

ÅRSREDOVISNING

för

Teknos Butiker Holding AB

Org.nr. 556759-1481

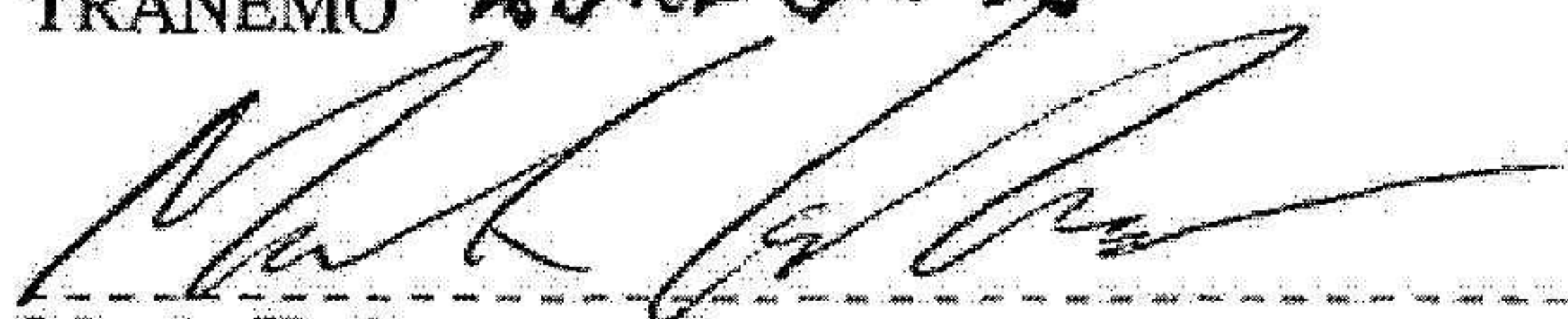
Styrelsen och verkställande direktören får härmed avlämna årsredovisning för räkenskapsåret 2021-01-01 - 2021-12-31

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Undertecknad styrelseledamot i Teknos Butiker Holding AB intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på årsstämma den 2022-04-08.
Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

TRANEMO

2022-04-08



Martin Karlsson

ÅRSREDOVISNING

för

Teknos Butiker Holding AB

Org.nr. 556759-1481

Styrelsen och verkställande direktören får härmed avlämna årsredovisning för räkenskapsåret 2021-01-01 - 2021-12-31

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Jag intygar att denna
kopia överensstämmer
med originalet


Sandra Linnvinge

Teknos Butiker Holding AB

Org.nr. 556759-1481

FÖRVALTNINGSBERÄTTELSE

Årsredovisningen är upprättad i KSEK.

Verksamheten

Bolaget agerar som holdingbolag till bolag som via butiker bedriver försäljning av färger och produkter för färgbranchen.

Bolaget äger andelar i följande bolag: Ljungdahls Tranemo Holding AB, Teknos Butiker AB samt KB Ljungdahls Färghus.

Företagets säte är Tranemo

Flerårsjämförelse*

	2021	2020	2019	2018	2017
Nettoomsättning	0	0	0		
Res. efter finansiella poster	7 070	5 600	5 948	6 999	-2
Soliditet (%)	100,00	100,00	100,00	100	100

*Definitioner av nyckeltal, se noter

Förändringar i eget kapital

	Aktiekapital	Övrigt bundet eget kapital	Balanserat resultat	Årets resultat	Summa fritt eget kapital
Belopp vid årets ingång	100	0	5 965	5 600	11 565
Resultatdisp. enl. beslut av årsstämma:			5 600	-5 600	0
Årets vinst				7 070	7 070
Belopp vid årets utgång	100	0	11 565	7 070	18 635

Resultatdisposition (kronor)

Förslag till disposition av bolagets vinst

Till årsstämmans förfogande står
balanserad vinst

11 565 433

årets vinst

7 069 747

18 635 180

Styrelsen föreslår att
i ny räkning överföres

18 635 180

18 635 180

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande
resultat- och balansräkningar med tillhörande noter.

2022042714005

Teknos Butiker Holding AB

Org.nr. 556759-1481

RESULTATRÄKNING

	Not	2021-01-01 2021-12-31	2020-01-01 2020-12-31
Rörelsens intäkter m.m.			
Rörelsens kostnader			
Övriga externa kostnader		<u>-4</u>	<u>-2</u>
		-4	-2
Rörelseresultat		-4	-2
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	2	7 074	5 600
Övriga ränteintäkter och liknande resultatposter		<u>0</u>	<u>2</u>
		7 074	5 602
Resultat efter finansiella poster		7 070	5 600
Årets resultat		<u>7 070</u>	<u>5 600</u>

2022042714006

BALANSRÄKNING

TILLGÅNGAR

Not

2021-12-31

2020-12-31

Anläggningstillgångar

Finansiella anläggningstillgångar
Andelar i koncernföretag

3

171

171

171

171

Summa anläggningstillgångar

171

171

Omsättningstillgångar

Kortfristiga fordringar
Fordringar hos koncernföretag

4

18 564

18 564

11 494

11 494

Summa omsättningstillgångar

18 564

11 494

SUMMA TILLGÅNGAR

18 735

11 665

2022042714007

BALANSRÄKNING

Not

2021-12-31

2020-12-31

EGET KAPITAL OCH SKULDER

Eget kapital

Bundet eget kapital

Aktiekapital

100
100

100
100

Fritt eget kapital

Balanserat resultat

Årets resultat

11 565
7 070
18 635

5 965
5 600
11 565

Summa eget kapital

18 735

11 665

SUMMA EGET KAPITAL OCH SKULDER

18 735

11 665

2022042714008

Teknos Butiker Holding AB

Org.nr. 556759-1481

NOTER

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd (BFNAR 2016:10) om årsredovisning i mindre företag

Principerna är oförändrade jämfört med föregående år.

UPPLYSNINGAR TILL ENSKILDA POSTER

Not 2 Resultat från andelar i koncernföretag

2021

2020

Utdelning

7 074

5 600

7 074

5 600

Not 3 Andelar i koncernföretag

2021-12-31

2020-12-31

Företag

Antal/Kap.

Organisationsnummer

Säte

andel %

Teknos Butiker AB

1 000

556759-8908

Tranemo

100,00%

Ljungdahls Tranemo Holding AB

700

556863-1781

Tranemo

70,00%

KB Ljungdahls Färghus

1

969701-8001

Tranemo

0,00%

Uppgifter om eget kapital och resultat

Eget kapital

Resultat

Teknos Butiker AB

6 780

3 087

Ljungdahls Tranemo Holding AB

31 087

10 101

KB Ljungdahls Färghus

6 915

437

Not 4 Fordringar hos koncernföretag

2021-12-31

2020-12-31

Bolaget ingår sedan 2017 i koncernens caspool. Av fordringarna hos koncernföretag utgör hela beloppet 18 564 KSEK banktillgodohavanden

Not 5 Ställda säkerheter

2021-12-31

2020-12-31

Ställda panter och säkerheter

Inga

Inga

Not 6 Koncernförhållanden

Bolaget ägs till 100% av Teknos Group Oy (org nr 2210042-4) med säte i Helsingfors, Finland. Bolaget är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning. Övergripande koncernredovisning upprättas av Teknos Group OY (org nr 2210042-4) med säte i Helsingfors, Finland

