

Sika Danmark A/S

Hirsemarken 5, 3520 Farum

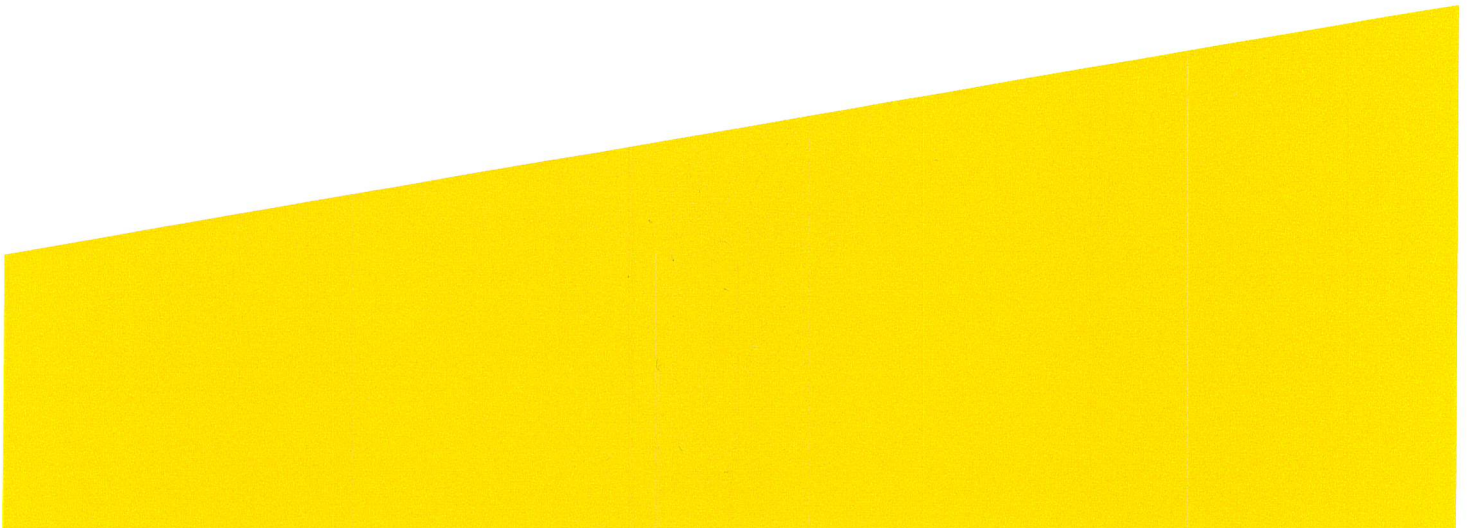
CVR no. 55 18 81 14

Annual report

for the year 1 January - 31 December 2020

Approved at the Company's annual general meeting on 31 May 2021

Chair of the meeting:


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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Sika Danmark A/S for the financial year 1 January - 31 December 2020.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Farum, 31 May 2021

Executive Board:

Anders Beier
General Manager

Martin Schwalbe
Head Finance

Board of Directors:

Eric Dehasque
Chair

Daniel Lang

Pascal Michael Rave

Annette Jakobsen
Elected by the employees

Maria Holm
Elected by the employees

Independent auditor's report

To the shareholders of Sika Danmark A/S

Opinion

We have audited the financial statements of Sika Danmark A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the 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.

Independent auditor's report

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Henrik Pedersen
State Authorised Public Accountant
mne35456



Simon Blendstrup
State Authorised Public Accountant
mne44060



Management's review

Company details

Name	Sika Danmark A/S
Address, Postal code, City	Hirsemarken 5, 3520 Farum
CVR no.	55 18 81 14
Registered office	Farum
Financial year	1 January - 31 December
E-mail	sika@dk.sika.com

Board of Directors	Eric Dehasque, Chair Daniel Lang Pascal Michael Rave Annette Jakobsen, Elected by the employees Maria Holm, Elected by the employees
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Executive Board	Anders Beier, General Manager Martin Schwalbe, Head Finance
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Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
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Bankers	Danske Bank Jyske Bank Citibank
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Management's review

