

PKC Wiring Systems Oy

Financial Statements 1.4.2020-31.3.2021

Report by the Board of Directors and Financial Statements

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The financial statements is archived for at least 10 years after the end of the financial year (KPL 2:10). Supporting documentation of the financial year shall be archived for at least 6 years from the end of the year in which the financial year has ended.

Report by the Board of Directors 1.4.2020-31.3.2021

PKC Wiring Systems Oy leads and supports its subsidiaries business.

PKC Wiring Systems Oy's business has consisted of provision of services provided to other group companies.

Net Sales and Profitability

Net sales of PKC Wiring Systems Oy totalled EUR 2,3 million (EUR 1,8 million), rose by 25,9 % compared to previous year. Company's net sales consist of intra-group service sales.

At the end of the financial year company's equity ratio was 29,0 % (29,0 %). Return on equity (ROE) was -0,8 % (11,8 %) and return on investment (ROI) 3,6 % (5,3 %).

Personnel

The company had an average payroll of 21 (22) during the financial year. At the end of the financial year personnel totalled 22 (21) employees.

Total amount of financial year's staff expenses was EUR 2,4 million (EUR 2,4 million).

Company's Management and Auditors

PKC Wiring Systems Oy's President & CEO is Pankaj Mital.

Company's Board of Directors consisted of Matti Yli-Olli (chairman), Andreas Heuser and Jani Kiljala.

The company's auditors are Ernst & Young Oy, with principal responsibility APA Jari Karppinen.

Estimated Future Outlook

PKC Wiring Systems Oy's activities continues as the parent company Wiring Systems business. Company manages and supports the Company's subsidiaries.

The Board of Directors Proposal for the Profit Distribution

Company's distributable funds are EUR 65,9 million, of which EUR 15,3 million is distributable as dividend. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 12 220,5364 per share be paid for a total of EUR 15,3 million and that the remainder of the distributable funds be transferred to shareholder's equity. The dividend payment will be settled at the Annual General Meeting held after the end of the financial year. The company's liquidity is good and in the opinion of the Board of Directors the proposed dividend will not put the company's solvency at risk.

Key Indicators for Company's Financial Position and Result

EUR 1,000 (unless otherwise noted)	2016	2017-2018	2018-2019	2019-2020	2020-2021
Net sales	3 301	2 689	2 002	1 811	2 281
Operating profit/loss	-1 969	-2 685	-656	-1 613	-2 288
% net sales	-59,7	-99,9	-32,8	-89,0	-100,3
Return on equity (ROE), %	33,5	-28,0	52,0	11,8	-0,8
Return on investment (ROI), %	11,9	6,9	13,0	5,3	3,6
Equity ratio, %	22,5	17,2	26,0	29,0	29,0

Calculation of Key Indicators

Return on equity (%) (ROE)	100 x	$\frac{\text{Profit/loss for the financial year - appropriations}}{\text{Total equity (average)}}$
Return on investment (%) (ROI)	100 x	$\frac{\text{Profit before appropriations and taxes + financial expenses}}{(\text{Total Equity} + \text{interest bearing financial liabilities}) \text{ (average)}}$
Equity ratio (%)	100 x	$\frac{\text{Total equity}}{\text{Total of balance sheet - advance payments received}}$

Income Statement

EUR	Note	1.4.2020-31.3.2021	1.4.2019-31.3.2020
Net sales	1	2 280 885	1 811 341
Other operating income	2	1 825 386	2 735 402
Staff expenses	3	-2 368 537	-2 380 571
Depreciation, amortisation and impairment	7	-647 764	-586 466
Other operating expenses	5	-3 378 198	-3 192 580
Operating profit/loss		-2 288 229	-1 612 875
Interest and other financial income	6	12 376 252	14 795 170
Interest and other financial expenses	6	-4 144 329	-4 800 245
Foreign exchange differences	6	-9 800 571	3 468 210
Financial income and expenses		-1 568 647	13 463 135
Profit/loss before appropriations and taxes		-3 856 876	11 850 260
Change in cumulative accelerated depreciation		0	2 667
Group contribution	6	0	-8 139 780
Appropriations		0	-8 137 113
Income taxes	4	-100	-1 000 239
Other taxes		41	0
Profit/loss for the financial year		-3 856 935	2 712 908