Not 7 Definition av nyckeltal

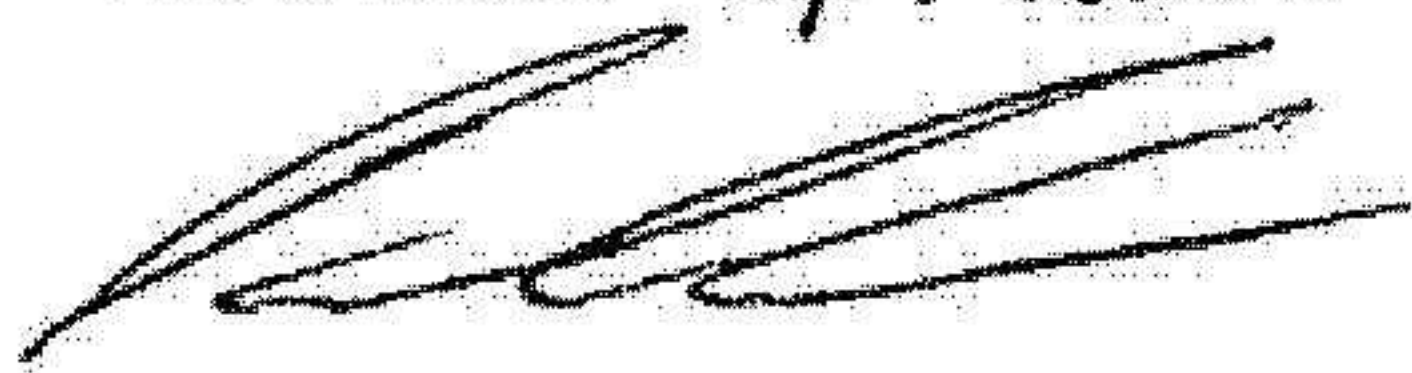
Soliditet

Justerat eget kapital i procent av balansomsättning

2022042714009

NOTER

TRANEMO 5/4-2022



Paula Selastie
Verkställande direktör



Martin Karlsson
Styrelseledamot

Vår revisionsberättelse har lämnats den 6/4-22



Thomas Bohlin
Auktoriserad revisor

2022042714010

Revisionsberättelse

Till bolagsstämman i Teknos Butiker Holding AB, org. nr 556759-1481

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Teknos Butiker Holding AB för år 2021.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Teknos Butiker Holding ABs finansiella ställning per den 31 december 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Teknos Butiker Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Jag intygar att denna
kopra överensstämmer
med originalet

[Signature]
Sandra Linninge (2)

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Teknos Butiker Holding AB för år 2021 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Teknos Butiker Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets

organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda

ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelse skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Borås den 6 april 2022

KPMG AB



Thomas Bohlin

Auktoriserad revisor

Teknos Group Oy
Takkatie 3
00371 Helsinki
2210042-4

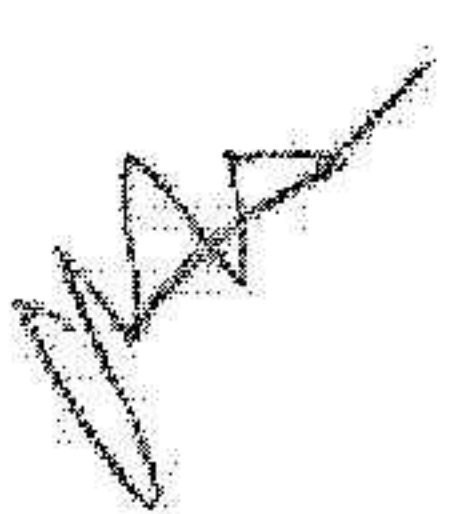
Teknos Group Oy

Financial Statements

1 January – 31 December 2021

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Unofficial translation of the Finnish original



Group structure and important events

Teknos is a Group engaged in the paints business and its parent company is Teknos Group Oy.

Teknos has production facilities in following locations:

- Pitäjämäki, Helsinki and Rajamäki, Nurmijärvi in Finland
- Varndrup, southern Jutland, Denmark
- Tranemo and Vedevåg in Sweden
- Fulda, Alzenau and Brüggen in Germany
- Gdynia, Poland
- Shanghai, China
- Charlotte, USA
- Malaysia (Johor Bahru)
- Benden, Liechtenstein
- St. Petersburg, Russia
- Additionally Teknos has 40 % minority share from a paint factory in China

In addition, the Group has sales companies in England, Netherlands, Norway, Northern Ireland, Slovenia, Ukraine, Estonia, Latvia, Lithuania, India, Czech Republic, Croatia and Switzerland.

Financial performance

Teknos' key figures are as follows:

	<u>Group</u>		
	2021	2020	2019
Net sales (MEUR)	419,2	383,6	398,4
Operating profit (MEUR)	9,7	18,6	10,6
Operating profit (%)	2,3 %	4,9 %	2,7 %
Return on equity (%)	4,1 %	5,6 %	3,7 %
Return on capital employed (%)	5,1 %	7,8 %	4,3 %
Equity ratio (%)	39,1 %	45,1 %	41,7 %

	<u>Parent Company</u>		
	2021	2020	2019
Net sales (MEUR)	20,2	16,5	16,5
Operating profit (MEUR)	-1,2	-1,8	-1,9
Operating profit (%)	-6,0 %	-10,8 %	-11,8 %
Return on equity (%)	-0,5 %	-1,7 %	-1,3 %
Equity ratio (%)	50,9 %	51,2 %	47,6 %

During 2021 the integration of companies acquired earlier continued and the group's operations were further improved to support strategic growth targets. Teknos' strategy focuses on customer experience management, sustainability, profitable growth, continuous improvement of processes, and innovations.

Teknos Group publishes a separate Non-Financial Statement according to the requirements of the the Directive 2014/95/EU of the European Commission.

The scope of the reporting includes all entities under Teknos Group.

In June 2021 Teknos Group renewed its credit facility with financial institutions.

The new credit facility amounts to 140 million euros and is linked to the Group's sustainability targets.

The credit facility consists of 55 million term loan and 85 million as a revolving credit facility.

The maturity of the credit facility is three years, plus two one year extension options.

With the renewed long term funding in place the Group's financial situation is stable.

Future outlook

The general market situation in 2022 is uncertain due to the geopolitical situation and the continuing impacts from Covid-19. Teknos expects some growth and the forecast is that net sales will increase from 2021 excluding Russia and Ukraine.

The raw material prices are estimated to increase during 2022, which is expected to have negative impact on profitability.

3

Risk management

Raw material price increases are expected to continue during 2022 and maintaining profitability with the current raw material market is challenging and it is possible that Teknos Group can not fully offset cost inflation by increasing its sales prices. Supply chain lead times have improved comparing to prior year but some specific raw material shortages and availability problems still occur. Geopolitical crisis and uncertain situations have a tendency to increase oil, gas and energy prices which will at some point have some impact to raw materials and logistic prices. In addition, the recent general acceleration in inflation and the associated cost pressures may affect profitability. Teknos manages risks related to raw materials by category management (for example alternative raw materials), developing product formulas and improving supplier management.

The impacts of the coronavirus pandemic varied between market areas in Teknos Group.

The Board of Directors of Teknos Group Oy monitors the development of the pandemic and its impacts to the Group's markets, product demand, employees and operations. The possible effects to the supply chain and even for production are monitored closely and continuously. The precautions implemented in 2021 will be continued until the pandemic situation allows returning to normal operations.

For comments on the geopolitical uncertainty due to Russia's invasion on Ukraine, imposed sanctions and possible future sanctions and counter sanctions and their possible impacts on Teknos Group's Russian business and assets, please see section 'Events after the balance sheet date'.

Interest rate movements expose the Group to changes in net interest expenses and values of receivables, liabilities and derivatives. The goal of the interest rate risk management is to decrease the effect of interest rate fluctuations on the profit and loss statement, balance sheet and cash flow. The loans with floating interest rate expose the Group to cash flow risk, which is balanced by loans with fixed interest rate. Teknos has hedged against interest rate risks with interest rate swaps, unrealised changes in value of which have not been booked, but are disclosed in the notes to the financial statements. The nominal value of interest rate swaps was for Teknos Group Oy and Teknos Oy 19,3 (19,3) million euros in total.

Foreign exchange ("FX") risk is defined as the uncertainty of the value in Teknos' cash flows, assets, liabilities, and/or in the profitability caused by changes in foreign exchange rates. Teknos hedges FX transaction exposure which consists from internal loans and internal receivables/liabilities in the cash pool except for the FX exposures where hedging cost is on an unreasonably high level.

In China there is ongoing arbitration case related to exit from the joint venture Manfield Teknos Chemical Co. Ltd. which may result financial sanctions to Teknos Group.

Research and development

The Group's research and development is centralized in production facilities.

Other manufacturing units running small-scale further product development in support of production.

