

# PKC Wiring Systems Oy

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Financial Statements 1.4.2019-31.3.2020

## 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 1.4.2019-31.3.2020

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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 1,8 million (EUR 2,0 million), down by 9,5 % 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 % (26,0 %). Return on equity (ROE) was 11,8 % (52,0 %) and return on investment (ROI) 5,3 % (13,0 %).

### Personnel

The company had an average payroll of 22 (23) during the financial year. At the end of the financial year personnel totalled 21 (24) employees.

Total amount of financial year's staff expenses was EUR 2,4 million (EUR 2,3 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), Sanna Raatikainen 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 90,2 million, of which EUR 39,6 million is distributable as dividends. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 16.392,15 per share be paid for a total of EUR 20,5 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)	2015	2016	2017-2018	2018-2019	2019-2020
Net sales	3 718	3 301	2 689	2 002	1 811
Operating profit/loss	-52 619	-1 969	-2 685	-656	-1 613
% net sales	-1415,3	-59,7	-99,9	-32,8	-89,0
Return on equity (ROE), %	44,1	33,5	-28,0	52,0	11,8
Return on investment (ROI), %	14,5	11,9	6,9	13,0	5,3
Equity ratio, %	18,0	22,5	17,2	26,0	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	1.4.2019-31.3.2020	1.1.2018-31.3.2019
<b>Net sales</b>	1	<b>1 811 341</b>	<b>2 001 926</b>
Other operating income	2	2 735 402	3 048 459
Staff expenses	3	-2 380 571	-2 329 098
Depreciation, amortisation and impairment	7	-586 466	-633 245
Other operating expenses	5	-3 192 580	-2 744 028
<b>Operating profit/loss</b>		<b>-1 612 875</b>	<b>-655 987</b>
Interest and other financial income	6	14 795 170	25 839 596
Interest and other financial expenses	6	-4 800 245	-5 242 646
Foreign exchange differences	6	3 468 210	19 711 406
<b>Financial income and expenses</b>		<b>13 463 135</b>	<b>40 308 356</b>
<b>Profit/loss before appropriations and taxes</b>		<b>11 850 260</b>	<b>39 652 370</b>
Change in cumulative accelerated depreciation		2 667	3 067
Group contribution	6	-8 139 780	-10 300 000
<b>Appropriations</b>		<b>-8 137 113</b>	<b>-10 296 933</b>
Income taxes	4	-1 000 239	-12 188
<b>Profit/loss for the financial year</b>		<b>2 712 908</b>	<b>29 343 248</b>

## Balance Sheet

EUR	Note	31.3.2020	31.3.2019
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	7	1 671 367	1 608 441
Tangible assets	7	48 324	56 228
Investments	8	62 335 225	58 004 035
<b>Total non-current assets</b>		<b>64 054 916</b>	<b>59 668 704</b>
<b>Current assets</b>			
Long-term receivables	9	229 083 132	265 631 995
Short-term receivables	10	29 700 573	23 994 340
Cash and cash equivalents		89 797	90 477
<b>Total current assets</b>		<b>258 873 502</b>	<b>289 716 813</b>
<b>Total assets</b>		<b>322 928 418</b>	<b>349 385 517</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
	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		36 938 733	7 595 485
Profit for the financial year		2 712 908	29 343 248
<b>Total equity</b>		<b>93 546 540</b>	<b>90 833 632</b>
<b>Appropriations</b>			
Cumulative accelerated depreciation		0	2 667
<b>Total appropriations</b>		<b>0</b>	<b>2 667</b>
<b>Liabilities</b>			
Non-current liabilities	12	164 171 483	200 671 483
Current liabilities	13	65 210 395	57 877 736
<b>Total liabilities</b>		<b>229 381 878</b>	<b>258 549 219</b>
<b>Total equity and liabilities</b>		<b>322 928 418</b>	<b>349 385 517</b>

## 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 31.3.2020 the group included 36 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

Lease rentals have been expensed.

### 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

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### By market areas

<b>EUR</b>	<b>2019-2020</b>	<b>2018-2019</b>
Europe	1 731 567	1 923 951
North America	79 774	77 976
<b>Total</b>	<b>1 811 341</b>	<b>2 001 926</b>

## 2. Other operating income

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<b>EUR</b>	<b>2019-2020</b>	<b>2018-2019</b>
Other income	9	6
Other income from associated company	27 140	106 842
Services to Group companies	2 708 254	2 941 610
<b>Total</b>	<b>2 735 402</b>	<b>3 048 459</b>

## 3. Staff expenses

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<b>EUR</b>	<b>2019-2020</b>	<b>2018-2019</b>
Wages and salaries	1 949 622	1 891 138
Defined contribution pension plans	359 709	344 324
Other social security expenses	30 479	34 296
Other staff expenses	40 762	0
<b>Total</b>	<b>2 380 571</b>	<b>2 329 098</b>