Financial highlights

DKK'000	2020	2019	2018	2017	2016
Key figures					
Gross profit	78,560	65,331	43,642	43,721	38,969
Operating profit/loss	30,317	15,545	6,442	8,371	2,725
Net financials	-892	-1,076	-911	-585	-1,525
Profit for the year	23,028	3,138	4,447	6,071	8,130
Total assets					
Equity	116,524	109,697	65,549	76,636	97,460
	68,445	50,417	17,274	18,827	12,756
Financial ratios					
Current ratio	261.6%	188.2%	133.0%	129.9%	110.4%
Return on assets	26.8%	17.7%	9.1%	9.6%	2.8%
Average number of employees	68	71	52	51	54

The financial ratios stated under "Financial highlights" have been calculated as follows:

Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$

Key figures for the financial years 2018 - 2016 has not been restated as a result of the intra-group merger with Skalflex A/S, which has been treated according to the book value-method, as described in the accounting policies.

Management's review

Business review

Sika Danmark A/S is a subsidiary of Sika AG, a global company located in Baar, Switzerland.

The Sika Group is globally active, offers specialty chemicals and supplies the building and construction industry as well as manufacturing industries with its products. Sika is a leader in processing materials used in sealing, bonding, damping, reinforcing and protecting load bearing structures.

Sika's product lines feature high-quality concrete admixtures, specialty mortars, sealants and adhesives, fillers, damping and reinforcing materials, structural strengthening systems, industrial flooring as well as roofing and waterproofing systems.

Sika Danmark A/S's 2020 sales was positively impacted by the COVID-19 pandemic. The main driver was an increased demand from both professional and do it yourself distributors.

Unusual matters having affected the financial statements

The Company was not exposed to any unusual commercial or financial risks in the year under review.

Financial review

The income statement for 2020 shows a profit of DKK 23,028 thousand against a profit of DKK 3,138 thousand last year, and the balance sheet at 31 December 2020 shows equity of DKK 68,445 thousand.

Operating results for the financial year were above expectations.

Knowledge resources

The Company has no knowledge resources of particular importance to its future earnings.

Financial risks and use of financial instruments

The Company was not exposed to any unusual commercial or financial risks in the year under review.

Foreign branches

The Company maintains a registered branch in Iceland.

Events after the balance sheet date

No events have occurred after the financial year-end which could significantly affect the Company's financial position.

Outlook

The Company expects profitable growth in 2021 and an increase in operating profit, but the 2021 results will depend on the global situation related to shortage in raw materials and global logistics challenges.



Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2020	2019
	Gross profit	78,560	65,331
2	Staff costs	-46,444	-47,683
	Depreciation and amortisation of intangible assets and property, plant and equipment	-1,799	-2,103
	Profit before net financials	30,317	15,545
3	Financial income	91	169
4	Financial expenses	-983	-1,245
	Profit before tax	29,425	14,469
5	Tax for the year	-6,397	-11,331
	Profit for the year	23,028	3,138



Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	ASSETS		
	Fixed assets		
6	Intangible assets		
	Acquired intangible assets	0	567
		<u>0</u>	<u>567</u>
7	Property, plant and equipment		
	Land and buildings	23,471	24,093
	Plant and machinery	1,194	1,450
	Other fixtures and fittings, tools and equipment	606	937
	Leasehold improvements	37	5
		<u>25,308</u>	<u>26,485</u>
	Total fixed assets	<u>25,308</u>	<u>27,052</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	6,962	5,721
	Finished goods and goods for resale	25,770	24,616
		<u>32,732</u>	<u>30,337</u>
	Receivables		
	Trade receivables	44,478	40,149
	Receivables from group entities	9,697	7,172
10	Deferred tax assets	639	916
	Other receivables	905	892
8	Prepayments	180	455
		<u>55,899</u>	<u>49,584</u>
	Securities and investments		
	Other securities and investments	0	30
		<u>0</u>	<u>30</u>
	Cash	<u>2,585</u>	<u>2,694</u>
	Total non-fixed assets	<u>91,216</u>	<u>82,645</u>
	TOTAL ASSETS	<u>116,524</u>	<u>109,697</u>



Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2020	2019
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	7,000	7,000
	Retained earnings	11,445	38,417
	Dividend proposed for the year	50,000	5,000
	Total equity	68,445	50,417
	Provisions		
	Other provisions	500	170
12	Total provisions	500	170
	Liabilities other than provisions		
11	Non-current liabilities other than provisions		
	Mortgage debt	12,710	13,777
	Other payables	0	1,415
		12,710	15,192
	Current liabilities other than provisions		
11	Current portion of long-term liabilities	1,043	1,043
	Trade payables	10,101	8,413
	Payables to group entities	8,030	20,981
	Income taxes payable	289	3,800
	Other payables	15,406	9,681
		34,869	43,918
		47,579	59,110
	TOTAL EQUITY AND LIABILITIES	116,524	109,697

- 1 Accounting policies
- 13 Contractual obligations and contingencies, etc.
- 14 Collateral
- 15 Related parties
- 16 Appropriation of profit



Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 January 2019	6,000	8,274	3,000	17,274
	Additions on merger	1,000	32,005	0	33,005
16	Transfer, see "Appropriation of profit"	0	-1,862	5,000	3,138
	Dividend distributed	0	0	-3,000	-3,000
	Equity at 1 January 2020	7,000	38,417	5,000	50,417
16	Transfer, see "Appropriation of profit"	0	-26,972	50,000	23,028
	Dividend distributed	0	0	-5,000	-5,000
	Equity at 31 December 2020	7,000	11,445	50,000	68,445

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Sika Danmark A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Sika AG.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Intra-group business combinations

Intra-group mergers are treated according to the book value-method, where the acquiror recognises the acquiree's assets and liabilities at the former carrying amounts with effect from 1st January 2019. Comparatives has not been restated as a result of the merger.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the transaction date.

Receivables, payables and other monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross profit

The items revenue, change in inventories of finished goods, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other operating income

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including re-invoicing of some costs to other group companies, gains or losses on the sale of fixed assets, etc.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	5 years
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Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

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

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Buildings	40 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-6 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

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

Land is not depreciated.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Acquired intangible assets include software licences.

Acquired intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses arising from the sale of items of property, plant and equipment are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of the sale.

Other securities and investments

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

Intangible assets, property, plant and equipment and investments are subject to an annual test for indication of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indication of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for groups of assets, impairment losses are recognised in respect of the other assets.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

Finished goods are measured at manufacturing cost, which includes the cost of raw materials, consumables and direct payroll costs plus production overheads.

Production overheads comprise the indirect cost of material and labour as well as maintenance and depreciation of property, plant and equipment used in the production process.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective indication that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprises cash balances and bank balances.

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income taxes

Current tax payable and receivable is recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the tax rules and the tax rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2020	2019
2 Staff costs		
Wages/salaries	43,348	44,264
Pensions	2,574	2,742
Other social security costs	522	677
	<u>46,444</u>	<u>47,683</u>
Average number of full-time employees	<u>68</u>	<u>71</u>
Remuneration to members of Management:		
Executive Board	3,141	3,399
Board of Directors	15	15
	<u>3,156</u>	<u>3,414</u>
3 Financial income		
Interest income, group entities	0	34
Other financial income	91	135
	<u>91</u>	<u>169</u>
4 Financial expenses		
Interest expenses, group entities	203	478
Other financial expenses	780	767
	<u>983</u>	<u>1,245</u>
5 Tax for the year		
Estimated tax charge for the year	6,119	3,123
Deferred tax adjustments in the year	278	522
Tax adjustments, prior years	0	7,686
	<u>6,397</u>	<u>11,331</u>
6 Intangible assets		Acquired intangible assets
DKK'000		
Cost at 1 January 2020		<u>2,835</u>
Cost at 31 December 2020		<u>2,835</u>
Impairment losses and amortisation at 1 January 2020		2,268
Amortisation/depreciation in the year		567
Impairment losses and amortisation at 31 December 2020		<u>2,835</u>
Carrying amount at 31 December 2020		<u>0</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2020	33,552	17,114	23,210	426	74,302
Additions in the year	0	100	0	0	100
Disposals in the year	0	-297	-18,974	0	-19,271
Transfer from/to other accounts	0	-15	-38	53	0
Cost at 31 December 2020	33,552	16,902	4,198	479	55,131
Impairment losses and depreciation at 1 January 2020	9,459	15,664	22,273	421	47,817
Depreciation in the year	622	341	293	21	1,277
Reversal of depreciation of disposals	0	-297	-18,974	0	-19,271
Impairment losses and depreciation at 31 December 2020	10,081	15,708	3,592	442	29,823
Carrying amount at 31 December 2020	23,471	1,194	606	37	25,308

