

**Uponor A/S  
Kornmarksvej 21  
2605 Brøndby**

**Central Business Registration No  
66335518**

**Annual report 2021**

The Annual General Meeting adopted the annual report on 3 July 6, 2022

Chairman of the General Meeting

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Name: Jane Brønsgaard Pedersen

## Contents

	<b>Page</b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	4
Managements commentary	7
Accounting policies	10
Income statement for 2021	14
Balance sheet at 31.12.2021	15
Statement of changes in equity for 2021	17
Notes	18

## Entity details

### Entity

Uponor A/S  
Kornmarksvej 21  
2605 Brøndby

Central Business Registration No: 66335518

Registered in: Brøndby

Financial Year: 01.01.2021 - 31.12.2021

### Board of Directors

Markus Kristian Melkko, Chairman  
Anssi Ville Tapio Ruohio  
Reetta Elina Härkki

### Auditors

KPMG P/S  
Dampfærgevej 28  
2100 København Ø

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Uponor A/S for the financial year 01.01.2021 – 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and the results of its operations for the financial year 01.01.2021 – 31.12.2021.

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

## **Statement by Management on the annual report**

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

Jyderup, July 6, 2022

### **Executive Board**

Lars Nerup Rieck  
CEO

### **Board of Directors**

Markus Kristian Melkko  
Chairman

Anssi Ville Tapio Ruohio

Reetta Elina Härkki

## Independent auditors reports

### To the owner of Uponor A/S

#### Opinion

We have audited the financial statements of Uponor A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board 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.

## Independent auditors reports

### 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 skepticism 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.

## Independent auditors reports

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.

Copenhagen, July 6, 2022

**KPMG P/S**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Martin Eiler

statsautoriseret revisor

MNE-nr. mne32271

State Authorised Public Accountant

*MNE-nr. Mne32271*



## Management commentary

	2021	2020	2019	2018	2017
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Financial highlights</b>					
<b>Key figures</b>					
Gross profit	21.775	20.490	25.477	18.593	17.273
Operating profit/loss	3.726	3.193	7.946	2.685	2.537
Profit/loss from ordinary activities	-344	-291	-4.810	-52	-27
Profit/loss for the year	2.542	2.178	-10.173	1.841	1.872
Total assets	43.973	39.970	33.102	34.100	30.794
Investments in property, plant and equipment	33	186	65	0	17
Equity	2.318	-223	-2.401	9.272	7.432
<b>Ratios</b>					
Return on equity (%)	242,67	-	-	22,00	25,00
	5,27	-0,56	-7,25	27,20	24,10
<b>Ratios</b>					
	<b>Calculation formula</b>				
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$				

### Financial Highlights

Financial highlights are defined and calculated in accordance with “Recommendations and Ratios” issued by the Danish Society of Financial Analysts.

## Management commentary

### Primary activities

The primary activities consists of trade of integrated sustainable water and indoor climate solutions for the building and Construction sector. The products and solutions are primarily sold through distributors in Denmark.

### Development in activities and finances

Profit for the year amounted to DKK 2.542 thousand (2020: DKK 2.178 thousand) and the Equity amounted to DKK 2.318 thousand as of December 31, 2021 (2020: DKK -223 thousand). The result for the year follows the expectations.

The activity in the professional part of the Danish building sector showed a good growth in 2021. The market was generally positive.

The growth comes primarily from building construction and renovation.

The year 2020 has been another year of significant competition in the market. It has basically been a stable year in which Uponor has taken part in the overall growth of the market. In addition, the business has developed quite positive with new product areas, and the operating result is considered satisfactory.

### Outlook

Market activity and demand for Uponor A / S products are very difficult to predict for 2022, but are expected to be on a par with 2021, with the addition that we currently see a slight decline in construction activities.

It is expected that there will be an increase in revenue due to increased demand for our new solutions within prefab and focused market processing.

It is expected that the competition in 2022 will remain hard and the result is expected to be in the level of DKK 3 mill.

