



## Stokvis Danmark ApS

Gydevang 40, 3450 Allerød  
CVR No. 54864213

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 23.03.2020

A handwritten signature in blue ink, appearing to read 'Kim Kluge', positioned above a horizontal line.

**Kim Kluge**  
Chairman of the Annual General Meeting

# Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019	9
Balance sheet at 31.12.2019	10
Statement of changes in equity for 2019	12
Notes	13
Accounting policies	16

# Entity details

## Entity

Stokvis Danmark ApS

Gydevang 40

3450 Allerød

CVR No.: 54864213

Registered office: Allerød

Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Manoela Pereira Fry, Chairman

Raphaël Roudet

Birgit Andersen

## Executive Board

Raphaël Roudet, Chief Executive Officer

## 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 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 23.03.2020

Executive Board



Raphaël Roudet  
Chief Executive Officer

Board of Directors



Manoela Pereira Fry  
Chairman



Birgit Andersen



Raphaël Roudet

# Independent auditor's report

## To the shareholders of Stokvis Danmark ApS

### Opinion

We have audited the financial statements of Stokvis Danmark ApS for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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 of 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.

### 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, 23.03.2020

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556



**Henrik Vedel**

State Authorised Public Accountant

Identification No (MNE) mne10052

# Management commentary

## Financial highlights

	2019	2018	2017	2016	2015
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Gross profit/loss	40,086	35,587	37,128	42,096	36,558
Operating profit/loss	14,686	12,981	13,242	20,038	14,202
Net financials				2	
Profit/loss for the year	11,451	10,122	10,324	15,622	10,713
Total assets	37,321	35,470	48,671	103,153	77,384
Investments in property, plant and equipment	0	157	24	667	0
Equity	26,391	23,940	38,818	93,494	77,872
Average invested capital incl goodwill	36,396	31,526	66,247	85,971	72,630
<b>Ratios</b>					
Return on invested capital incl goodwill (%)	40,46	41,2	20,00	23,3	19,6
Return on equity (%)	45.50	32.26	15.61	18.23	15,1
Equity ratio (%)	70.71	67.49	79.76	90.64	88.85

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

### Return on invested capital incl goodwill (%):

$\frac{\text{EBITA} * 100}{\text{Average invested capital incl goodwill}}$

Average invested capital incl goodwill

### Return on equity (%):

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

Average equity

### Equity ratio (%):

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

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 2019 shows a net profit of DKK 11,451k and the balance sheet at 31.12.2019 shows shareholders' equity of DKK 26.391k.

### **Uncertainty relating to recognition and measurement**

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

### **Outlook**

Stokvis Danmark ApS expects a smaller decline in sales and profit for 2020 compared to 2019.

### **Particular risks**

There are no particular risks other than common risks within the line of business.

### **Intellectual capital resources**

For Stokvis Denmark ApS to help our 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 Denmark ApS gives courses for the staff to develop and maintain the high level.

### **Environmental performance**

Stokvis Denmark 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 2019

	Notes	2019 DKK'000	2018 DKK'000
<b>Gross profit/loss</b>		<b>40,086</b>	<b>35,587</b>
Distribution costs		(13,752)	(12,415)
Administrative expenses		(11,648)	(10,191)
<b>Operating profit/loss</b>		<b>14,686</b>	<b>12,981</b>
<b>Profit/loss before tax</b>		<b>14,686</b>	<b>12,981</b>
Tax on profit/loss for the year	3	(3,235)	(2,859)
<b>Profit/loss for the year</b>	4	<b>11,451</b>	<b>10,122</b>

## Balance sheet at 31.12.2019

### Assets

	Notes	2019 DKK'000	2018 DKK'000
Goodwill		6	11
<b>Intangible assets</b>	5	<b>6</b>	<b>11</b>
Other fixtures and fittings, tools and equipment		282	459
<b>Property, plant and equipment</b>	6	<b>282</b>	<b>459</b>
<b>Fixed assets</b>		<b>288</b>	<b>470</b>
Manufactured goods and goods for resale		9,911	7,705
<b>Inventories</b>		<b>9,911</b>	<b>7,705</b>
Trade receivables		16,192	16,712
Receivables from group enterprises	7	10,453	10,196
Deferred tax	8	107	51
Other receivables		0	1
Prepayments	9	370	335
<b>Receivables</b>		<b>27,122</b>	<b>27,295</b>
<b>Current assets</b>		<b>37,033</b>	<b>35,000</b>
<b>Assets</b>		<b>37,321</b>	<b>35,470</b>

