

# Carpenter Holdings ApS

Michael Drewsens Vej 9  
DK-8270 Højbjerg

CVR no. 10 02 26 57

## Annual report 2022

The annual report was presented and approved at the  
Company's annual general meeting on

16 June 2023

Petrine Rex  
Chairman of the annual general meeting

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## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of Carpenter Holdings ApS for the financial year 1 January – 31 December 2022.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Aarhus, 16 June 2023

Executive Board:

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Frank Werner Sander  
director

Board of Directors:

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Bradford Beauchamp  
chairman

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Peter Paul Muniz

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Frank Werner Sander



## **Independent auditor's report**

### **To the shareholders of Carpenter Holdings ApS**

#### **Opinion**

We have audited the consolidated financial statements and the parent company financial statements of Carpenter Holdings ApS for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility for the consolidated financial statements and the parent company financial statements**

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

## Independent auditor's report

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does



## Independent auditor's report

not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 16 June 2023

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Nikolaj Møller Hansen  
State Authorised  
Public Accountant  
mne33220

Michael E. K. Rasmussen  
State Authorised  
Public Accountant  
mne41364

**Carpenter Holdings ApS**  
Annual report 2022  
CVR no. 10 02 26 57

## Management's review

### Company details

Carpenter Holdings ApS  
Michael Drewsens Vej 9  
8270 Højbjerg  
Denmark

Telephone: +45 86 29 23 11

CVR no.: 10 02 26 57  
Established: 1 March 2000  
Registered office: Aarhus  
Financial year: 1 January – 31 December

### Board of Directors

Bradford Beauchamp, chairman  
Peter Paul Muniz  
Frank Werner Sander

### Executive Board

Frank Werner Sander, director

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Frederiks Plads 42  
8000 Aarhus  
Denmark  
CVR no. 25 57 81 98

### Annual general meeting

The annual general meeting will be held on 16 June 2023.

## Management's review

### Financial highlights for the Group

DKK'000	2022	2021	2020	2019	2018
<b>Key figures</b>					
Revenue	490,479	506,446	409,696	424,004	436,227
Gross profit	155,242	171,468	159,054	157,914	137,799
Operating profit	47,117	64,840	61,195	61,137	41,814
Profit/loss from financial income and expenses	3,688	2,299	-5,283	694	8,489
Profit for the year	40,190	52,980	43,702	48,299	39,211
<b>Balance sheet</b>					
Total assets	321,429	316,316	253,057	243,875	284,519
Equity	257,534	241,516	191,207	188,541	229,395
Investment in property, plant and equipment	9,576	13,594	6,793	4,190	9,111
<b>Ratios</b>					
Gross margin	31.7%	33.9%	38.8%	37.2%	31.6%
Operating margin	9.6%	13.5%	14.9%	14.4%	9.6%
Current ratio	530.5%	418.3%	390.0%	417.1%	548.7%
Solvency ratio	80.1%	76.4%	75.6%	77.3%	80.6%
<b>Employees</b>					
Average number of full-time employees	233	221	214	218	226

The financial ratios have been calculated as follows:

Gross margin 
$$\frac{\text{Gross loss} \times 100}{\text{Revenue}}$$

Operating margin 
$$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$$

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

Solvency ratio 
$$\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$$



## Management's review

### Operating review

#### The Group's principal activities

As the Parent Company, Carpenter Holdings ApS fully owns two operating companies, Carpenter ApS and Carpenter Sweden AB. The Group's principal activities comprise production and sale of flexible polyurethane foam.

#### Development in activities and financial position

In 2022, the Group's revenue came in at DKK 490,479 thousand as against DKK 506,446 thousand in 2021. The income statement for 2022 shows a profit of DKK 40,190 thousand as against a profit of DKK 52,980 thousand last year, and the balance sheet at 31 December 2022 shows equity of DKK 257,534 thousand.

From an overall perspective, 2022 results were positive, however, slightly lower than forecasted.

#### Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2022.

#### Outlook

The business environment was influenced by three major impacts in 2022 that have partly continued into 2023:

- Tight chemical raw material supplies and prices show little signs of stabilisation
- Economic situation and high inflation rate
- War in Ukraine.

We expect our business in 2023 to be at a lower level than in 2022. We expect the business environment to remain volatile with little short-term visibility. Further, we must emphasise that the expectations are associated with the uncertainty and limitations that the war in Ukraine creates on our markets in all regards.

We forecast revenue and results for 2023 to drop in the range of 5-10% compared to 2022 results.