### Number of personnel

	<b>2019-2020</b>	<b>2018-2019</b>
Personnel at the end of financial year	21	24
Average number of personnel	22	23

## 4. Income taxes

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<b>EUR</b>	<b>2019-2020</b>	<b>2018-2019</b>
Income taxes	1 000 239	12 188
<b>Total income taxes</b>	<b>1 000 239</b>	<b>12 188</b>

## 5. Other operating expenses

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<b>EUR</b>	<b>2019-2020</b>	<b>2018-2019</b>
Vehicle expenses	45 370	41 616
Administrative expenses	2 175	80 899
IT and telecommunications expenses	1 540 159	1 332 779
Travelling expenses	364 447	302 611
Other items	12 639	19 546
Auditor's fees	11 070	4 400
Oursourced services	99 115	-80 852
Outsourced services from Group companies	959 685	889 709
Insurances	30 053	15 549
Rental and leasing expenses	112 671	110 134
Indirect maintenance expenses	15 196	27 638
<b>Total</b>	<b>3 192 580</b>	<b>2 744 029</b>

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

<b>EUR</b>	<b>2019-2020</b>	<b>2018-2019</b>
Audit fees	11 070	4 400
<b>Total</b>	<b>11 070</b>	<b>4 400</b>

## 6. Financial income and expenses

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### Interest and other financial income

<b>EUR</b>	<b>2019-2020</b>	<b>2018-2019</b>
Income from subsidiary shares	0	8 026 790
Income from external companies	45 600	98 800
Interest and other financial income from Group companies	14 749 328	17 712 816
Intrest and other financial income	242	1 190
Foreign currency gains		
from trade payables	141	82
from raw material derivatives	10 600	515 265
from other financial instruments	4 721 605	19 662 572
<b>Total</b>	<b>19 527 516</b>	<b>46 017 516</b>

## Interest and other financial expenses

EUR	2019-2020	2018-2019
Interest and other financial expenses from Group companies	-4 797 017	-5 238 865
Interest and other financial expenses	-3 227	-3 781
Foreign exchange losses		
from trade payables	-290	-2 013
from raw material derivatives	-805 100	-464 501
from other financial instruments	-458 747	0
<b>Total</b>	<b>-6 064 381</b>	<b>-5 709 159</b>
<b>Total financial income and expenses</b>	<b>13 463 135</b>	<b>40 308 356</b>

## Group Contribution

EUR	2019-2020	2018-2019
Group contribution	8 139 780	10 300 000
<b>Total</b>	<b>8 139 780</b>	<b>10 300 000</b>

## 7. Intangible and tangible assets

### Intangible assets

EUR	Intangible rights	Goodwill	Advance payments	Total
Acquisition cost 1.4.2019	7 384 943	394 960	260 491	8 040 394
+ Additions	115 137	0	512 980	628 117
+/- Reclassifications	722 976	0	-722 976	0
Acquisition cost 31.3.2020	8 223 056	394 960	50 495	8 668 511
Accumulated amortisation and impairments 1.4.2019	6 036 993	394 960	0	6 431 953
+ Amortisation	565 191	0	0	565 191
Accumulated amortisation and impairments 31.3.2020	6 602 184	394 960	0	6 997 144
<b>Carrying amount 31.3.2020</b>	<b>1 620 872</b>	<b>0</b>	<b>50 495</b>	<b>1 671 367</b>
Carrying amount 31.3.2019	1 347 950	0	260 491	1 608 441

## Tangible assets

EUR	Machinery and equipment	Advance payments	Total
Acquisition cost 1.4.2019	1 736 290	0	1 736 290
+ Additions	13 371	0	13 371
Acquisition cost 31.3.2020	1 749 661	0	1 749 661
Accumulated depreciation and impairments 1.4.2019	1 680 062	0	1 680 062
+ Depreciation	21 275	0	21 275
Accumulated depreciation and impairments 31.3.2020	1 701 337	0	1 701 337
<b>Carrying amount 31.3.2020</b>	<b>48 324</b>	<b>0</b>	<b>48 324</b>
Carrying amount 31.3.2019	56 228	0	56 229

## 8. Investments

EUR	Shares of subsidiaries	Other shares	Total
Acquisition cost 1.4.2019	57 339 035	665 000	58 004 035
+ Additions	4 331 190	0	4 331 190
+/- Other changes	665 000	-665 000	0
Acquisition cost 31.3.2020	62 335 225	0	62 335 225
<b>Carrying amount 31.3.2020</b>	<b>62 335 225</b>	<b>0</b>	<b>62 335 225</b>
Carrying amount 31.3.2019	57 339 035	665 000	58 004 035

## 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

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### Other receivables

EUR	2019-2020	2018-2019
Rent deposits	1 500	1 500
Interest-bearing loan receivables from Group companies	229 081 632	265 630 495
<b>Total</b>	<b>229 083 132</b>	<b>265 631 995</b>