**Equity and liabilities**

	Notes	2019 DKK'000	2018 DKK'000
Contributed capital		1,883	1,883
Retained earnings		17,508	13,057
Proposed dividend		7,000	9,000
<b>Equity</b>		<b>26,391</b>	<b>23,940</b>
Trade payables		3,387	5,264
Payables to group enterprises		1,322	1,310
Income tax payable		300	410
Other payables		5,921	4,546
<b>Current liabilities other than provisions</b>		<b>10,930</b>	<b>11,530</b>
<b>Liabilities other than provisions</b>		<b>10,930</b>	<b>11,530</b>
<b>Equity and liabilities</b>		<b>37,321</b>	<b>35,470</b>
Staff costs	1		
Amortisation, depreciation and impairment losses	2		
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Transactions with related parties	12		
Group relations	13		

## Statement of changes in equity for 2019

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Proposed dividend DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	1,883	13,057	9,000	23,940
Ordinary dividend paid	0	0	(9,000)	(9,000)
Profit/loss for the year	0	4,451	7,000	11,451
<b>Equity end of year</b>	<b>1,883</b>	<b>17,508</b>	<b>7,000</b>	<b>26,391</b>

# Notes

## 1 Staff costs

	2019 DKK'000	2018 DKK'000
Wages and salaries	12,286	11,239
Pension costs	758	661
Other social security costs	156	140
Other staff costs	322	171
	<b>13,522</b>	<b>12,211</b>
Number of employees at balance sheet date	<b>21</b>	<b>20</b>

Pursuant to section 98b(3) of the Danish Financial Statement Act, the Company has chosen to omit information on fee for Executive and Supervisory Boards.

## 2 Depreciation, amortisation and impairment losses

	2019 DKK'000	2018 DKK'000
Amortisation of intangible assets	5	5
Depreciation of property, plant and equipment	177	187
	<b>182</b>	<b>192</b>

## 3 Tax on profit/loss for the year

	2019 DKK'000	2018 DKK'000
Current tax	3,291	2,823
Change in deferred tax	(56)	36
	<b>3,235</b>	<b>2,859</b>

## 4 Proposed distribution of profit and loss

	2019 DKK'000	2018 DKK'000
Ordinary dividend for the financial year	7,000	9,000
Retained earnings	4,451	1,122
	<b>11,451</b>	<b>10,122</b>

## 5 Intangible assets

	<b>Goodwill DKK'000</b>
Cost beginning of year	110
<b>Cost end of year</b>	<b>110</b>
Amortisation and impairment losses beginning of year	(99)
Amortisation for the year	(5)
<b>Amortisation and impairment losses end of year</b>	<b>(104)</b>
<b>Carrying amount end of year</b>	<b>6</b>

## 6 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK'000</b>
Cost beginning of year	1,981
<b>Cost end of year</b>	<b>1,981</b>
Depreciation and impairment losses beginning of year	(1,522)
Depreciation for the year	(177)
<b>Depreciation and impairment losses end of year</b>	<b>(1,699)</b>
<b>Carrying amount end of year</b>	<b>282</b>

## 7 Receivables from group enterprises

The company is part of a cash-pool arrangement with other danish group companies, where another company is liable in relation to the bank. The deposit on the cash-pool, 9.504k DKK, is classified as "receivables with group companies"

## 8 Deferred tax

	<b>2019 DKK'000</b>	<b>2018 DKK'000</b>
Intangible assets	(1)	(2)
Property, plant and equipment	37	19
Inventories	71	34
<b>Deferred tax</b>	<b>107</b>	<b>51</b>
	<b>2019 DKK'000</b>	<b>2018 DKK'000</b>
<b>Changes during the year</b>		
Beginning of year	51	87
Recognised in the income statement	56	(36)
<b>End of year</b>	<b>107</b>	<b>51</b>

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

### 9 Prepayments

Prepayments are comprised of prepaid costs for the coming year.

### 10 Unrecognised rental and lease commitments

	2019 DKK'000	2018 DKK'000
Liabilities under rental or lease agreements until maturity in total	<b>5,356</b>	<b>6,371</b>

Operating lease contracts on property have been concluded for the years 2019 to 2024. Besides this, lease contracts have been signed re-garding cars for the years 2019-2021.

### 11 Contingent liabilities

	2019 DKK'000	2018 DKK'000
Other contingent liabilities	4,790	5,356
<b>Contingent liabilities</b>	<b>4,790</b>	<b>5,356</b>

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.

### 12 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.

### 13 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 and 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.

### 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 as well as amortisation, depreciation and impairment losses relating to 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 as well as amortisation, depreciation and impairment losses relating to property, plant and equipment attached to 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 as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

**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 taxable 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. Useful life is determined based on an assessment of whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed on an annual basis. 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
--	-----------

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 tax-based value of assets and liabilities, for which the tax-based value of assets 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.

**Income 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 statements 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.