### Financial instruments

#### *The Company's goals and policies for management of financial risks*

The Group applies raw materials which due to considerable price fluctuations characterising the market for these raw materials pose a particular risk as price increases might not be fully reflected in the price of the finished goods. Apart from that, Management's assessment is, that the Group is not exposed to particular risks apart from those generally occurring in this line of business.

Apart from the currency risk related to cash at bank, the Company's currency risk is limited. Although a currency risk does exist with regard to Carpenter Sweden AB's purchase of raw materials in euro, the Company's currency risk is deemed insignificant.

As interest-bearing debt did not make up a significant amount during the financial year, a change in interest level will not have any significant direct effect on earnings.

## Management's review

### Operating review

#### Intellectual capital

The Group's production of polyurethane products requires a high degree of knowledge by its employees. The Group performs development activities on an ongoing basis in regards to both new developments and further development of existing products.

#### Corporate social responsibility

This section is prepared in accordance with section 99a of the Danish Financial Statements Act on social responsibility.

We strive to be the leading manufacturer of high-quality soft polyurethane foam products in the Nordic countries. Our principal activities comprise the production, processing and sale of foam-related products, and our facilities are placed in Sweden and Denmark. Our wide range of products are sold to counties worldwide.

In Carpenter Holdings ApS, we focus on improving our performance by integrating social and environmental considerations into all our activities.

Carpenter is aware of its responsibilities and obligations to the environment and occupational health & safety legislation and adopts policies of compliance with the legal requirements for its business and the industry in which it operates.

We monitor and develop policies to respect relevant legislation in terms of health & safety and environment to ensure that our activities are compliant with legal requirements.

We confirm our focus on the following areas (not limited to):

- Human rights
- Code of Conduct / anti-corruption
- Social and staff matters
- Environment / Climate
- Data ethics.

Throughout 2022, our primary concern was for the health and safety of our employees. Continued insecurity over the COVID-19 pandemic, the Ukrainian war and the growing economic uncertainties created an unpredictable environment for business. Every precautionary measure was taken to manage the business through 2022.

After protecting our employees, the next priority was to protect our business, and actions was taken to minimise the impact on our business despite growing economic uncertainties and historically high inflation rates. We did not identify any risks within this area of business. We will continue our work and improvements in the future.

## Management's review

### Operating review

#### Human rights:

Carpenter Holdings ApS supports and respects Human Rights, and we promote standards internally as well as throughout the Carpenter Group. We are in compliance with legislation and the collective agreements in the countries in which we operate. When applicable legislation, the collective labor agreements and the Carpenter Code of Conduct / Carpenter Etics specify diverging standards, the most stringent regulation will be applied. Carpenter Holdings ApS supports and respects Human Rights, and we promote standards internally as well as throughout the Carpenter Group.

We promote and offer equal opportunities for all employees irrespectively of gender or ethnicity as a part of our company philosophy and general humanity attitude.

We hire, remunerate and promote employees on the basis of skills, competences and performance - not according to gender, religion or race.

We have set target to develop a policy that addresses sexual and other harassments in conjunction with the "Work environment organisation" and management. Further we plan to train and educate managers and employees in our zero-harassment policy during the initial months of 2023.

The policy aims to secure a work environment that encourages respectful communication and provide guidelines on how the Company handles violations of policy.

The policy was developed and implemented as planned. The training and education of management and employees was performed and will be developed on a continuous basis.

The training consisted of one full day external training session with all managers and working environment representatives. Further all employees have been introduced to the policy and will be reminded about the existence of the policy on a monthly basis. The policy is available to all employees at all times.

We did not identify any breaches of our internal goals and targets during 2022, and nor did we identify any risks within this area of business. We will continue our work and improvements in the future.

#### Code of Conduct / anti-corruption:

Our Code of Conduct is implemented in the organisation of Carpenter Holdings ApS and throughout the Carpenter Group. Our Code of Conduct addresses the main areas that we consider fundamental to our success — among others, human rights, labour rights, anti-corruption and social norms. We promote targets internally and monitor the progress we make within the targets set.

We address the anti-corruption and social and staff matters topics as follows:

- None of the Company's employees give or receive unjustified advantages from public officials or employees in private companies
- No form of extortion or bribery or favoritism to or from employees or organisations are tolerated
- We actively choose security for our employees in regards to segregation of duties fixed in our ERP system.