R&D key figures

	2021	2020	2019
Average R&D personnel	251	244	248
R&D expenditure (EUR 1 000)	15 012	14 599	15 356
R&D expenditure as % of net sales	3,6 %	3,8 %	3,9 %

Personnel

	2021	2020	2019
Average personnel	1 807	1 776	1 812
Wages and salaries (1 000 EUR)	83 879	80 012	78 055

Environment

Teknos constantly develops the processes to be more efficient according to Kaizen methods. Efficiency means to Teknos also reducing the environmental impact. We monitor the development through our operative key performance indicators, which include targets for reducing waste, recycling, energy consumption and transportation. Teknos works constantly on understanding better its overall environmental footprint. For Teknos this means also cooperation and dialogue with partners and stakeholders in order to improve the knowhow and operations together. Subsidiaries in Finland, Denmark, Sweden, Liechtenstein, China and Russia apply an ISO 14001 environmental management system.

Administration

Teknos Group Oy's share capital comprises of 300.000 shares with identical rights.

The board members have been Paula Salastie, Petri Kiikka, Juha Mörö (chairman of the board) and Manu Skyttä.

The CEO of Teknos Group Oy has been Paula Salastie.

KPMG Oy Ab, an audit company, acted as the company's auditor, with Tero Hämäläinen, Authorised Public Accountant, as the chief auditor.

Capital loan

Teknos Oy paid back 16.000.000 EUR capital loan during 2021.

Board's dividend proposal

Parent company's non-restricted equity is EUR 123 931 848,38, of which profit for the period is EUR 7 984 337,94.

The Board of Directors proposes that of the non-restricted equity

- dividend of EUR 8,67 / share is paid, in total	2 600 000,00
- an amount is retained to equity and carried forward	121 331 848,38

The company's liquidity is sufficient and the proposed dividends to be paid will not, in Board's view, pose any liquidity risk.

Events after the balance sheet date

On 24 February 2022, Russia started a widespread invasion into Ukraine. As a consequence, the geopolitical uncertainty including imposed sanctions, possible future sanctions and counter sanctions could have a significant impact to Teknos Group's operations in Russia.

Sanctions target a large number of individuals and banks, as well as trading in general which impacts operations in Russia.

Teknos suspend deliveries and all our operations in Russia, Belarus and Ukraine until further notice, what will have direct and indirect impact on local customers as well as on Teknos globally. Teknos has receivables from these countries and these receivables involve a significant risk of credit losses. Operations in Ukraine has been suspended and assets 1,5 million euros have been written down due to the events after the balance sheet date. The write-offs do not breach company's loan covenant terms as at 31.12.2021.

Risk position related to Russia:

The value of assets in Group accounts amounted 25,9 million euros in 31.12.2021.

The value of shares and receivables in the parent company of Teknos Russia subgroup amounted 19,7 million euros. Teknos Oy has accounts receivables of 8,6 million euros from the Teknos Russia.

Teknos Oy has also 0,5 million of external account receivables from Belarus.

Given the uncertainty and risk arising from geopolitical situation, including imposed sanctions, there could be impact to the book value of assets in Russia and fulfilment of the loan covenant terms.

The value of Russian ruble has declined significantly from the value on the balance sheet date of 31 December 2021.

If this continues, it will have a negative effect to Teknos Group's earnings, assets and liabilities.

Company follows the situation actively to ensure compliance with applicable regulations and laws, including sanctions.

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CONSOLIDATED INCOME STATEMENT

5

1 000 EUR	Note	1.1.-31.12.2021	1.1.-31.12.2020
Net sales	1	419 232	383 623
Change in finished goods stock		10 184	-4 968
Other operating income	2	2 687	3 201
Materials and services	3	-229 382	-188 575
Personnel expenses	4	-102 173	-96 328
Depreciation and amortization	5	-16 352	-16 150
Other operating expenses	6	-74 168	-62 024
Share of associates companies' profit/loss		-322	-173
Operating profit		9 705	18 606
Financial income and expenses	8	553	-6 778
Profit before taxes		10 259	11 829
Income taxes	9	-4 942	-4 252
Minority interest		-325	-351
Profit for the financial year		4 992	7 226

CONSOLIDATED BALANCE SHEET

6

ASSETS, 1 000 EUR	Note	31/12/2021	31/12/2020
Non-current assets			
Intangible assets		18 754	19 421
Tangible assets		115 883	116 947
Investments		19 428	33 334
Non-current assets total	10	154 065	169 702
Current assets			
Inventories	11	90 377	65 625
Long-term receivables	12	213	161
Short-term receivables	13	3 736	50 797
Deferred tax assets	14	61 175	3 476
Cash and bank		8 037	11 691
Current assets total		163 538	131 750
ASSETS TOTAL		317 602	301 452
EQUITY AND LIABILITIES, 1 000 EUR	Note	31/12/2021	31/12/2020
Shareholders' equity			
Share capital		8 700	8 700
Retained earnings		109 464	102 999
Profit for the financial year		4 992	7 226
Capital loan		0	16 000
Shareholders' equity total	15	123 156	134 925
Minority interest		946	959
Provisions	16	4 927	5 481
Liabilities			
Long-term liabilities	17	68 719	52 962
Short-term liabilities	13	7 448	99 730
Deferred tax liabilities	18	112 408	7 395
Liabilities total		188 574	160 087
EQUITY AND LIABILITIES TOTAL		317 602	301 452

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CONSOLIDATED CASH FLOW STATEMENT

7

1 000 EUR	1.1.-31.12.2021	1.1.-31.12.2020
Cash flow from operating activities		
Profit before extraordinary items	10 259	11 829
Adjustments:		
Depreciation and amortization	16 352	16 150
Financial income and expenses	-4 438	6 777
Other adjustments	438	953
Cash flow before change in working capital	22 611	35 709
Change in working capital	-20 356	9 297
Cash flow before financial items and taxes	2 255	45 006
Received interests	2 509	971
Paid interests and other financial expenses	-4 059	-4 437
Paid income taxes	-6 616	-4 389
Cash flow from operating activities	-5 911	37 151
Cash flow from investing activities		
Capital expenditure	-12 727	-8 177
Proceeds from sales of fixed assets	166	45
Withdrawal form from capitalisation agreement	16 000	0
Net taxable gain from other investments	2 346	0
Dividends from associated companies	44	13
Cash flow from investing activities	5 830	-8 119
Cash flow from financing activities		
Raise and repayment of short-term debt	1 509	-17 827
Raise of long-term debt	21 000	0
Capital loan	-16 000	0
Repayment of long-term debt	-7 197	-6 065
Dividends paid	-2 600	-2 400
Dividends paid to minority shareholders of subsidiaries	-285	-243
Cash flow from financing activities	-3 573	-26 535
Change in cash and bank	-3 654	2 498
Cash and bank January 1	11 691	9 193
Cash and bank December 31	8 037	11 691
Change in working capital		
Change in receivables	-8 889	4 758
Change in inventories	-25 473	4 946
Change in payables	14 007	-407
Change in working capital total	-20 356	9 297

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PARENT COMPANY INCOME STATEMENT

8

EUR	Note	1.1.-31.12.2021	1.1.-31.12.2020
Net sales	1	20 237 260,39	16 518 611,80
Personnel expenses	2	-7 084 443,05	-6 027 476,92
Depreciation and amortization	3	-781 044,99	-796 872,54
Other operating expenses	4	-13 577 953,34	-11 479 814,68
Operating profit		-1 206 180,99	-1 785 552,34
Financial income and expenses	5	2 468 688,05	2 171 544,20
Profit before appropriations and taxes		1 262 507,06	385 991,86
Group contribution		8 650 000,00	14 600 000,00
Income taxes	6	-1 928 169,12	-2 405 747,90
Profit for the financial year		7 984 337,94	12 580 243,96

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PARENT COMPANY BALANCE SHEET

