

Sika Danmark A/S

Hirsemarken 5, 3520 Farum

CVR no. 55 18 81 14

Annual report

for the year 1 January - 31 December 2019

Approved at the Company's annual general meeting on 27 May 2020

Chairman:



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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 2019.

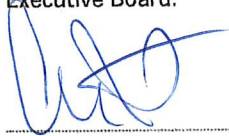
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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, 27 May 2020
Executive Board:

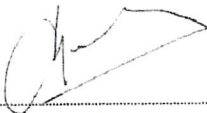


Anders Beier
General Manager



Martin Schwalbe
Head Finance

Board of Directors:



Eric Dehasque
Chairman



Daniel Lang



Pascal Michael Rave



Claus Pærregaard
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 2019, 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 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 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, 27 May 2020
ERNST & YOUNG
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, Chairman Daniel Lang Pascal Michael Rave Claus Pærregaard, Elected by the employees Maria Holm, Elected by the employees
Executive Board	Anders Beier, General Manager Martin Schwalbe, Head Finance
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Danske Bank Jyske Bank Citibank

Management's review

Financial highlights

DKK'000	2019	2018	2017	2016	2015
Key figures					
Gross profit	65,331	43,642	43,721	38,969	33,560
Operating profit/loss	15,545	6,442	8,371	2,725	-6,856
Net financials	-1,076	-911	-585	-1,525	-2,161
Profit for the year	3,138	4,447	6,071	8,130	-8,729
Total assets					
Total assets	109,697	65,549	76,636	97,460	100,154
Equity	50,417	17,274	18,827	12,756	-38,014
Financial ratios					
Current ratio	188.2%	133.0%	129.9%	110.4%	68.0%
Return on assets	17.7%	9.1%	9.6%	2.8%	-6.8%
Average number of employees					
Average number of employees	71	52	51	54	59

The financial ratios stated in the survey of financial highlights have been calculated as follows:

$$\text{Current ratio} = \frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

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

Key figures for the financial years 2018 - 2015 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 activities increased in 2019 due to a merger with the company Skalflex A/S with Sika Danmark A/S as the continuing entity.

During 2019 the company has concluded an ongoing tax audit regarding the income years 2013-16. The conclusion has a significant impact on the tax asset of the company and also impacts tax for the year 2019.

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 2019 shows a profit of DKK 3,138 thousand against a profit of DKK 4,447 thousand last year, and the balance sheet at 31 December 2019 shows equity of DKK 50,417 thousand.

Operating results for the financial year were below expectations.

Knowledge resources

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

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 to increase the Operating profit to a level of 16 - 18 mDKK in absolute figures.

The 2020 results will depend on the economic situation in Denmark in 2020 which is currently impacted by the global COVID-19 pandemic.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2019	2018
	Gross profit	65,331	43,642
3	Staff costs	-47,683	-36,340
	Depreciation and amortisation of intangible assets and property, plant and equipment	-2,103	-860
	Profit before net financials	15,545	6,442
4	Financial income	169	254
5	Financial expenses	-1,245	-1,165
	Profit before tax	14,469	5,531
6	Tax for the year	-11,331	-1,084
	Profit for the year	<u>3,138</u>	<u>4,447</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2019	2018
	ASSETS		
	Fixed assets		
7	Intangible assets		
	Acquired intangible assets	567	1,134
		<u>567</u>	<u>1,134</u>
8	Property, plant and equipment		
	Land and buildings	24,093	0
	Plant and machinery	1,450	322
	Other fixtures and fittings, tools and equipment	937	77
	Leasehold improvements	5	96
		<u>26,485</u>	<u>495</u>
9	Investments		
	Other receivables	0	257
		<u>0</u>	<u>257</u>
	Total fixed assets	<u>27,052</u>	<u>1,886</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	5,721	1,765
	Finished goods and goods for resale	24,616	19,968
		<u>30,337</u>	<u>21,733</u>
	Receivables		
	Trade receivables	40,149	27,989
	Receivables from group entities	7,172	988
12	Deferred tax assets	916	9,251
	Other receivables	892	645
10	Prepayments	455	208
		<u>49,584</u>	<u>39,081</u>
	Securities and investments		
	Other securities and investments	30	0
		<u>30</u>	<u>0</u>
	Cash	2,694	2,849
	Total non-fixed assets	<u>82,645</u>	<u>63,663</u>
	TOTAL ASSETS	<u>109,697</u>	<u>65,549</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2019	2018
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	7,000	6,000
	Retained earnings	38,417	8,274
	Dividend proposed for the year	5,000	3,000
	Total equity	50,417	17,274
	Provisions		
	Other provisions	170	426
14	Total provisions	170	426
	Liabilities other than provisions		
13	Non-current liabilities other than provisions		
	Mortgage debt	13,777	0
	Other payables	1,415	0
		15,192	0
	Current liabilities other than provisions		
13	Current portion of long-term liabilities	1,043	0
	Trade payables	8,413	5,788
	Payables to group entities	20,981	33,748
	Income taxes payable	3,800	0
	Other payables	9,681	8,313
		43,918	47,849
	Total liabilities other than provisions	59,110	47,849
	TOTAL EQUITY AND LIABILITIES	109,697	65,549

- 1 Accounting policies
- 2 Special items
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Related parties
- 18 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 2018	6,000	6,827	6,000	18,827
18	Transfer, see "Appropriation of profit"	0	1,447	3,000	4,447
	Dividend distributed	0	0	-6,000	-6,000
	Equity at				
	1 January 2019	6,000	8,274	3,000	17,274
	Additions on merger	1,000	32,005	0	33,005
18	Transfer, see "Appropriation of profit"	0	-1,862	5,000	3,138
	Dividend distributed	0	0	-3,000	-3,000
	Equity at				
	31 December 2019	7,000	38,417	5,000	50,417

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Sika Danmark A/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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 is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

2 Special items

Special items comprise significant income and expense of a special nature relative to the Company's result.