Carpenter does not tolerate any form of corruption or fraud. This applies to all the Company's business dealings and transactions, and we value honesty, integrity and fair play. In 2022, we set goals to develop a group anti-bribery and anti-corruption zero policy that will be implemented during 2023.

The Carpenter Group anti-bribery and anti-corruption zero policy will be launched during the Q2 2023.

We did not identify any breaches of our internal goals and targets during 2022, and nor did we identify any risks within this area of business. We will continue to work towards our goals in the future.

#### Social and staff matters

## Management's review

### Operating review

Our employees are the backbone of our Company and their well-being, health & safety in the workplace are crucial to our success as a business.

We encourage our employees in many ways in order to create a safe and proactive workplace where employees can develop and grow.

Our key initiative for 2022 was to conduct an employee survey alongside the APV, where employees are encouraged to share their opinions and suggest improvements for the working environment. The findings of the survey/APV will be shared with all employee groups, key points will be chosen on a group individual basis. Management and WEO will systematically take actions and follow-up during 2023.

Our goal is to continuously develop a safe and inspiring work environment that ensures designated and productive employees.

During 2022, we developed a Whistleblower group policy which will be introduced to the employees during first half of 2023.

The objectives of the policy are:

- a) To encourage Carpenter representatives to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected.
- b) To provide Carpenter representatives with guidance as to how to raise those concerns.
- c) To reassure Carpenter representatives that they should be able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken.

We did not identify any breaches of our internal goals and targets during 2022, and nor did we identify any risks within this area of business. We will continue our work and improvements in the future.

#### **Environment and climate:**

Carpenter Holdings ApS as well as the Carpenter Group are committed to support a sustainable environment as part of our founding philosophy: "We must do the best we can to serve ourselves, but we should not forget that in the final analysis, we serve society whose approval of our actions forms the basis for the existence of our company".

We engage and target efforts to continuously protect our environment through statements from our environmental policy

- Reduce waste in all forms
- Minimise impact on the environment and reduce pollution in all forms
- We develop and promote products using biomass rawmaterials and strive to replace fossil rawmaterials with alternatives from natural sources where possible
- We monitor and comply with relevant legislation.

During 2022 we introduced the first products containing natural oils replacing part of the standard formulations. We continue to monitor the market to be able to bring more sustainable solutions to our customers, and we have a number of projects running that we expect to launch during 2023.

In 2022, we implemented the Oeko-tex STeP certification as part of our CSR strategy and to support of our environmental goals. We did not identify any breaches of our internal goals and targets during 2022, and nor did we identify any risks within this area of business. We expect to continue our work and developments in the future.

## Management's review

### Operating review

#### Data Ethics:

Processing personal data is neither a critical part nor closely related to the business activities of the Company. Being a B2B company with only few private customer transactions, we process limited personal data of customers and suppliers – and only for the purpose of customer/supplier administration. The processing of personal data is mainly related to internal activities, involving personal data of employees for the purpose of HR administration. This means that we do not use data to track activity or user preferences of any private persons, and we do further not use machine learning, AI or the like to identify consumption patterns of customers, employees or other private persons.

For these reasons, it is not considered required for the company to have a formalised data ethics policy. Instead, we consider our general GDPR policies to be adequate for identifying possible risks related to the Company's collection and processing of data and use of technology.

### Goals and policies for the underrepresented gender

This section is prepared in accordance with section 99b of the Danish Financial Statements Act.

#### Board of Directors

The Company is a subsidiary of E.R. Carpenter Holding B.V., and ultimately Carpenter Co. Carpenter Holdings ApS' Board of Directors are appointed by the Parent Company. It is the Parent Company's objective that the Board of Directors should represent competences to effectively fulfil its tasks from a strategic, managerial and controlling perspective. The Company will seek to identify candidates with the Industry's best profiles and skills to the benefit of the Company as a whole. In this context, gender is considered in the nomination of candidates for the Board of Directors with due regard to the Company's other recruitment criteria, including requirements for professional qualifications, industry experience, educational background, etc. By the end of 2022, only males served on the Board of Directors.

The Company has set a new target to elect one female for the Board of Directors by the end of 2024. Carpenter Holdings ApS operates in a male-dominated industry, where female candidates for Board positions are limited in number.

We remain focused on encouraging gender diversity at all levels of our Company and promoting and creating equal opportunities for both genders.

#### Other management levels

The Company has set a target to have the underrepresented gender account for 40% of other management roles. We remain focused on encouraging gender diversity at all levels of our Company by promoting and creating equal opportunities for both genders.

