

Stokvis Danmark ApS

Gydevang 40
3450 Allerød
CVR No. 54864213

Annual report 2023

The Annual General Meeting adopted the annual report on 30.04.2024

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: 01.01.2023 - 31.12.2023

Board of Directors

Anders Thor Blumenfeld
Manoela Pereira Fry
Monique Martins

Executive Board

Anders Thor Blumenfeld

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 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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, 30.04.2024

Executive Board

Anders Thor Blumenfeld

Board of Directors

Anders Thor Blumenfeld

Manoela Pereira Fry

Monique Martins

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 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 30.04.2024

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

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	38,781	31,308	33,695	36,303	40,086
Operating profit/loss	12,655	8,267	11,075	12,468	14,686
Net financials	122	(34)	0	(3)	0
Profit/loss for the year	9,819	6,448	8,637	9,721	11,451
Total assets	46,743	34,794	38,064	38,865	37,321
Investments in property, plant and equipment	6,424	0	531	0	0
Equity	34,016	24,197	28,749	29,112	26,391
Ratios					
Return on equity (%)	33.73	24.36	29.85	35.03	45.50
Equity ratio (%)	72.77	69.54	75.53	74.91	70.71

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

Return on equity (%):

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

Average equity

Equity ratio (%):

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

Total assets

Primary activities

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

Development in activities and finances

The Company's income statement for the year ended 31 December 2023 shows a net profit of DKK 9,819k which is an increase compared to the net profit of 6,448k in 2022. The development is therefore in line with the expected outlook for 2023 stated in the annual report for 2022. Further, the balance sheet at 31.12.2023 shows shareholders' equity of DKK 34,016k compared to 24,197k in 2022.

Profit/loss for the year in relation to expected developments

The result for 2023 was significantly better than 2022 and also above budget. Increased activity in the Wind market and strong sales to the Wholesales segment had a positive effect on our revenues. Focus on improving margins through customer price increases and cost reductions from suppliers generated higher return on sales.

Uncertainty relating to recognition and measurement

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

Outlook

Stokvis Denmark expect a slightly increase in sales with a stable profit in 2024 compared to 2023.

Knowledge resources

For Stokvis Danmark ApS to help 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 a 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 2023

	Notes	2023 DKK'000	2022 DKK'000
Gross profit/loss		38,781	31,308
Distribution costs		(13,969)	(12,627)
Administrative expenses		(12,157)	(10,414)
Operating profit/loss		12,655	8,267
Other financial income	4	129	0
Other financial expenses	5	(7)	(34)
Profit/loss before tax		12,777	8,233
Tax on profit/loss for the year	6	(2,958)	(1,785)
Profit/loss for the year	7	9,819	6,448

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Land and buildings		6,138	0
Other fixtures and fittings, tools and equipment		440	401
Property, plant and equipment	8	6,578	401
Fixed assets		6,578	401
Manufactured goods and goods for resale		8,922	11,259
Inventories		8,922	11,259
Trade receivables		22,851	18,121
Receivables from group enterprises	9	7,587	4,476
Deferred tax	10	79	170
Other receivables		14	11
Prepayments	11	712	356
Receivables		31,243	23,134
Current assets		40,165	34,393
Assets		46,743	34,794

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		1,883	1,883
Retained earnings		26,633	22,314
Proposed dividend		5,500	0
Equity		34,016	24,197
Other payables	12	1,438	1,438
Non-current liabilities other than provisions		1,438	1,438
Trade payables		3,245	1,930
Payables to group enterprises		1,007	788
Tax payable		127	431
Other payables		6,910	6,010
Current liabilities other than provisions		11,289	9,159
Liabilities other than provisions		12,727	10,597
Equity and liabilities		46,743	34,794
Events after the balance sheet date	1		
Staff costs	2		
Amortisation, depreciation and impairment losses	3		
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Related parties with controlling interest	15		
Non-arm's length related party transactions	16		
Group relations	17		

Statement of changes in equity for 2023

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	1,883	22,314	0	24,197
Profit/loss for the year	0	4,319	5,500	9,819
Equity end of year	1,883	26,633	5,500	34,016

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

	2023	2022
	DKK'000	DKK'000
Wages and salaries	13,826	12,392
Pension costs	1,029	943
Other social security costs	178	147
Other staff costs	548	250
	15,581	13,732
Number of employees at balance sheet date	21	20

3 Depreciation, amortisation and impairment losses

	2023	2022
	DKK'000	DKK'000
Depreciation of property, plant and equipment	247	121
	247	121

4 Other financial income

	2023	2022
	DKK'000	DKK'000
Financial income from group enterprises	129	0
	129	0

5 Other financial expenses

	2023	2022
	DKK'000	DKK'000
Financial expenses from group enterprises	7	34
	7	34

6 Tax on profit/loss for the year

	2023 DKK'000	2022 DKK'000
Current tax	2,735	1,810
Change in deferred tax	91	(25)
Adjustment concerning previous years	132	0
	2,958	1,785

7 Proposed distribution of profit and loss

	2023 DKK'000	2022 DKK'000
Ordinary dividend for the financial year	5,500	0
Retained earnings	4,319	6,448
	9,819	6,448

8 Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	0	1,780
Additions	6,300	124
Cost end of year	6,300	1,904
Depreciation and impairment losses beginning of year	0	(1,379)
Depreciation for the year	(162)	(85)
Depreciation and impairment losses end of year	(162)	(1,464)
Carrying amount end of year	6,138	440

9 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 2023, the item receivables from group enterprises includes an amount of DKK 6,5m.

10 Deferred tax

	2023	2022
	DKK'000	DKK'000
Property, plant and equipment	47	26
Inventories	32	144
Deferred tax	79	170

	2023	2022
	DKK'000	DKK'000
Changes during the year		
Beginning of year	170	145
Recognised in the income statement	(91)	25
End of year	79	170

Deferred tax assets

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

11 Prepayments

Prepayments are comprised of prepaid costs for the coming year.

12 Other payables

	2023	2022
	DKK'000	DKK'000
Holiday pay obligation	1,438	1,438
	1,438	1,438

13 Unrecognised rental and lease commitments

	2023	2022
	DKK'000	DKK'000
Liabilities under rental or lease agreements until maturity in total	1,326	0

14 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.

15 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

16 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.

17 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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

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 income

Other financial income comprises interest income including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

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

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:

	Useful life
Buildings	20-50 years
Other fixtures and fittings, tools and equipment	3-7 years

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.