



Stokvis Danmark ApS

Gydevang 40
3450 Allerød
CVR No. 54864213

Annual report 2021

The Annual General Meeting adopted the
annual report on 31.03.2022

Kim Kluge
Chairman of the General Meeting

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Entity details

Entity

Stokvis Danmark ApS

Gydevang 40

3450 Allerød

Business Registration No.: 54864213

Registered office: Allerød

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Manoela Pereira Fry, Chairman

Birgit Andersen

Anders Thor Blumenfeld

Executive Board

Anders Thor Blumenfeld, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Stokvis Danmark ApS for the financial year 01.01.2021 - 31.12.2021.

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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Allerød, 31.03.2022

Executive Board



Anders Thor Blumenfeld
CEO

Board of Directors



Manoela Pereira Fry
Chairman



Anders Thor Blumenfeld



Birgit Andersen

Independent auditor's report

To the shareholder of Stokvis Danmark ApS

Opinion

We have audited the financial statements of Stokvis Danmark ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Aarhus, 31.03.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556



Henrik Vedel
State Authorised Public Accountant
Identification No (MNE) mne10052



Mikael Møller
State Authorised Public Accountant
Identification No (MNE) mne47835

Management commentary

Financial highlights

	2021	2020	2019	2018	2017
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	33,695	36,303	40,086	35,587	37,128
Operating profit/loss	11,075	12,468	14,686	12,981	13,242
Net financials	0	(3)	0	0	1
Profit/loss for the year	8,637	9,721	11,451	10,122	10,324
Total assets	38,064	38,865	37,321	35,470	48,671
Investments in property, plant and equipment	531	0	0	157	24
Equity	28,749	29,112	26,391	23,940	38,818
Ratios					
Return on equity (%)	29.85	35.03	45.50	32.26	15.61
Equity ratio (%)	75.53	74.91	70.71	67.49	79.76

Financial highlights are defined and calculated in accordance with the latest version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Primary activities

The Company's principal business activity is sale of technical industrial tape, electronic tape.

Development in activities and finances

The Company's income statement for the year ended 31 December 2021 show a net profit of DKK 8,634k which is a smaller decrease compared to the net profit of 9,721k in 2020. The development is therefore in line with the expected outlook for 2021 stated in the annual report for 2020. Further, the balance sheet at 31.12.2021 show shareholders' equity of DKK 28,746k compared to 29,112k in 2020.

Profit/loss for the year in relation to expected developments

Due to Corona and the increasing demand for raw materials etc. combined with a general decrease in sales in the wind industry the expectations for 2021 were not met. There have been limitations in terms of visiting customers and as a consequence it has been impossible to test and finalize products as planned, hence, some projects have not taken place as expected and planned in 2021.

Uncertainty relating to recognition and measurement

The board assesses, that there are not any recognition and measurement uncertainties.

Outlook

Stokvis Denmark expect a stable sales but a decrease in profit in 2022 compared to 2021. Management expect that the profit will decrease with 2-3 mill because for raise in cost prices

Knowledge resources

For Stokvis Danmark ApS to help out customers to develop new products it requires highly specialized knowledge of various adhesive products function with other products.

The employees' knowledge of products, ability to add expertise and quickly come up with solutions are crucial.

Stokvis Danmark ApS gives courses for the staff to develop and maintain the high level.

Environmental performance

Stokvis Danmark ApS is a trading company.

The environmental impact of its operations may be limited to the amounts of electricity for lighting and IT as well as gas for heating.

The lighting in the company is constantly replaced with energy-saving bulbs. When replacing it, the power consumption is essential.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		33,695	36,303
Distribution costs		(13,077)	(13,107)
Administrative expenses		(9,543)	(10,728)
Operating profit/loss		11,075	12,468
Other financial expenses		0	(3)
Profit/loss before tax		11,075	12,465
Tax on profit/loss for the year	4	(2,438)	(2,744)
Profit/loss for the year	5	8,637	9,721

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Goodwill		0	0
Intangible assets	6	0	0
Other fixtures and fittings, tools and equipment		522	111
Property, plant and equipment	7	522	111
Fixed assets		522	111
Manufactured goods and goods for resale		9,713	8,245
Inventories		9,713	8,245
Trade receivables		15,305	18,519
Receivables from group enterprises	8	11,985	11,160
Deferred tax	9	145	130
Other receivables		1	10
Prepayments	10	393	690
Receivables		27,829	30,509
Current assets		37,542	38,754
Assets		38,064	38,865