Balance Sheet

EUR	Note	31.3.2021	31.3.2020
Assets			
Non-current assets			
Intangible assets	7	1 380 238	1 671 367
Tangible assets	7	113 370	48 324
Investments	8	62 335 225	62 335 225
Total non-current assets		63 828 833	64 054 916
Current assets			
Long-term receivables	9	208 789 408	229 083 132
Short-term receivables	10	31 706 455	29 700 573
Cash and cash equivalents		27 819	89 797
Total current assets		240 523 683	258 873 502
Total assets		304 352 515	322 928 418
Equity and liabilities			
Equity			
	11		
Share capital		210 235	210 235
Share premium account		3 095 818	3 095 818
Invested non-restricted equity fund		50 588 845	50 588 845
Retained earnings		19 144 826	36 938 733
Profit for the financial year		-3 856 935	2 712 908
Total equity		69 182 789	93 546 540
Appropriations			
Cumulative accelerated depreciation		0	0
Total appropriations		0	0
Liabilities			
Non-current liabilities	12	164 732 547	164 171 483
Current liabilities	13	70 437 179	65 210 395
Total liabilities		235 169 726	229 381 878
Total equity and liabilities		304 352 515	322 928 418

Company Information

PKC Wiring Systems Oy is a Finnish limited company, domiciled in Kempele, Finland. The registered address is Vihikari 10, 90440 Kempele. Company's business ID is 0849146-5.

The company has been since 2003 a subsidiary of PKC Group. The Group's parent company is PKC Group Ltd, business ID 0972280-0, domiciled in Helsinki, Finland.

PKC Wiring Systems Oy is the parent company of PKC Group's wiring systems business. At the close of the financial year 31.3.2021 the group included 39 companies. The figures of PKC Wiring Systems Oy and its subsidiaries are consolidated into MSSL Estonia WH OÜ's consolidated financial statements.

Of PKC Wiring Systems Oy has not been prepared separate consolidated financial statements on the basis of Accounting Act Chapter 6, § 1.

Business Description

PKC Wiring Systems Oy leads and supports its subsidiaries business. Company's net sales consist of intra-group service sales.

PKC Wiring Systems Oy's business has consisted of provision of services provided to other group companies.

Basis of Preparation

PKC Wiring Systems Oy's financial statements have been prepared in compliance with the Finnish accounting and company legislation.

Accounting Policies for the Financial Statements

Financial statement items are recorded in the accounting period to which they belong on an accrual basis.

Foreign currency items

Foreign currency transactions have been recognised during the financial period by using the exchange rate of the transaction date. Balance sheet items outstanding on the closing date of the financial period have been valued using the exchange rates of the reporting date. The exchange rate differences have been recognised in income statement.

Non-current assets

Non-current assets are measured at cost less any accumulated depreciation, amortisation and any impairment losses. Assets are depreciated/amortised on a straight-line basis during their estimated lives. The depreciation/amortisation periods are as follows:

Intangible assets	3 - 5 years
Machinery and equipment	3 - 10 years
Goodwill	5 years

The acquisition costs of non-current assets with a probable economic life of less than three years, as well as minor acquisitions have been recognized in its entirety as an expense in the period the acquisition.

Net sales

Net sales comprise the service revenue. Net sales are recognised for the period when the service is rendered.

R&D expenses

Research and development costs are expensed in the period in which they are incurred.

Lease rentals

Additions to the acquisition cost of property, plant and equipment include EUR 116 443 (EUR 0 in 2020) in 2021 of assets leased under finance leases.

