses.

Revenue

Income from delivery of services is recognised on a straight-line basis in net sales, as the service is delivered.

Raw materials and consumables used

Costs for raw materials and consumables comprise the cost of goods purchased less discounts, costs subcontractors and change in inventories for the year.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible assets

Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	5 years	0%
Lease asset	4 years	0%

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Accounting Policies

Balance sheet

Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Leases

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

Deposits

Deposits are measured at cost.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Accounting Policies

Dividends

Proposed dividend for the year are recognised as a separate item under equity. Proposed dividends are recognised as a liability when approved by the Annual General Meeting.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Lease commitments

Lease commitments are measured at the present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the individual leases.

Payables

Payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2023/24 DKK	2022/23 DKK
Gross profit		5.073.639	4.290.632
Employee benefits expense	1	-4.041.981	-3.199.758
Depreciation, amortisation expense and impairment losses of property, plant and equipment recognised in profit or loss		-387.345	-450.225
Profit from ordinary operating activities		644.313	640.649
Finance income		1.209	562
Finance expenses		-10.367	-56.457
Profit from ordinary activities before tax		635.155	584.754
Tax expense on ordinary activities		-56.132	0
Profit		579.023	584.754
Proposed distribution of results			
Proposed extraordinary dividend recognised in equity		0	3.750.000
Retained earnings		579.023	-3.165.246
Distribution of profit		579.023	584.754

Balance Sheet as of 31 January

	Note	2024 DKK	2023 DKK
Assets			
Fixtures, fittings, tools and equipment	2	737.552	643.461
Property, plant and equipment		737.552	643.461
Deposits, investments		22.000	22.000
Investments		22.000	22.000
Fixed assets		759.552	665.461
Short-term receivables from group enterprises		602.964	402.688
Other short-term receivables		231.897	266.574
Deferred income		149.469	176.000
Receivables		984.330	845.262
Cash and cash equivalents		2.895.570	2.133.880
Current assets		3.879.900	2.979.142
Assets		4.639.452	3.644.603

Balance Sheet as of 31 January

	Note	2024 DKK	2023 DKK
Liabilities and equity			
Contributed capital		501.000	501.000
Retained earnings		2.720.001	2.140.978
Equity		3.221.001	2.641.978
Provisions for deferred tax		35.122	0
Provisions		35.122	0
Lease commitments		429.798	316.765
Long-term liabilities other than provisions	3	429.798	316.765
Short-term part of long-term liabilities other than provisions		297.576	325.790
Trade payables		301.437	222.628
Tax payables		21.010	0
Other payables		333.508	137.442
Short-term liabilities other than provisions		953.531	685.860
Liabilities other than provisions within the business		1.383.329	1.002.625
Liabilities and equity		4.639.452	3.644.603
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WAGNER SPRAYTECH SCANDINAVIA A/S

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 February 2023	501.000	2.140.978	2.641.978
Profit (loss)	0	579.023	579.023
Equity 31 January 2024	501.000	2.720.001	3.221.001

Notes

	2023/24	2022/23
1. Employee benefits expense		
Wages and salaries	3.754.582	2.980.352
Post-employment benefit expense	246.279	175.798
Social security contributions	41.120	43.608
	4.041.981	3.199.758
Average number of employees	6	5
2. Property, plant and equipment		
Cost at the beginning of the year	1.920.941	1.570.604
Addition during the year, incl. improvements	481.436	350.337
Disposal during the year	-1.015.275	0
Cost at the end of the year	1.387.102	1.920.941
Depreciation and amortisation at the beginning of the year	-1.277.480	-827.253
Amortisation for the year	-387.345	-450.227
Reversal of impairment losses and amortisation of disposed assets	1.015.275	0
Impairment losses and amortisation at the end of the year	-649.550	-1.277.480
Carrying amount at the end of the year	737.552	643.461

Property, plant and equipment include financial leasing assets with a total carrying amount of DKK 722.179

3. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Lease commitments	429.798	297.576	0
	429.798	297.576	0

Notes

4. Contingent liabilities

The company is liable for rental agreements for DKK 48.061.

5. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

6. Related parties

The Company is included in the group annual report of Wagner International AG, Switzerland.