9

ASSETS, EUR	Note	31/12/2021	31/12/2020
Non-current assets			
Intangible assets		8 066 166,01	7 104 189,37
Tangible assets		144 684,96	137 848,15
Investments		139 984 161,30	135 637 711,42
Non-current assets total	7	148 195 012,27	142 879 748,94
Current assets			
Long-term receivables	8	63 082 059,22	63 570 631,58
Short-term receivables	8	47 838 334,59	39 608 518,87
Cash and bank		1 564 658,59	1 910 973,58
Current assets total		112 485 052,40	105 090 124,03
ASSETS TOTAL		260 680 064,67	247 969 872,97
EQUITY AND LIABILITIES, EUR			
Shareholders' equity			
Share capital		8 700 000,00	8 700 000,00
Retained earnings		115 947 510,44	105 563 311,91
Profit for the financial year		7 984 337,94	12 580 243,96
Shareholders' equity total	9	132 631 848,38	126 843 555,87
Liabilities			
Long-term liabilities	10	64 677 883,23	47 449 561,70
Short-term liabilities	11	63 370 333,06	73 676 755,40
Liabilities total		128 048 216,29	121 126 317,10
EQUITY AND LIABILITIES TOTAL		260 680 064,67	247 969 872,97

PARENT COMPANY CASH FLOW STATEMENT

10

EUR	1.1.-31.12.2021	1.1.-31.12.2020
Cash flow from operating activities		
Profit before extraordinary items	1 262 507,06	385 991,86
Adjustments:		
Depreciation and amortization	781 044,99	796 872,54
Unrealized currency gains and losses	-505 127,31	91 388,29
Financial income and expenses	-3 906 056,05	-2 262 932,49
Other adjustments	-403 954,57	-270 000,00
Cash flow before change in working capital	-2 771 585,88	-1 258 679,80
Change in working capital	-22 580 420,72	7 804 567,56
Cash flow before financial items and taxes	-25 352 006,60	6 545 887,76
Paid interests and other financial expenses	-2 384 013,73	-2 529 892,09
Received interests	1 315 700,36	1 138 016,00
Paid income taxes	-2 462 380,88	-1 776 780,24
Cash flow from operating activities	-28 882 700,85	3 377 231,43
Cash flow from investing activities		
Capital expenditure	-1 991 338,08	-2 557 514,48
Subsidiary investments	-20 000 000,00	0,00
Net taxable gain from other investments	2 346 449,88	0,00
Withdrawal from capitalisation agreement	16 000 000,00	0,00
Loans given to subsidiaries	-11 554 828,66	-9 460 344,48
Loan repayments received from subsidiaries	22 493 622,58	5 684 731,38
Dividends from subsidiaries	2 689 473,40	2 688 135,91
Cash flow from investing activities	9 983 379,12	-3 644 991,67
Cash flow from financing activities		
Raise of long-term debt	21 000 000,00	0,00
Repayment of long-term debt	-4 000 000,00	-4 000 000,00
Raise and repayment of short-term debt	1 508 962,84	-17 827 405,15
Change of cash pool liability	-11 955 956,10	13 769 250,75
Dividends paid	-2 600 000,00	-2 400 000,00
Group contribution received	14 600 000,00	11 800 000,00
Cash flow from financing activities	18 553 006,74	1 341 845,60
Change in cash and bank	-346 314,99	1 074 085,36
Cash and bank January 1	1 910 973,58	836 888,22
Cash and bank December 31	1 564 658,59	1 910 973,58
Change in working capital		
Change in receivables	348 956,86	-863 447,59
*) Change in receivables from group companies	-24 106 234,98	8 521 462,20
Change in payables to group companies	112 780,78	-380 608,27
Change in long-term payables	228 321,53	449 561,70
Change in short-term payables	835 755,09	77 599,52
Change in working capital total	-22 580 420,72	7 804 567,56
*) Includes change in cash pool -like item	-19 014 881,36	6 715 039,17

Consolidation principles

The consolidated accounts include all group companies, and the inter-company ownership has been eliminated by using the acquisition method. The excess of purchase price compared to acquired net assets have been allocated to assets or treated as Group goodwill. Allocations are depreciated according to plan.

All inter-company transactions, receivables, liabilities and unrealized profits, as well as distribution of profits within the Group have been eliminated in the consolidated financial statements.

Minority interest from equity and result for the year are disclosed separately.

The income statements of foreign subsidiaries, whose functional currency is not the euro, are translated into euros based on the average exchange rate of the accounting period. Items on the balance sheet are translated into euros at the closing date exchange rate. Exchange rate differences arising from net investments in non-euro currency subsidiaries, as well as the exchange rate differences resulting from translating income and expenses at the average rates and assets and liabilities at the closing rate, are recorded in translation differences under equity.

Foreign currency transactions and translations

Foreign currency receivables and payables are stated using the exchange rate quoted by the European Central Bank on the balance sheet date. Any exchange rate differences due to accounts receivable are booked in net sales and those due to accounts payable in materials and services. Exchange rate differences due to other receivables and payables are booked in exchange rate differences under financial items.

Inventories

Inventories are stated at cost, or net realisable value if it is lower on the balance sheet date. In addition to variable costs, fixed costs related to production, purchases, and materials and supplies are capitalised to the value of finished goods. The average cost method is used in accounting for inventories; some Group companies use the FIFO method. There is no significant impact on the outcome between methods.

Fixed assets

Fixed assets are valued at acquisition cost and depreciated on a straight-line basis over the asset's useful life time, which are as follows (years):

- Intangible rights and Other long-term expenditure	3-10
- Group goodwill	5-10
- Goodwill	5-10
- Buildings	10-40
- Machinery and equipment and other tangible assets	3-20

Pension costs are expensed in accordance with the national practice in each country.

Income taxes

Income tax expense shown in the income statement includes estimated tax corresponding to Group companies' results, adjustments for previous financial years' tax and change in deferred tax liabilities.

Deferred tax liabilities are calculated on accumulated depreciation differences and untaxed reserves. Deferred tax assets are calculated on tax losses, if it is probable that the tax assets can be used. Deferred tax assets or liabilities are also calculated on other timing differences between bookkeeping and taxation, using the valid tax rate.

Derivatives

Teknos has hedged against interest rate risks with interest rate swaps, unrealised changes in value of which have not been booked, but are disclosed in the notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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1. Net sales

Net sales of paint products is divided to geographical segments as follows:

1 000 000 EUR	1.1.- 31.12.2021	1.1.- 31.12.2020
Finland	90	88
Other countries	329	296
Net sales total	419	384

2. Other operating income

1 000 EUR	1.1.- 31.12.2021	1.1.- 31.12.2020
Gain from sale of fixed assets	136	102
Rent income	562	523
Other income	1 988	2 576
Other operating income total	2 687	3 201

3. Materials and services

1 000 EUR	1.1.- 31.12.2021	1.1.- 31.12.2020
Raw materials and consumables		
Purchases during financial year	242 197	185 510
Change in raw material stocks and work in process	-14 587	-22
External services	1 752	3 087
Materials and services total	229 382	188 575

4. Personnel expenses

1 000 EUR	1.1.- 31.12.2021	1.1.- 31.12.2020
Wages and salaries		
Managing directors	1 765	1 600
Board members	96	96
Others	82 018	78 316
Pension expenses	8 297	7 763
Other social security expenses	9 997	8 552
Personnel expenses total	102 173	96 328
Average number of personnel		
White collar	1 207	1 221
Blue collar	600	556
Average number of personnel total	1 807	1 776

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5. Depreciation and amortization

1 000 EUR	1.1.- 31.12.2021	1.1.- 31.12.2020
Depreciation according to plan		
Group goodwill	1 115	1 494
Goodwill	701	763
Intangible rights	865	896
Other long-term expenditure	731	552
Buildings	3 542	3 656
Machinery and equipment	8 583	7 904
Other tangible assets	815	885
Depreciation and amortization total	16 362	16 150

6. Other operating expenses

1 000 EUR	1.1.- 31.12.2021	1.1.- 31.12.2020
Loss from sale of fixed assets	0	53
Sales and marketing expenses	23 224	22 976
Production and R&D expenses	17 524	17 138
Other expenses	33 418	21 857
Other operating expenses total	74 167	62 024

7. Auditors' fees

1 000 EUR	1.1.- 31.12.2021	1.1.- 31.12.2020
Audit	278	251
Tax services	63	45
Other services	68	31
Auditors' fees total	410	328

8. Financial income and expenses

1 000 EUR	1.1.- 31.12.2021	1.1.- 31.12.2020
Interests and other financial income	2 213	197
Interests and other financial expenses	-2 742	-2 915
Foreign exchange gains and losses	1 082	-4 059
Financial income and expenses total	553	-6 778