### Particular risks

The development can be strongly affected by the aftermath of the COVID19 crisis with lack of materials, rising prices and logistics problems. The crisis in Ukraine can also affect our business to an unprecedented degree, with uncertainty about the future.

In general, the increased level of costs in the construction industry and rising interest rates can have a negative effect on construction activity in new construction as the renovation area.

## **Management commentary**

### **Research and development activities**

Research and development activities are carried out in other companies in the Group. However, new products are continuously introduced and adjusted, and existing systems are extended and improved.

### **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.

## Accounting policies

### Reporting class

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

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

### Recognition and measurement

Assets are recognized 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 recognized 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.

### Foreign currency translation

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

## Accounting policies

### Income statement

#### Gross profit or loss

Gross profit or loss comprises commission on sale of manufactured goods, goods for resale and other external expenses.

#### Revenue

Provision from sale of manufactured goods and goods for resale is recognized in the income statement when delivery is made, and risk has passed to the buyer.

Provision is measured at fair value of the consideration fixed.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognized in current assets.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff.

#### Amortization, depreciation and impairment losses

Amortization, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortization, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

#### Other financial income

Other financial income comprises interest income.

#### Other financial expenses

Other financial expenses comprise interest expenses.

#### Income taxes

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

## Accounting policies

### Balance sheet

#### Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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	3-5 years
Leasehold improvements	5 years

For leasehold improvements the depreciation period cannot exceed the contract period.

Tangible fixed assets are written down to the recoverable amount if this is lower than the carrying amount. Scrap value is DKK 0.

#### Receivables

Receivables are measured at amortized cost, usually equaling nominal value less write-downs for bad and doubtful debts.

#### Deferred tax

Deferred tax is recognized 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 recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

#### Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress etc.

Other provisions are recognized and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

## **Accounting policies**

If goods are sold on approval, a provision is made for the mark-up on the goods estimated to be returned as well as any expenses related to the returns.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

### **Operating leases**

Lease payments on operating leases are recognized on a straight-line basis in the income statement over the term of the lease.

### **Other financial liabilities**

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

### **Income tax receivable or payable**

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

**Income statement for 2021**

	<u>Notes</u>	<u>2021 DKK '000</u>	<u>2020 DKK '000</u>
<b>Gross profit</b>		<b>21.775</b>	<b>20.490</b>
Staff costs	1	-18.018	-17.276
Amortization, depreciation and impairment losses	2	<u>-31</u>	<u>-21</u>
<b>Operating profit/loss</b>		<b>3.726</b>	<b>3.193</b>
Other financial income		5	6
Other financial expenses	3	<u>-349</u>	<u>-297</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>3.382</b>	<b>2.902</b>
Tax on profit/loss from ordinary activities	4	<u>-840</u>	<u>-724</u>
<b>Profit/loss for the year</b>	5	<u><b>2.542</b></u>	<u><b>2.178</b></u>



**Balance sheet pr. 31.12.2021**

	<u>Notes</u>	<u>2021 DKK '000</u>	<u>2020 DKK '000</u>
<b>Property, plant and equipment</b>	6	<u>233</u>	<u>231</u>
Deposits		<u>205</u>	<u>201</u>
<b>Fixed assets investments</b>	7	<u>205</u>	<u>201</u>
<b>Fixed assets</b>		<u>438</u>	<u>432</u>
Trade receivables		40.989	29.239
Receivables from group enterprises		1.611	9.496
Deferred tax	8	144	72
Other receivables		<u>791</u>	<u>731</u>
<b>Receivables</b>		<u>43.535</u>	<u>39.538</u>
<b>Current assets</b>		<u>43.535</u>	<u>39.538</u>
<b>Assets</b>		<u><u>43.973</u></u>	<u><u>39.970</u></u>