## 10. Short-term receivables

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EUR	2019-2020	2018-2019
Other receivables from value added taxes	100 868	74 261
Other receivables	233	293
Prepayments and accrued income	155 103	140 821
Receivables from Group companies		
Trade receivables	509 622	558 298
Prepayments and accrued income from financial items	28 934 746	23 220 667
<b>Total</b>	<b>29 700 572</b>	<b>23 994 340</b>

### Prepayments and accrued income

EUR	2019-2020	2018-2019
from staff expenses	5 045	40 880
from other operating expenses	150 058	87 865
from derivatives	0	12 076
<b>Total</b>	<b>155 103</b>	<b>140 821</b>

## 11. Equity

### Restricted equity

EUR	2019-2020	2018-2019
Share capital at the beginning of the financial year	210 235	210 235
<b>Share capital at the end of the financial year</b>	<b>210 235</b>	<b>210 235</b>
Share premium account at the beginning of the financial year	3 095 818	3 095 818
<b>Share premium account at the end of the financial year</b>	<b>3 095 818</b>	<b>3 095 818</b>
<b>Total restricted equity</b>	<b>3 306 053</b>	<b>3 306 053</b>

### Distributable equity

EUR	2019-2020	2018-2019
Invested non-restricted equity fund	50 588 845	50 588 845
Retained earnings at the beginning of the financial year	36 938 733	7 595 485
Retained earnings at the end of the financial year	36 938 733	7 595 485
Profit for the financial year	2 712 908	29 343 248
<b>Total distributable equity</b>	<b>90 240 486</b>	<b>87 527 579</b>
<b>Total equity</b>	<b>93 546 539</b>	<b>90 833 632</b>

### Statement of distributable equity

EUR	2019-2020	2018-2019
Retained earnings	36 938 733	7 595 485
Profit for the financial year	2 712 908	29 343 248
Invested non-restricted equity fund	50 588 845	50 588 845
<b>Total</b>	<b>90 240 486</b>	<b>87 527 578</b>

### 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	2019-2020	2018-2019
Interest-bearing loans to Group companies	164 171 483	200 671 483
<b>Total non-current liabilities</b>	<b>164 171 483</b>	<b>200 671 483</b>

Loans falling due later than five years

EUR	2019-2020	2018-2019
Interest-bearing loans to Group companies	164 171 483	200 671 483

### 13. Current liabilities

EUR	2019-2020	2018-2019
Trade payables	205 991	216 798
Other liabilities	1 406 037	40 190
Accruals and deferred income	503 291	521 038
To Group companies		
Trade payables	230 820	57 108
Accruals and deferred income from financial expenses	1 049 410	1 215 598
Other liabilities	53 675 067	45 527 005
Non interest bearing other liabilities	8 139 780	10 300 000
<b>Total</b>	<b>65 210 396</b>	<b>57 877 736</b>

#### Accruals and deferred income

EUR	2019-2020	2018-2019
from staff expenses	492 680	508 850
from taxes	0	12 188
from derivatives	10 611	0
<b>Total</b>	<b>503 291</b>	<b>521 038</b>

### 14. Commitments and other liabilities

#### Other liabilities

EUR	2019-2020	2018-2019
Guarantees given on own and Group companies behalf	5 150 000	5 576 731
<b>Total</b>	<b>5 150 000</b>	<b>5 576 731</b>

#### Leasing liabilities

EUR	2019-2020	2018-2019
For the current financial period	25 224	42 107
Falling due at a later time	23 406	41 507
<b>Total</b>	<b>48 630</b>	<b>83 614</b>

#### Operating lease liabilities

EUR	2019-2020	2018-2019
For the current financial period	3 825	9 563
<b>Total</b>	<b>3 825</b>	<b>9 563</b>

**Derivative obligations**

<b>EUR</b>	<b>2019-2020</b>	<b>2018-2019</b>
<b>Raw material derivatives</b>		
Nominal value	2 252 066	2 860 900
Fair value	-360 333	12 076
<b>Total</b>	<b>1 891 733</b>	<b>2 872 976</b>

**15. Events after the financial year**

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There are not any events after the financial year.



## Board of Director's Proposal for the Profit Distribution

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Company's net profit for the financial year is EUR 2.712.908. Company's distributable equity is EUR 90.240.486 of which distributable funds are 39.651.641 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 16.392,15 per share be paid, totalling	EUR 20.506.579
- The remaining be retained in shareholders' equity	EUR 69.733.907
Total	EUR 90.240.486

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.

25th May 2020

Matti Yli-Olli  
Chairman of the Board of Directors

Sanna Raatikainen  
Board member

Jani Kiljala  
Board member

Pankaj Mital  
CEO

## Auditor's Note

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A report of the audit has been submitted today.

Ernst & Young Oy  
Authorised Public Accountants

Jari Karppinen  
APA

## List of Accounting Books

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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