9. Income taxes

1 000 EUR	1.1.- 31.12.2021	1.1.- 31.12.2020
Income taxes from the current financial year	4 896	5 611
Income taxes from prior years	139	-152
Change in deferred taxes	-94	-1 207
Income taxes total	4 942	4 252

10. Non-current assets

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Intangible assets

1 000 EUR	Group goodwill	Goodwill	Intangible rights	Other long-term expenditure	Advance payments and construction in process	Intangible assets total
Acquisition cost Jan 1	26 881	16 817	13 053	6 919	4 098	67 768
Translation differences	278	14	23	220	8	544
Additions	0	0	1 803	836	0	2 640
Disposals	0	0	-297	-79		-376
Transfers			-669	0	669	0
Acquisition cost Dec 31	27 159	16 831	13 913	7 897	4 776	70 575
Accum. depreciation Jan 1	20 239	14 564	9 235	4 308	0	48 346
Translation differences	278	-36	22	161		425
Depreciation of disposals			-297	-65		-363
Depreciation for the period	1 115	701	865	731		3 413
Accum. depreciation Dec 31	21 632	15 229	9 824	5 136	0	51 821
Book value 31.12.2021	5 527	1 602	4 088	2 761	4 775	18 754
Book value 31.12.2020	6 642	2 253	3 818	2 610	4 098	19 421

Tangible assets

1 000 EUR	Land and water	Buildings	Machinery and equipment	Other tangible assets	Advance payments and construction in process	Tangible assets total
Acquisition cost Jan 1	7 816	129 695	130 194	4 488	1 965	274 158
Translation differences	108	2 630	1 903	221	44	4 907
Additions	0	631	5 427	789	2 928	9 774
Disposals	0	-338	-2 668	-93	-273	-2 891
Transfers	0	308	1 193	107	-1 608	0
Acquisition cost Dec 31	7 924	132 926	136 049	5 513	3 055	285 467
Accum. depreciation Jan 1	14	61 800	93 453	1 944	0	157 211
Translation differences	1	1 078	1 179	188		2 435
Depreciation of disposals	0	-251	-2 531	-229		-2 530
Depreciation for the period	9	3 542	8 583	806		12 694
Accum. depreciation Dec 31	24	66 168	100 684	2 709	0	169 585
Book value 31.12.2021	7 900	66 758	35 365	2 804	3 055	115 882
Book value 31.12.2020	7 802	67 896	36 741	2 544	1 965	116 947

Investments

1 000 EUR	Shares in associated companies	Other shares and holdings	Other receivables *)	Investments total
Acquisition cost Jan 1	1 288	45	32 000	33 333
Translation differences	27		0	27
Lisäys	0	0	2 346	2 346
Disposals	-278	0	-16 000	-16 278
Acquisition cost Dec 31	1 037	45	18 346	19 428
Book value 31.12.2021	1 037	45	18 346	19 428
Book value 31.12.2020	1 288	45	32 000	33 333

*) See Parent company note 7

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11. Inventories

1 000 EUR	31/12/2021	31/12/2020
Raw materials and consumables	39 393	24 826
Work in process	2 866	1 893
Finished goods	48 117	38 907
Inventories total	90 377	65 625

12. Long-term receivables

1 000 EUR	31/12/2021	31/12/2020
Accounts receivable	112	126
Other receivables	14	14
Prepaid expenses and accrued income		
Other prepaid expenses	87	22
Long-term receivables total	213	161

13. Deferred tax assets and liabilities

1 000 EUR	31/12/2021	31/12/2020
Deferred tax asset		
Tax losses carried forward	2 613	2 350
Provisions	412	178
Other temporary differences	398	568
Consolidation		
Inventories	312	380
Deferred tax assets total	3 736	3 476

Deferred tax liabilities

Property, plant and equipment	6 850	7 054
Untaxed reserves	47	48
Other temporary differences	551	292
Deferred tax liabilities total	7 448	7 395

Net deferred tax assets and liabilities	-3 712	-3 919
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14. Short-term receivables

1 000 EUR	31/12/2021	31/12/2020
Accounts receivable	53 367	44 817
Loans receivable	4	5
Other receivables	2 532	1 945
Prepaid expenses and accrued income		
Accrued income	27	93
Current income tax receivable	917	394
Prepaid materials and services	942	730
Other prepaid expenses	3 387	2 814
Short-term receivables total	61 175	50 797

15. Shareholders' equity

16

1 000 EUR	31/12/2021	31/12/2020
Share capital January 1	8 700	8 700
Share capital January 31	8 700	8 700
Retained earnings January 1	110 224	108 909
Dividends	-2 600	-2 400
Interest on capital loan	-480	-720
Corrections booked to retained earnings	404	0
Translation differences	1 976	-2 790
Retained earnings December 31	109 524	102 999
Profit for the financial year	4 992	7 226
Capital loan January 1	16 000	16 000
Payment during the year	-16 000	0
Capital loan December 31	0	16 000
Shareholders' equity total	123 155	134 925

The correction booked to retained earnings in 2021 is due to net gain from the capitalization agreement.

16. Provisions

1 000 EUR	31/12/2021	31/12/2020
Pension provisions	1 462	1 786
Other provisions	3 465	3 695
Provisions total	4 927	5 481

17. Long-term liabilities

1 000 EUR	31/12/2021	31/12/2020
Loans from financial institutions	52 716	37 307 *)
Bonds	15 000	15 000
Accrued expenses and deferred revenue		
Other accrued expenses	1 003	655
Long-term liabilities total	68 719	52 962

*) Due after five years or later TEUR 755 (2020: TEUR 1 020)

Teknos Group has loan covenants in the financing agreement, which are reported to creditors each quarter. The group has met all requirements set in the financial covenants, which are mainly linked to gearing.

18. Short-term liabilities

17

1 000 EUR	31/12/2021	31/12/2020
Loans from financial institutions	36 783	36 933
Advances received	83	116
Accounts payable	45 658	31 766
Other liabilities	10 459	11 156
Accrued expenses and deferred revenue		
Personnel expenses	12 940	13 094
Financial expenses	813	842
Annual rebate expenses	505	967
Current income tax payable	858	1 916
Other accrued expenses	4 307	2 938
Short-term liabilities total	112 408	99 730

19. Commitments and contingencies

1 000 EUR	31/12/2021	31/12/2020
Collateral for own loans		
Loans from financial institutions	2 083	2 349
Property under mortgages	9 523	10 095
Assets pledged	841	841
Collateral for other own commitments		
Loans from financial institutions	2 791	2 844
Property under mortgages	4 912	5 237
Assets pledged	90	90
Company name as guarantee	15 280	8 307
Leasing contracts		
Payments due next financial year	3 326	4 410
Payments due later	9 721	6 297

Other commitments

Teknos Oy is liable to review the VAT deducted from it's real estate investments completed in 2013-2021 in case the usage of the property changes in relation to the original purpose. Maximum liability is EUR 1 205 620,86 and Last review year is 2030.

The land areas rented by Teknos Oy are agreed to be restored at the end of the rental period.