Pension costs

The retirement plans for employees are provided by external insurance companies. Pension payments and expenses of the financial period are based on actuarial calculations. Pension costs are expensed when the related service has been rendered.

Direct taxes

Direct taxes for the financial period have been recognised in profit or loss on an accrual basis.

1. Net sales

By market areas

EUR	2020-2021	2019-2020
Europe	2 177 912	1 731 567
North America	102 972	79 774
Total	2 280 885	1 811 341

2. Other operating income

EUR	2020-2021	2019-2020
Other income	0	9
Other income from associated company	27 140	27 140
Services to Group companies	1 798 246	2 708 254
Total	1 825 386	2 735 402

3. Staff expenses

EUR	2020-2021	2019-2020
Wages and salaries	1 996 262	1 949 622
Defined contribution pension plans	303 327	359 709
Other social security expenses	41 642	30 479
Other staff expenses	27 306	0
Total	2 368 537	2 380 571

Number of personnel

	2020-2021	2019-2020
Personnel at the end of financial year	22	21
Average number of personnel	21	22

4. Income taxes

EUR	2020-2021	2019-2020
Income taxes for the financial year	0	1 000 103
Adjustments for prior years	100	136
Total income taxes	100	1 000 239

5. Other operating expenses

EUR	2020-2021	2019-2020
Vehicle expenses	21 059	45 370
Administrative expenses	4 656	2 175
IT and telecommunications expenses	792 473	1 540 159
Travelling expenses	82 097	364 447
Other items	4 473	12 639
Auditor's fees	6 130	11 070
Oursourced services	179 199	99 115
Outsourced services from Group companies	2 144 622	959 685
Insurances	24 500	30 053
Rental and leasing expenses	104 828	112 671
Indirect maintenance expenses	14 160	15 196
Total	3 378 198	3 192 580

Auditor's fees (Authorised Public Accountants Ernst & Young)

EUR	2020-2021	2019-2020
Audit fees	6 130	11 070
Total	6 130	11 070

6. Financial income and expenses

Interest and other financial income

EUR	2020-2021	2019-2020
Income from external companies	0	45 600
Interest and other financial income from Group companies	12 376 183	14 749 328
Interest and other financial income	69	242
Foreign currency gains		
from trade payables	110	141
from raw material derivatives	1 411 303	10 600
from other financial instruments	0	4 721 605
Total	13 787 665	19 527 516

Interest and other financial expenses

EUR	2020-2021	2019-2020
Interest and other financial expenses from Group companies	-4 126 422	-4 797 017
Interest and other financial expenses	-17 907	-3 227
Foreign exchange losses		
from trade payables	-172	-290
from raw material derivatives	-80 100	-805 100
from other financial instruments	-11 131 711	-458 747
Total	-15 356 312	-6 064 381
Total financial income and expenses	-1 568 647	13 463 135

Group Contribution

EUR	2020-2021	2019-2020
Group contribution	0	8 139 780
Total	0	8 139 780

7. Intangible and tangible assets

Intangible assets

EUR	Intangible rights	Goodwill	Advance payments	Total
Acquisition cost 1.4.2020	8 223 056	394 960	50 495	8 668 511
+ Additions	21 288	0	284 231	305 518
+/- Reclassifications	320 550	0	-320 550	0
Acquisition cost 31.3.2021	8 564 894	394 960	14 176	8 974 029
Accumulated amortisation and impairments 1.4.2020	6 602 184	394 960	0	6 997 144
+ Amortisation	596 647	0	0	596 647
Accumulated amortisation and impairments 31.3.2021	7 198 832	394 960	0	7 593 792
Carrying amount 31.3.2021	1 366 062	0	14 176	1 380 238
Carrying amount 31.3.2020	1 620 872	0	50 495	1 671 367