**Balance sheet pr. 31.12.2021**

	<u>Notes</u>	<u>2021</u> <u>DKK '000</u>	<u>2020</u> <u>DKK '000</u>
Contributed capital		500	500
Retained earnings		<u>1.818</u>	<u>-723</u>
<b>Equity</b>		<b><u>2.318</u></b>	<b><u>-223</u></b>
Trade payables		1.092	1.662
Payables to group enterprises		25.952	26.315
Income tax payable		912	653
Other payables		<u>13.699</u>	<u>11.563</u>
<b>Current liabilities other than provisions</b>		<b><u>41.655</u></b>	<b><u>40.193</u></b>
<b>Liabilities other than provisions</b>		<b><u>41.655</u></b>	<b><u>40.193</u></b>
<b>Equity and liabilities</b>		<b><u>43.973</u></b>	<b><u>39.970</u></b>
Unrecognized rental and lease commitments	9		
Contingent liabilities	10		
Related parties with control	11		
Consolidation	12		
Transactions with related parties	13		

**Statement of changes in equity for 2021**

	<b>Contributed capital DKK '000</b>	<b>Retained earnings DKK '000</b>	<b>Total DKK '000</b>
Equity beginning of year	500	-723	-223
Profit/loss for the year	0	2.541	2.541
<b>Equity end of year</b>	<b>500</b>	<b>1.818</b>	<b>2.318</b>

## Notes

	<b>2021</b>	<b>2020</b>
	<b><u>DKK '000</u></b>	<b><u>DKK '000</u></b>
<b>1. Staff costs</b>		
Wages and salaries	14.927	13.980
Pension costs	1.340	1.378
Other social security costs	143	121
Other staff costs	<u>1.608</u>	<u>1.797</u>
	<b><u>18.018</u></b>	<b><u>17.276</u></b>
Average number of full time employeed	<u>20</u>	<u>22</u>
In pursuance of Section 98B(3)no. 2 of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
	<b>2021</b>	<b>2020</b>
	<b><u>DKK '000</u></b>	<b><u>DKK '000</u></b>
<b>2. Amortization, depreciation amd impairment losses</b>		
Depreciation on property, plant and equipment	<u>31</u>	<u>21</u>
	<b><u>31</u></b>	<b><u>21</u></b>
	<b>2021</b>	<b>2020</b>
	<b><u>DKK '000</u></b>	<b><u>DKK '000</u></b>
<b>3. Other finanacial expenses</b>		
Financial expenses from group enterprises	304	234
Oter financial expenses	<u>45</u>	<u>63</u>
	<b><u>349</u></b>	<b><u>297</u></b>

## Notes

	<b>2021</b>	<b>2021</b>	
	<b>DKK '000</b>	<b>DKK '000</b>	
<b>4. Tax on profit/loss from ordinary activities</b>			
Current tax	912	653	
Change in deferred tax	- 72	72	
	<b>840</b>	<b>725</b>	
	<b>2021</b>	<b>2020</b>	
	<b>DKK '000</b>	<b>DKK '000</b>	
<b>5. Proposed distribution of profit/loss</b>			
Retained earnings	2.537	2.178	
	<b>2.537</b>	<b>2.178</b>	
	<b>Fixtures under development</b>	<b>Other fixtures and fittings, tools and equipment</b>	<b>Leasehold improve- ments</b>
<b>6. Property, plant and equipment</b>			
Cost beginning of year	102	507	715
Additions	33	0	0
Disposals	0	0	0
<b>Cost end of year</b>	<b>135</b>	<b>507</b>	<b>715</b>
Depreciation and impairment losses beginning of year	0	-507	-586
Depreciation for the year	0	0	-31
<b>Depreciation and impairment losses end of year</b>	<b>0</b>	<b>-507</b>	<b>-617</b>
<b>Carrying amount end of year</b>	<b>135</b>	<b>0</b>	<b>98</b>

## Notes

	<b>Deposits 2021 DKK '000</b>
<b>7. Fixed asset investments</b>	
Cost beginning of year	201
Additions	<u>4</u>
<b>Cost end of year</b>	<b><u>205</u></b>
<b>Carrying amount end of year</b>	<b><u>205</u></b>

	<b>2021 DKK '000</b>
<b>8. Deferred tax</b>	
Fixed assests	7
Other financial provisions	<u>137</u>
<b>Deferred tax end of year</b>	<b><u>144</u></b>

Deferred tax contains fixed assets and provisions. Deferred tax assets are recognized based on an expectation that the assets can be used in the coming years.