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Interest swaps

Underlying asset: Syndicated loan agreement 15.6.2018–15.3.2022

Interest 3 month euribor

Derivative: Interest swap 15.6.2018–15.3.2022

The company pays fixed interest and gets 3 months euribor interest

	31/12/2021	31/12/2020
Market value	-580	-1 042
Nominal value	20 677	19 333

Type: hedge cash flow

The cash flows of the interest swap are recognised in profit or loss in financial statements in the same period as the cash flows of the underlying asset (syndicated loan)

Currency swaps

Underlying asset:

Teknos hedges internal loans and cash pool receivables and liabilities denominated in foreign currency (SEK, CHF and USD)

Derivative:

Currency forward

	31/12/2021	31/12/2020
Market value	-592	12
Nominal value	28 888	20 419

Type: hedge cash flow

The cash flows of the currency forwards are recognised in profit or loss in financial statements in the same period as the cash flows of the underlying assets (loans and cash pool items denominated in foreign currency)

	Interest (%)		Interest (%)	
	Group		Parent company	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Teknos Group Oy, Finland (parent company)				
Teknos Oy, Finland	100,0 %	100,0 %	100,0 %	100,0 %
Teknos AB, Sweden	100,0 %	100,0 %	100,0 %	100,0 %
Ljungdahls Färghus KB, Sweden	100,0 %	100,0 %	0,0 %	0,0 %
Teknos Butiker Holding AB, Sweden	100,0 %	100,0 %	100,0 %	100,0 %
Ljungdahls Tranemo Holding AB, Sweden	70,0 %	70,0 %	0,0 %	0,0 %
Ljungdahls Färgekonomi AB, Sweden	70,0 %	70,0 %	0,0 %	0,0 %
Teknos Butiker AB, Sweden	100,0 %	100,0 %	0,0 %	0,0 %
Sävedalens Färg & Tapeter AB, Sweden	59,5 %	59,5 %	0,0 %	0,0 %
Teknos A/S, Denmark	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Norge AS, Norway	100,0 %	100,0 %	100,0 %	100,0 %
Teknos (UK) Ltd, England	100,0 %	100,0 %	100,0 %	100,0 %
Nuko 74 Ltd, England	100,0 %	100,0 %	0,0 %	0,0 %
Teknos Ireland Ltd, Northern Ireland	100,0 %	100,0 %	0,0 %	0,0 %
Teknos Deutschland GmbH, Germany	100,0 %	100,0 %	100,0 %	100,0 %
Teknos-Feidal Coatings s.r.o., Czech Republic	100,0 %	100,0 %	0,0 %	0,0 %
Finnproduct s.r.o., Czech Republic	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Croatia d.o.o., Croatia	100,0 %	100,0 %	100,0 %	100,0 %
Teknos-Drywood BV, Netherlands	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Sp. z o.o., Poland	100,0 %	100,0 %	100,0 %	100,0 %
OOO Teknos, Russia	100,0 %	100,0 %	100,0 %	100,0 %
OOO Teknos-Ohtek, Russia *	-	100,0 %	-	100,0 %
OOO Trading Company Massco, Russia	100,0 %	100,0 %	0,0 %	0,0 %
Teknos OÜ, Estonia	100,0 %	100,0 %	100,0 %	100,0 %
Teknos d.o.o, Slovenia	100,0 %	100,0 %	100,0 %	100,0 %
Teknos SIA, Latvia	100,0 %	100,0 %	100,0 %	100,0 %
UAB Teknos, Lithuania	100,0 %	100,0 %	100,0 %	100,0 %
Teknos LLC, Ukraine	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Coatings Trading (Shanghai) Ltd, China	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Coatings and Paints Pvt. Ltd., India	100,0 %	100,0 %	99,0 %	99,0 %
Teknos Feyco Schweiz AG, Switzerland	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Feyco AG, Liechtenstein	100,0 %	100,0 %	100,0 %	100,0 %
Teknos US Inc, USA	100,0 %	100,0 %	0,0 %	0,0 %
Treffert Asia Pacific Pte. Ltd., Singapore	100,0 %	100,0 %	0,0 %	0,0 %
Treffert Coatings (S.E.A.) Sdn Bhd, Malaysia	100,0 %	100,0 %	0,0 %	0,0 %
Shanghai Treffert Special Coatings Co. Ltd., China	100,0 %	100,0 %	0,0 %	0,0 %
Associated companies				
Manfield Teknos (Changzhou) Chemical Com. Ltd, China	40,0 %	40,0 %	40,0 %	40,0 %
Premiere Finishing % Coating LLC, USA	20,0 %	20,0 %	0,0 %	0,0 %

Associated companies are consolidated to group financial statements using equity stake method.

UAA

Operating profit (%)	= 100 X	$\frac{\text{Operating profit}}{\text{Net sales}}$
Return on equity (%)	= 100 X	$\frac{\text{Profit before taxes - Income taxes}}{\text{Shareholders' equity *)}}$
Return on capital employed (%)	= 100 X	$\frac{\text{Profit before taxes + Financial expenses}}{\text{Total assets - Non-interestbearing liabilities *)}}$
Equity ratio (%)	= 100 X	$\frac{\text{Shareholders' equity}}{\text{Total assets - Advances received}}$

*) Average figure for the financial year

Events after the balance sheet date

On 24 February 2022, Russia started a widespread invasion into Ukraine. As a consequence, the geopolitical uncertainty including imposed sanctions, possible future sanctions and counter sanctions could have a significant impact to Teknos Group's operations in Russia. Sanctions target a large number of individuals and banks, as well as trading in general which impacts operations in Russia. Teknos suspend deliveries and all our operations in Russia, Belarus and Ukraine until further notice, what will have direct and indirect impact on local customers as well as on Teknos globally. Teknos has receivables from these countries and these receivables involve a significant risk of credit losses. Operations in Ukraine has been suspended and assets 1,5 million euros have been written down due to the events after the balance sheet date. The write-offs do not breach company's loan covenant terms as at 31.12.2021.

Risk position related to Russia:

The value of assets in Group accounts amounted 25,9 million euros in 31.12.2021. The value of shares and receivables in the parent company of Teknos Russia subgroup amounted 19,7 million euros. Teknos Oy has accounts receivables of 8,6 million euros from the Teknos Russia. Teknos Oy has also 0,5 million of external account receivables from Belarus. Given the uncertainty and risk arising from geopolitical situation, including imposed sanctions, there could be impact to the book value of assets in Russia and fulfilment of the loan covenant terms. The value of Russian ruble has declined significantly from the value on the balance sheet date of 31 December 2021. If this continues, it will have a negative effect to Teknos Group's earnings, assets and liabilities. Company follows the situation actively to ensure compliance with applicable regulations and laws, including sanctions.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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1. Net sales

Net sales consist entirely from selling administrative services to subsidiaries.

2. Personnel expenses

EUR	1.1.-31.12.2021	1.1.-31.12.2020
Wages and salaries	5 931 236,26	5 059 074,68
Pension expenses	950 910,05	794 960,44
Other social security expenses	202 296,74	173 441,80
Personnel expenses total	7 084 443,05	6 027 476,92

Average number of personnel

White collar	76	63
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3. Depreciation and amortization

EUR	1.1.-31.12.2021	1.1.-31.12.2020
Depreciation according to plan		
Intangible rights	780 463,19	796 173,78
Machinery and equipment	581,80	698,76
Depreciation and amortization total	781 044,99	796 872,54

4. Other operating expenses

EUR	1.1.-31.12.2021	1.1.-31.12.2020
Marketing expenses	867 142,24	651 661,10
Administration expenses	12 710 811,10	10 828 153,58
Other operating expenses total	13 577 953,34	11 479 814,68

5. Financial income and expenses

EUR	1.1.-31.12.2021	1.1.-31.12.2020
Dividend income		
From group companies	2 689 473,40	2 688 135,91
Interests and other financial income		
From group companies	2 156 967,58	1 709 730,31
From others	1 999 312,09	66 941,69
Foreign exchange gains	1 786 404,86	1 255 735,60
Foreign exchange losses	-1 757 789,66	-1 033 428,78
Interests and other financial expenses		
Impairment of non-current investments	-2 000 000,00	0,00
To group companies	-9 228,03	-20 422,15
To others	-2 396 452,19	-2 495 148,38
Financial income and expenses total	2 468 688,05	2 171 544,20

UAS

6. Taxes

22

EUR	1.1.-31.12.2021	1.1.-31.12.2020
Income taxes for the current period	1 847 978,21	2 405 747,90
Income taxes for the previous period	80 190,91	0,00
Income taxes total	1 928 169,12	2 405 747,90

7. Non-current assets

Intangible assets

EUR	Intangible rights	Advance payments	Intangible assets total
Acquisition cost Jan 1	10 241 725,04	4 665 667,79	14 907 392,83
Additions	1 742 439,83		1 742 439,83
Disposals	-297 245,20		-297 245,20
Acquisition cost Dec 31	11 686 919,67	4 665 667,79	16 352 587,46
Accum. depreciation Jan 1	7 803 203,46	0,00	7 803 203,46
Disposals and transfers	-297 245,20		
Depreciation for the period	780 463,19		780 463,19
Accum. depreciation Dec 31	8 286 421,45	0,00	8 286 421,45
Book value 31.12.2021	3 400 498,22	4 665 667,79	8 068 166,01
Book value 31.12.2020	2 438 521,58	4 665 667,79	7 104 189,37