Tangible assets

EUR	Machinery and equipment	Advance payments	Total
Acquisition cost 1.4.2020	1 749 661	0	1 749 661
+ Additions	116 443	0	116 443
Acquisition cost 31.3.2021	1 866 104	0	1 866 104
Accumulated depreciation and impairments 1.4.2020	1 701 337	0	1 701 337
+ Depreciation	51 396	0	51 396
Accumulated depreciation and impairments 31.3.2021	1 752 733	0	1 752 733
Carrying amount 31.3.2021	113 370	0	113 370
Carrying amount 31.3.2020	48 324	0	48 324

8. Investments

EUR	Shares of subsidiaries	Other shares	Total
Acquisition cost 1.4.2020	62 335 225	0	62 335 225
+ Additions	0	0	0
+/- Other changes	0	0	0
Acquisition cost 31.3.2021	62 335 225	0	62 335 225
Carrying amount 31.3.2021	62 335 225	0	62 335 225
Carrying amount 31.3.2020	62 335 225	0	62 335 225

Subsidiaries

	Domicile	Holding %	Vote %
PK Cables do Brasil Industria e Comercio Ltda.	Brazil	97,19	97,19
PKC Eesti AS	Estonia	100,00	100,00
PKC Group APAC Ltd.	Hong Kong	100,00	100,00
PKC Group Canada Inc.	Canada	100,00	100,00
PKC Group Mexico S.A. de C.V.	Mexico	99,90	99,90
PKC Group Poland Holding Sp. z o.o.	Poland	100,00	100,00
PKC Group USA Inc.	USA	100,00	100,00
PKC SEGU Systemelektrik GmbH	Germany	100,00	100,00
PKC Wiring Systems DOO	Serbia	100,00	100,00
Project Del Holding S.à.r.l.	Luxembourg	100,00	100,00
TKV-Sarjat Oy	Finland	100,00	100,00
Wisetime Oy	Finland	100,00	100,00

9. Long-term receivables

Other receivables

EUR	2020-2021	2019-2020
Rent deposits	1 500	1 500
Interest-bearing loan receivables from Group companies	208 787 908	229 081 632
Total	208 789 408	229 083 132

10. Short-term receivables

EUR	2020-2021	2019-2020
Other receivables from value added taxes	96 654	100 868
Other receivables	0	233
Prepayments and accrued income	696 481	155 103
Deferred tax assets	100	0
Receivables from Group companies		
Loan receivables	255 864	0
Trade receivables	570 482	509 622
Prepayments and accrued income from financial items	30 086 875	28 934 746
Total	31 706 455	29 700 572

Prepayments and accrued income

EUR	2020-2021	2019-2020
from staff expenses	5 982	5 045
from other operating expenses	138 230	150 058
from derivatives	552 270	0
Total	696 481	155 103

11. Equity

Restricted equity

EUR	2020-2021	2019-2020
Share capital at the beginning of the financial year	210 235	210 235
Share capital at the end of the financial year	210 235	210 235
Share premium account at the beginning of the financial year	3 095 818	3 095 818
Share premium account at the end of the financial year	3 095 818	3 095 818
Total restricted equity	3 306 053	3 306 053

Distributable equity

EUR	2020-2021	2019-2020
Invested non-restricted equity fund	50 588 845	50 588 845
Retained earnings at the beginning of the financial year	39 651 641	36 938 733
Dividends paid	-20 506 579	0
Adjustments in retained earnings	-236	0
Retained earnings at the end of the financial year	19 144 826	36 938 733
Profit for the financial year	-3 856 935	2 712 908
Total distributable equity	65 876 736	90 240 486
Total equity	69 182 789	93 546 539

Statement of distributable equity

EUR	2020-2021	2019-2020
Retained earnings	19 144 826	36 938 733
Profit for the financial year	-3 856 935	2 712 908
Invested non-restricted equity fund	50 588 845	50 588 845
Total	65 876 736	90 240 486

Company shares

Company has 1,251 shares with no nominal value. Each share entitles to one vote at general meeting. All shares have the same right to dividends and company assets.