	<b>2021 DKK '000</b>	<b>2020 DKK '000</b>
<b>9. Unrecognized rental and lease commitments</b>		
Commitments under retal agreements or leases until expiry, less than a year	<u>554</u>	<u>870</u>
Commitments under retal agreements or leases until expiry, more than a year	<u>161</u>	<u>919</u>

## Notes

### 10. Contingent liabilities

The company is part of a Danish joint taxation with Uponor Infra A / S as a management company. Accordingly, the company is liable for income taxes, etc. pursuant to the Danish Companies Tax Code. for jointly taxed companies and also for any obligations to include withholding tax on interest, royalties and dividends for jointly taxed companies. The jointly known companies' total known net liabilities in joint taxation are stated in the management company's annual report.

The company is part in a pending case with the Danish tax authorities. The case is disputed by the company, but given the nature of the case and uncertainty associated with it, the claim was expensed and paid in 2019.

### 11. Related parties with control

Uponor Oyj wholly owns the shares of the Entity and has control over the Entity.

### 12. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest and the smallest group: Uponor Oyj, Äyritie 20, SF-01510 Vantaa, Finland.

Consolidated financial statement can be ordered at following address: Uponor Oyj, Äyritie 20, SF-01510 Vantaa, Finland

### 13. Transaction with related parties

	<b>2021</b>	<b>2020</b>
	<b><u>DKK '000</u></b>	<b><u>DKK '000</u></b>
Purchase of services	<b><u>4.068</u></b>	<b><u>4.614</u></b>
Purchase of goods	<b><u>93.804</u></b>	<b><u>79.316</u></b>
Sale of services	<b><u>1.139</u></b>	<b><u>966</u></b>
Sale of goods	<b><u>0</u></b>	<b><u>58</u></b>
Interests	<b><u>304</u></b>	<b><u>234</u></b>

Management's remuneration is considered based on market conditions.

The Group interests are disclosed in note 3, and Group balances in the balance sheet.

# PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

## Lars Nerup Rieck

Adm. direktør

On behalf of: Uponor A/S

Serial number: PID:9208-2002-2-788953854408

IP: 87.49.xxx.xxx

2022-07-06 12:32:47 UTC

NEM ID 

## REETTA ELINA HÄRKKI

Bestyrelsesmedlem

On behalf of: Uponor A/S

Serial number: fi\_tupas:nordea:v15RzFcrIKOx3trjvprwYQxJ-TUV8Qoq0J9\_hnjsqcg=

IP: 84.231.xxx.xxx

2022-07-06 12:36:51 UTC



## MARKUS KRISTIAN MELKKO

Bestyrelsesformand

On behalf of: Uponor A/S

Serial number:

fi\_tupas:nordea:n5zDIsktiViNEXToalPxocAbqovqM2br\_rPrAucY5Lk=

IP: 86.115.xxx.xxx

2022-07-06 12:56:09 UTC



## Anssi Ville Tapio Ruohio

Bestyrelsesmedlem

On behalf of: Uponor A/S

Serial number: ville.ruohio@uponor.com

IP: 176.72.xxx.xxx

2022-07-06 15:12:41 UTC

## Martin Melchior Eiler

Statsautoriseret revisor

On behalf of: KPMG Statsautoriseret Revisionspartners...

Serial number: PID:9208-2002-2-902500916234

IP: 213.237.xxx.xxx

2022-07-06 15:22:56 UTC

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## Jane Solveig Brønsgaard Pedersen

Dirigent

On behalf of: Uponor A/S

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