Tangible assets

EUR	Machinery and equipment	Other tangible assets	Advance payments and construction in process	Tangible assets total
Acquisition cost Jan 1	202 291,01	123 564,35	13 702,00	325 855,36
Lisäys	21 120,61			21 120,61
Disposals			-13 702,00	-13 702,00
Transfers	-21 120,61		21 120,61	0,00
Acquisition cost Dec 31	202 291,01	123 564,35	21 120,61	346 975,97
Accum. depreciation Jan 1	201 709,21	0,00	0,00	201 709,21
Depreciation for the period	581,80			581,80
Accum. depreciation Dec 31	202 291,01	0,00	0,00	202 291,01
Book value 31.12.2021	0,00	123 564,35	21 120,61	144 684,96
Book value 31.12.2020	581,80	123 564,35	13 702,00	137 848,15

Investments

EUR	Shares in subsidiaries *)	Shares in associated companies	Other shares and holdings	Other receivables **)	Investments total
Acquisition cost Jan 1	99 831 754,28	3 795 797,14	10 160,00	32 000 000,00	135 637 711,42
Additions	20 000 000,00			2 346 449,88	22 346 449,88
Disposals	-2 000 000,00			-16 000 000,00	-18 000 000,00
Acquisition cost Dec 31	117 831 754,28	3 795 797,14	10 160,00	18 346 449,88	139 984 161,30
Book value 31.12.2021	117 831 754,28	3 795 797,14	10 160,00	18 346 449,88	139 984 161,30
Book value 31.12.2020	99 831 754,28	3 795 797,14	10 160,00	32 000 000,00	135 637 711,42

*) 20 000 000 EUR of internal loan from Teknos Deutschland GmbH converted to shareholder equity investment during 2021. Impairment of 2 000 000 EUR of Teknos BV shares.

**) Payments to capitalisation agreement are disclosed as other receivables. The market value of investment-bound agreement was on December 31, 2021 EUR 21.924.297,33 (31.12.2020 EUR 35.766.859,21). Withdrawal of 16 000 000 EUR was made during 2021.

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8. Short-term receivables

EUR	31/12/2021	31/12/2020
Long-term receivables		
Receivables from group companies		
Loans receivable	63 082 059,22	63 570 631,58
Long-term receivables total	63 082 059,22	63 570 631,58
Short-term receivables		
Receivables from group companies		
Accounts receivable	3 240 999,54	841 461,14
Loans receivable	31 812 956,46	15 573 995,19
Other receivables	0,00	6 862 154,09
Prepaid expenses and accrued income	11 464 428,53	14 662 001,53
Other receivable	310 732,59	381 916,25
Prepaid expenses and accrued income		
Other prepaid expenses	1 009 217,47	1 286 990,67
Short-term receivables total	47 838 334,59	39 608 518,87

9. Shareholders' equity

EUR	31/12/2021	31/12/2020
Share capital January 1	8 700 000,00	8 700 000,00
Share capital January 31	8 700 000,00	8 700 000,00
Retained earnings January 1	118 547 510,44	107 963 311,91
Dividends	-2 600 000,00	-2 400 000,00
Retained earnings December 31	115 947 510,44	105 563 311,91
Profit for the financial year	7 984 337,94	12 580 243,96
Shareholders' equity total	132 631 848,38	126 843 555,87
Non-restricted equity		
Retained earnings	115 947 510,44	105 563 311,91
Profit for the financial year	7 984 337,94	12 580 243,96
Non-restricted equity total	123 931 848,38	118 143 555,87

Share capital

Teknos Group Oy's share capital comprises of 300.000 shares with identical rights.

10. Long-term liabilities

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EUR	31/12/2021	31/12/2020
Loans from financial institutions	49 000 000,00	32 000 000,00
Bonds	15 000 000,00	15 000 000,00
Accrued expenses, long-term	677 883,23	449 561,70
Long-term liabilities total	64 677 883,23	47 449 561,70

11. Short-term liabilities

EUR	31/12/2021	31/12/2020
Loans from financial institutions	34 232 088,77	32 777 065,97
Accounts payable	603 301,50	611 264,48
Liabilities to group companies		
Accounts payable	278 075,07	169 842,65
Other liabilities	25 232 024,22	37 183 431,96
Other liabilities	504 252,91	149 228,72
Accrued expenses and deferred revenue		
Personnel expenses	1 572 856,80	1 861 185,49
Financial expenses	855 197,66	297 988,24
Liabilities related to acquisitions	0,00	0,00
Other accrued expenses	92 536,13	626 747,89
Short-term liabilities total	63 370 333,06	73 676 755,40

12. Deferred tax assets and liabilities

EUR	31/12/2021	31/12/2020
Deferred tax assets		
From accumulated depreciation difference	1 078,67	1 515,20

Deferred taxes are not recognised in the balance sheet of the parent entity.
Deferred taxes are recognised in the group consolidated balance sheet only.

VIA

13. Commitments and contingencies

25

EUR	31/12/2021	31/12/2020
Other commitments		
Guarantees on behalf of group companies	16 907 174,51	8 249 298,85
Leasing contracts		
Payments due next financial year	57 667,55	62 588,90
Payments due later	69 095,18	229 463,59

Derivative contracts

Interest swaps

Underlying asset: Syndicated loan agreement 30.6.2021–30.6.2026
Interest 3 month euribor

Derivative: Interest swap 15.6.2018–15.3.2025
The company pays fixed interest and gets 3 months euribor interest

	31/12/2021	31/12/2020
Market value	-580 376,82	-1 042 373,00
Nominal value	19 333 333,34	19 333 333,34

Type: hedge cash flow

The cash flows of the interest swap are recognised in profit or loss in financial statements in the same period as the cash flows of the underlying asset (syndicated loan)

Currency swaps

Underlying asset:

Teknos hedges internal loans and cash pool receivables and liabilities denominated in foreign currency (SEK, CHF and USD)

Derivative:
Currency forward

	31/12/2021	31/12/2020
Market value	-591 573,16	11 758,00
Nominal value	28 888 390,43	20 419 497,11

Type: hedge cash flow

The cash flows of the currency forwards are recognised in profit or loss in financial statements in the same period as the cash flows of the underlying assets (loans and cash pool items denominated in foreign currency)

MA

14. Auditors' fees

26

EUR	1.1.-31.12.2021	1.1.-31.12.2020
Audit	24 500,00	23 392,81
Tax services	3 025,00	19 250,73
Other services	42 425,00	3 762,00
Auditors' fees total	69 950,00	46 405,54

15. List of accounting journals and means of storing

Financial statements	In electrical format and on paper
Journal and general ledger	In electrical format
Subledgers	In electrical format
Bank entries	In electrical format
Purchase invoices	In electrical format
Sales invoices	In electrical format
Salary entries	In electrical format
Memo vouchers	In electrical format

**BOARD'S DIVIDEND PROPOSAL, SIGNATURES FOR THE BOARD OF
DIRECTORS' REPORT AND FINANCIAL STATEMENTS, AND AUDITOR'S NOTE**