8 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

DKK'000	2020	2019
9 Share capital		
Analysis of the share capital:		
7 shares of DKK 1,000,000.00 nominal value each	7,000	7,000
	7,000	7,000

Analysis of changes in the share capital over the past 5 years:

DKK'000	2020	2019	2018	2017	2016
Opening balance	7,000	6,000	6,000	6,000	6,000
Capital increase	0	1,000	0	0	0
	7,000	7,000	6,000	6,000	6,000

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	<u>2020</u>			
10 Deferred tax				
Deferred tax at 1 January				-916
Deferred tax adjustments in the year				<u>277</u>
Deferred tax at 31 December				<u>-639</u>
11 Non-current liabilities other than provisions				
DKK'000	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	<u>13,753</u>	<u>1,043</u>	<u>12,710</u>	<u>8,531</u>
	<u>13,753</u>	<u>1,043</u>	<u>12,710</u>	<u>8,531</u>

12 Provisions

Other provisions comprise provisions for warranty and claims commitments. The commitment is expected to be settled as the warranties fall due, expectedly within a period of 0-5 years.

13 Contingent liabilities and other financial obligations

Other financial obligations

Other rent and lease liabilities:

DKK'000	<u>2020</u>	<u>2019</u>
Rent and lease liabilities	<u>7,974</u>	<u>10,948</u>

Rent and lease liabilities include a rent obligation totalling DKK 4,073 thousand in interminable rent agreements with remaining contract terms of 4 years. Furthermore, the Company has liabilities under operating leases for cars and IT equipment, totalling DKK 3,901 thousand, with remaining contract terms of 0-4 years.

14 Collateral

In addition to mortgage debt of DKK 13,753 thousand, the company holds land and property with an book value of DKK 23,471 thousand, which is provided as security for debt to credit institution.

The Danish Group enterprises are jointly and severally liable for tax on the jointly taxed income of the Group and for Danish taxes at source such as dividend tax, tax on royalty payments and withhold tax.



Financial statements 1 January - 31 December

Notes to the financial statements

15 Related parties

Sika Danmark A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Sika AG	Switzerland	Participating interest Shareholders' agreement Participating interest

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Sika AG	Switzerland	www.sika.com

Related party transactions

Sika Danmark A/S was engaged in the below related party transactions:

<u>DKK'000</u>	<u>2020</u>	<u>2019</u>
Sales of goods and services to group entities	2,008	2,241
Other operating income from group entities	7,373	8,749
Purchase of goods from group entities	97,365	92,618
Purchase of services from group entities	6,583	5,540
Financial income from group entities	0	34
Financial expenses to group entities	11,378	13,153
Receivables from group entities	9,697	7,172
Payables to group entities	8,030	20,981

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Sika AG	Zugerstrasse 50, CH-6340 Baar, Switzerland

<u>DKK'000</u>	<u>2020</u>	<u>2019</u>
16 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	50,000	5,000
Retained earnings/accumulated loss	-26,972	-1,862
	<u>23,028</u>	<u>3,138</u>