As disclosed in the Management's review, the profit for the year is significantly affected by adjustment of income taxes in previous years. In the opinion of the Board of Directors this do not form part of the ordinary result.

Please refer to note 6 for specification of cost related to previous income years.

DKK'000	2019	2018
3 Staff costs		
Wages/salaries	44,264	33,478
Pensions	2,742	2,454
Other social security costs	677	408
	<u>47,683</u>	<u>36,340</u>
Average number of full-time employees	<u>71</u>	<u>52</u>
Remuneration to members of Management:		
Executive Board	3,399	3,709
Board of Directors	15	15
	<u>3,414</u>	<u>3,724</u>
4 Financial income		
Interest income, group entities	34	19
Other financial income	135	235
	<u>169</u>	<u>254</u>
5 Financial expenses		
Interest expenses, group entities	478	485
Other financial expenses	767	680
	<u>1,245</u>	<u>1,165</u>
6 Tax for the year		
Estimated tax charge for the year	3,123	0
Deferred tax adjustments in the year	522	1,084
Tax adjustments, prior years	7,686	0
	<u>11,331</u>	<u>1,084</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Intangible assets

DKK'000	Acquired intangible assets
Cost at 1 January 2019	2,835
Cost at 31 December 2019	2,835
Impairment losses and amortisation at 1 January 2019	1,701
Amortisation/depreciation in the year	567
Impairment losses and amortisation at 31 December 2019	2,268
Carrying amount at 31 December 2019	567

8 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 2019	0	1,112	20,387	426	21,925
Additions on merger	33,552	15,131	2,793	0	51,476
Additions in the year	0	894	467	0	1,361
Disposals in the year	0	-23	-437	0	-460
Cost at 31 December 2019	33,552	17,114	23,210	426	74,302
Impairment losses and depreciation at 1 January 2019	0	790	20,310	330	21,430
Accumulated impairment losses and depreciation of additions through merger	8,837	14,395	1,946	0	25,178
Depreciation in the year	622	502	317	91	1,532
Reversal of depreciation of disposals	0	-23	-300	0	-323
Impairment losses and depreciation at 31 December 2019	9,459	15,664	22,273	421	47,817
Carrying amount at 31 December 2019	24,093	1,450	937	5	26,485

9 Investments

DKK'000	Other receivables
Cost at 1 January 2019	257
Repayment in the year	-257
Carrying amount at 31 December 2019	0

10 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2019	2018
11 Share capital		
Analysis of the share capital:		
7 shares of DKK 1,000,000.00 nominal value each	7,000	6,000
	<u>7,000</u>	<u>6,000</u>

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

DKK'000	2019	2018	2017	2016	2015
Opening balance	6,000	6,000	6,000	6,000	6,000
Capital increase	1,000	0	0	0	0
	<u>7,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>

As a result of the merger with the former Skalflex A/S, the nominal share capital of Sika Danmark A/S increased by 1mdkk to will amount to DKK 7,000 thousand.

12 Deferred tax	
Deferred tax at 1 January	-9,251
Deferred tax at 1 January for merged companies	762
Adjusted due to result of transfer pricing audit for income years 2013-2016	7,051
Deferred tax adjustments in the year	522
Deferred tax at 31 December	<u>-916</u>

DKK'000	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	14,820	1,043	13,777	9,600
Other payables	1,415	0	1,415	0
	<u>16,235</u>	<u>1,043</u>	<u>15,192</u>	<u>9,600</u>

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

Financial statements 1 January - 31 December

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15 Contingent liabilities and other financial obligations

Other financial obligations

Other rent and lease liabilities:

DKK'000	2019	2018
Rent and lease liabilities	<u>10,948</u>	<u>10,597</u>

Rent and lease liabilities include a rent obligation totalling DKK 5.379 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 5.569 thousand, with remaining contract terms of 0-4 years.

16 Collateral

In addition to mortgage debt of DKK 14,821 thousand, the company holds land and property with an book value of DKK 24,093 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.

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17 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

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<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:

DKK'000	<u>2019</u>	<u>2018</u>
Sales of goods and services to group entities	2,241	17,435
Other operating income from group entities	8,749	10,212
Purchase of goods from group entities	92,618	105,584
Purchase of services from group entities	5,540	5,508
Financial income from group entities	34	19
Financial expenses to group entities	13,153	12,211
Receivables from group entities	7,172	988
Payables to group entities	20,981	33,748

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

DKK'000	<u>2019</u>	<u>2018</u>
18 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	5,000	3,000
Retained earnings/accumulated loss	-1,862	1,447
	<u>3,138</u>	<u>4,447</u>