12. Non-current liabilities

EUR	2020-2021	2019-2020
Loans from financial institutions	54 485	0
Interest-bearing loans to Group companies	164 678 062	164 171 483
Total non-current liabilities	164 732 547	164 171 483

Loans falling due later than five years

EUR	2020-2021	2019-2020
Interest-bearing loans to Group companies	164 678 062	164 171 483

13. Current liabilities

EUR	2020-2021	2019-2020
Loans from financial institutions	30 064	0
Trade payables	84 490	205 991
Other liabilities	44 780	1 406 037
Accruals and deferred income	644 001	503 291
To Group companies		
Trade payables	308 302	230 820
Accruals and deferred income from financial expenses	613 256	1 049 410
Other liabilities	68 712 287	53 675 067
Non interest bearing other liabilities	0	8 139 780
Total	70 437 179	65 210 396

Other liabilities

EUR	2020-2021	2019-2020
from taxes	0	1 003 103
from staff expenses	44 780	42 601
from derivatives	0	360 333
Total	44 780	1 406 037

Accruals and deferred income

EUR	2020-2021	2019-2020
from staff expenses	631 633	492 680
from other operating expenses	12 368	10 611
Total	644 001	503 291

14. Commitments and other liabilities

Other liabilities

EUR	2020-2021	2019-2020
Guarantees given on own and Group companies behalf	5 150 000	5 150 000
Total	5 150 000	5 150 000

Operating lease liabilities

EUR	2020-2021	2019-2020
For the current financial period	3 825	3 825
Total	3 825	3 825

Derivative obligations

EUR	2020-2021	2019-2020
Raw material derivatives		
Nominal value	3 188 100	2 612 400
Fair value	552 270	-360 333
Total	3 740 370	2 252 067

IFRS16 leasing agreements

EUR	Office equipments	Vehicles	Total
Acquisition cost 1.4.2020	0	0	0
+Additions	7 873	108 570	108 570
-Accumulated depreciatioin on IFRS16 leasing	219	32 175	32 175
Carrying amount 31.3.2021			

IFRS16 lease liabilities maturities

euroa	Minimum lease payments		The present value of minimum lease payments	
	2020-2021	2019-2020	2020-2021	2019-2020
Within one year	30 980		30 064	
In more than one year but not more than five years	55 212		54 485	
Total	86 192		84 549	
Accured financial expenses in the future	1 643			
The present value of financial lease liability	86 192			
Expenses related to short term lease contracts	103 629			
Expenses related to low value asset contracts	2 678			

15. Events after the financial year

There are not any events after the financial year.

Board of Director's Proposal for the Profit Distribution

Company's net profit for the financial year is EUR -3 856 935. Company's distributable equity is EUR 65 876 736 of which distributable funds are 15 287 891 million euros. There are 1 251 shares with dividend rights.

The Board of Directors proposes to the Annual General Meeting that the distributable funds be disposed as follows:

- A dividend of EUR 12 220,5364 per share be paid, totalling	EUR 15 287 891
- The remaining be retained in shareholders' equity	EUR 50 588 845
Total	EUR 65 876 736

The dividend payment will be settled at the Annual General Meeting held after the end of the financial year.

The company's liquidity is good and in the opinion of the Board of Directors the proposed dividend will not put the company's solvency at risk.

26th May 2021

Matti Yli-Olli
Chairman of the Board of Directors

Andreas Heuser
Board member

Jani Kiljala
Board member

Pankaj Mital
CEO

Auditor's Note

A report of the audit has been submitted today.

Ernst & Young Oy
Authorised Public Accountants

Jari Karppinen
APA

List of Accounting Books

Journals	electronic archive
General ledger	electronic archive
Account payable	electronic archive
Accounts receivable	electronic archive
Payroll	electronic archive
Balance sheet book	electronic archive
Itemisations of balance sheet	electronic archive