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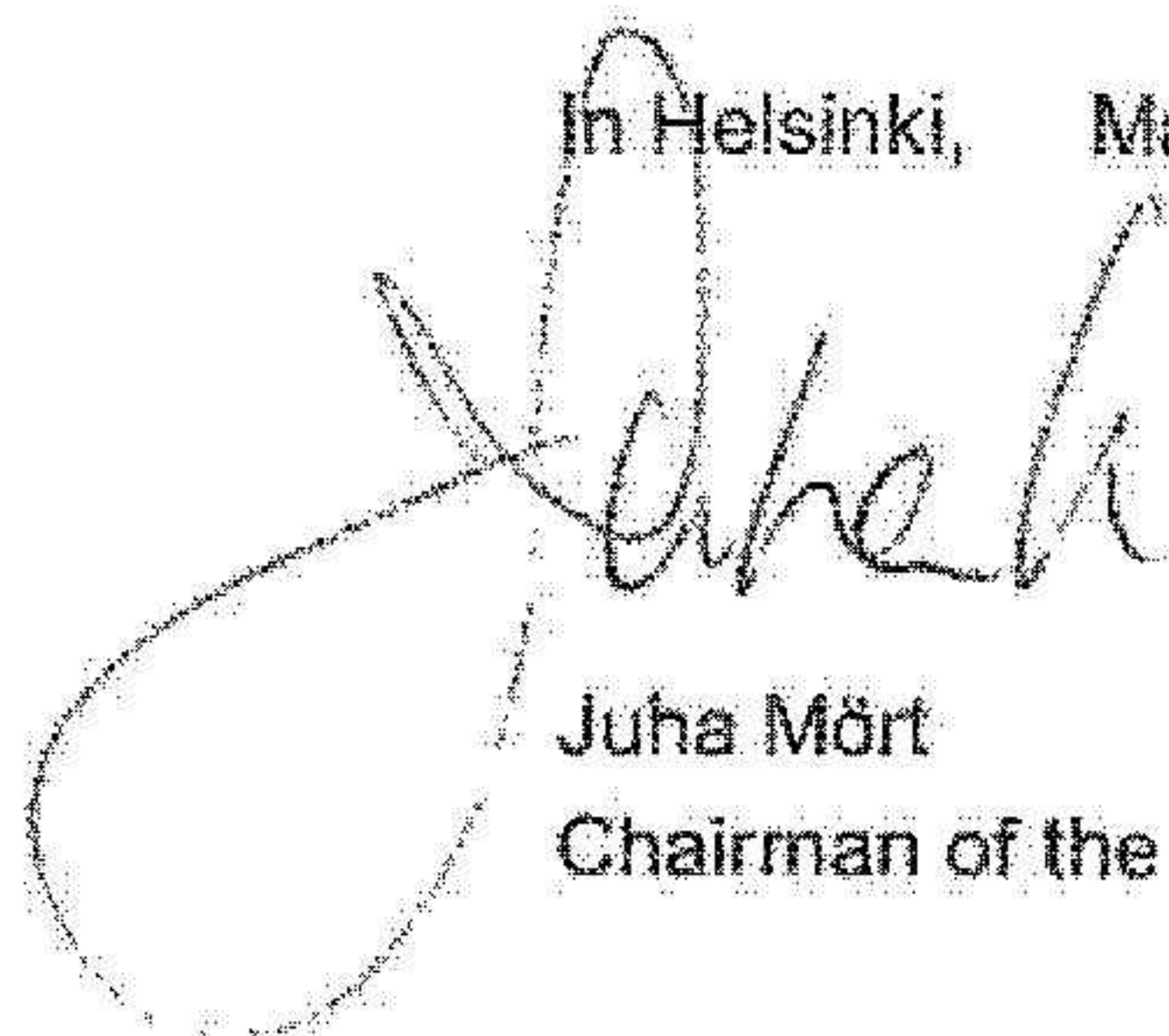
Board's dividend proposal

Parent company's non-restricted equity is EUR 123 931 848,38, of which profit for the period is EUR 7 984 337,94. The Board of Directors proposes, that a dividend of EUR 8,67 per share to be paid, resulting in a total amount of proposed dividends of EUR 2 600 000,00, and the remaining non-restricted equity of EUR 121 331 848,38 to be retained and carried forward.

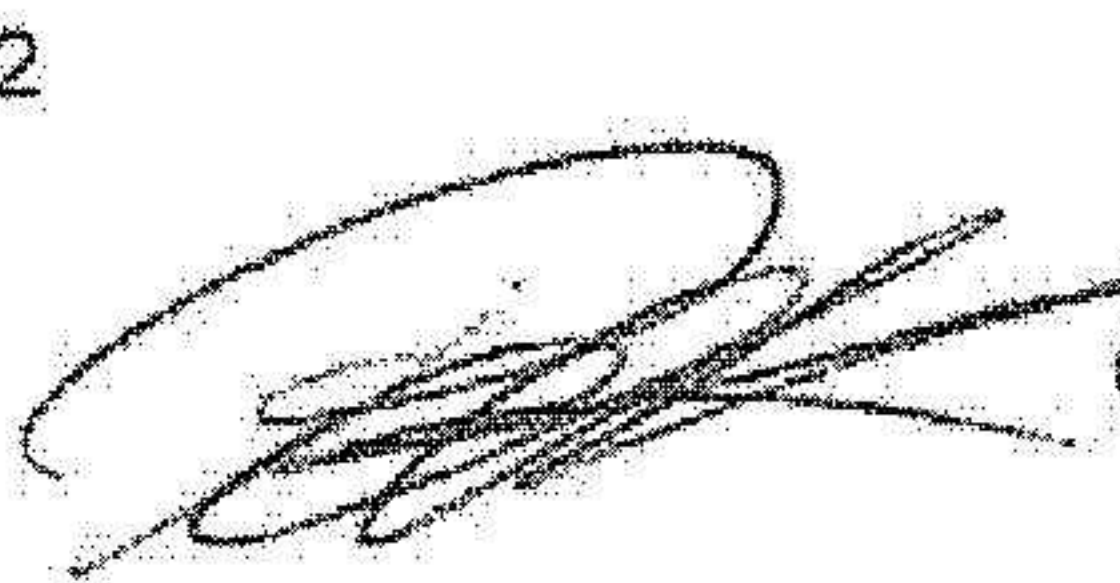
The company's liquidity is sufficient and the proposed dividends to be paid will not, in Board's view, pose any liquidity risk.

Signatures for the Board of Directors' report and the Financial statements:

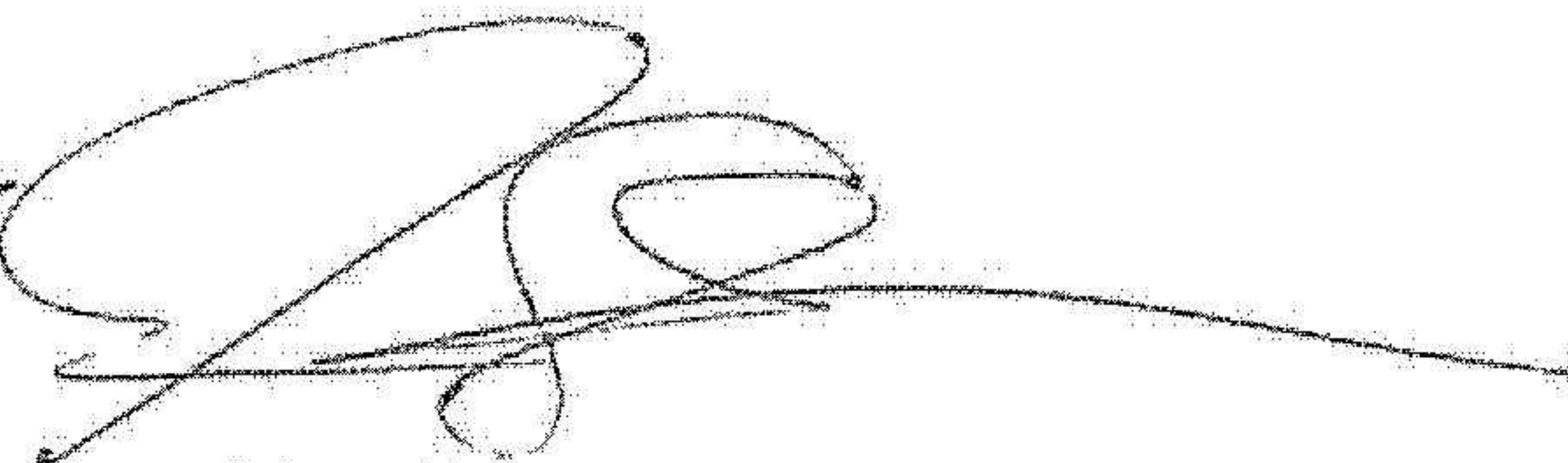
In Helsinki, March 2022



Juha Mörö
Chairman of the Board



Petri Kiikka
Board member



Manu Skyttä
Board member



Paula Salastie
Board member
Managing Director

The Auditor's Note

The Auditor's report has been issued today.

Helsinki

KPMG Oy Ab

Tero Hämäläinen
KHT