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		1,883	1,883
Retained earnings		15,866	18,229
Proposed dividend		11,000	9,000
Equity		28,749	29,112
Other payables	11	1,395	1,395
Non-current liabilities other than provisions		1,395	1,395
Trade payables		3,344	3,467
Payables to group enterprises		865	748
Tax payable		11	127
Other payables		3,700	4,016
Current liabilities other than provisions		7,920	8,358
Liabilities other than provisions		9,315	9,753
Equity and liabilities		38,064	38,865
Events after the balance sheet date	1		
Staff costs	2		
Amortisation, depreciation and impairment losses	3		
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Related parties with controlling interest	14		
Non-arm's length related party transactions	15		
Group relations	16		

Statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	1,883	18,229	9,000	29,112
Ordinary dividend paid	0	0	(9,000)	(9,000)
Profit/loss for the year	0	(2,363)	11,000	8,637
Equity end of year	1,883	15,866	11,000	28,749

Notes

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	11,928	11,705
Pension costs	855	851
Other social security costs	157	135
Other staff costs	166	277
	13,106	12,968
Number of employees at balance sheet date	20	20

3 Depreciation, amortisation and impairment losses

	2021 DKK'000	2020 DKK'000
Amortisation of intangible assets	0	6
Depreciation of property, plant and equipment	120	171
	120	177

4 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Current tax	2,453	2,767
Change in deferred tax	(15)	(23)
	2,438	2,744

5 Proposed distribution of profit and loss

	2021 DKK'000	2020 DKK'000
Ordinary dividend for the financial year	11,000	9,000
Retained earnings	(2,363)	721
	8,637	9,721

6 Intangible assets

	Goodwill DKK'000
Cost beginning of year	110
Cost end of year	110
Amortisation and impairment losses beginning of year	(110)
Amortisation and impairment losses end of year	(110)
Carrying amount end of year	0

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	1,981
Additions	531
Cost end of year	2,512
Depreciation and impairment losses beginning of year	(1,870)
Depreciation for the year	(120)
Depreciation and impairment losses end of year	(1,990)
Carrying amount end of year	522

8 Receivables from group enterprises

The Company participates together with other Danish Group enterprises in a cash pool arrangement in which another company is liable as a sole contracting party towards the bank.

Receivables and payables in relation to the cash pool arrangement are recognised as intercompany receivables and payables, respectively. At 31 December 2021, the item receivables from group enterprises includes an amount of DKK 10,9m.

9 Deferred tax

	2021	2020
	DKK'000	DKK'000
Property, plant and equipment	109	60
Inventories	36	70
Deferred tax	145	130

	2021	2020
	DKK'000	DKK'000
Changes during the year		
Beginning of year	130	107
Recognised in the income statement	15	23
End of year	145	130

Deferred tax assets are expected to be actualised within the coming 3-5 years.

10 Prepayments

Premayments are comprised of prepaid costs for the coming year.

11 Other payables

	2021	2020
	DKK'000	DKK'000
Holiday pay obligation	1,395	1,395
	1,395	1,395

12 Unrecognised rental and lease commitments

	2021	2020
	DKK'000	DKK'000
Liabilities under rental or lease agreements until maturity in total	4,470	5,405

13 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where ITW Danmark ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

14 Related parties with controlling interest

The following related parties have a controlling interest in Stokvis Danmark ApS

Stokvis Holdings S.à.r.l., Luxembourg, Principal shareholder.

Illinois Tool Works Inc., Chicago, USA, Ultimate Parent

15 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

16 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Illinois Tool Works Inc., Glenview, IL 60026, USA.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production costs comprise cost of sales for the financial year, including ordinary write-down of inventories and other costs incurred to earn revenue for the financial year, including wages and salaries and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 20 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-7 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the weighted average method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

Pursuant to section 86(4) of the Danish Financial statement Act, the company has not prepared a cash flow statement as it is included in the cash flow statement for the ultimate parent company Illinois Tool Works Inc., Illinois, USA.