We promote a gender-inclusive workplace in our hiring and promotion processes as we believe that diversity among managers fuels innovation and better decision making.

- We strive to secure that our hiring managers represent diversity
- We strive to use language in our job adds that is not specifically addressing one gender
- When possible, we strive to have both genders represented in the closing talks for relevant job positions.

The work to increase the percentage of the underrepresented gender is an ongoing and continuous process.

Women made up 27% and men 73% of the Group's other management levels in 2022.

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Income statement

DKK'000	Note	Group		Parent Company	
		2022	2021	2022	2021
<b>Revenue</b>	2	490,479	506,446	0	0
Changes in inventories of finished goods and work in progress		1,110	-322	0	0
Costs of raw materials and consumables		-290,717	-295,857	0	0
Other operating income		420	2,500	0	0
Other external costs		<u>-46,050</u>	<u>-41,299</u>	<u>-101</u>	<u>-68</u>
<b>Gross loss</b>		155,242	171,468	-101	-68
Staff costs	3	-100,851	-97,105	0	0
Depreciation, amortisation and impairment losses		-7,274	-5,859	0	0
Other operating costs		<u>0</u>	<u>-3,664</u>	<u>0</u>	<u>0</u>
<b>Operating profit/loss</b>		47,117	64,840	-101	-68
Income from equity investments in group entities		0	0	15,000	0
Financial income	4	6,793	4,539	4	9
Financial expenses		<u>-3,105</u>	<u>-2,240</u>	<u>-35</u>	<u>-26</u>
<b>Profit/loss before tax</b>		50,805	67,139	14,868	-85
Tax on profit/loss for the year		<u>-10,615</u>	<u>-14,159</u>	<u>28</u>	<u>19</u>
<b>Share of profit/loss for the year</b>	5	<u><u>40,190</u></u>	<u><u>52,980</u></u>	<u><u>14,896</u></u>	<u><u>-66</u></u>

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	Group		Parent Company	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
<b>ASSETS</b>					
<b>Fixed assets</b>					
<b>Property, plant and equipment</b>					
	6				
Land and buildings		42,648	46,366	0	0
Plant and machinery		22,573	8,030	0	0
Fixtures and fittings, tools and equipment		2,750	946	0	0
Property, plant and equipment under construction		625	11,574	0	0
		<u>68,596</u>	<u>66,916</u>	<u>0</u>	<u>0</u>
<b>Investments</b>					
	7				
Equity investments in group entities		0	0	198,918	198,918
<b>Total fixed assets</b>		<u>68,596</u>	<u>66,916</u>	<u>198,918</u>	<u>198,918</u>
<b>Current assets</b>					
<b>Inventories</b>					
Raw materials and consumables		30,163	28,415	0	0
Work in progress		505	546	0	0
Finished goods and goods for resale		8,590	9,832	0	0
		<u>39,258</u>	<u>38,793</u>	<u>0</u>	<u>0</u>
<b>Receivables</b>					
Trade receivables		81,451	93,376	0	0
Receivables from group entities		411	587	0	0
Other receivables		1,318	2,158	0	0
Corporation tax		55	0	5,128	6,219
Prepayments	8	450	1,074	0	0
		<u>83,685</u>	<u>97,195</u>	<u>5,128</u>	<u>6,219</u>
<b>Cash at bank and in hand</b>		<u>129,890</u>	<u>113,412</u>	<u>5,876</u>	<u>4,880</u>
<b>Total current assets</b>		<u>252,833</u>	<u>249,400</u>	<u>11,004</u>	<u>11,099</u>
<b>TOTAL ASSETS</b>		<u>321,429</u>	<u>316,316</u>	<u>209,922</u>	<u>210,017</u>

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	Group		Parent Company	
		31/12 2022	31/12 2021	31/12 2022	31/12 2021
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Contributed capital	9	1,500	1,500	1,500	1,500
Retained earnings		46,834	225,016	-852	193,451
Proposed dividends for the year		209,200	15,000	209,200	15,000
<b>Total equity</b>		<b>257,534</b>	<b>241,516</b>	<b>209,848</b>	<b>209,951</b>
<b>Provisions</b>					
Provisions for deferred tax	10	16,234	15,184	0	0
<b>Total provisions</b>		<b>16,234</b>	<b>15,184</b>	<b>0</b>	<b>0</b>
<b>Liabilities other than provisions</b>					
<b>Current liabilities other than provisions</b>					
Trade payables		28,855	33,593	0	0
Payables to group entities		564	1,069	0	0
Corporation tax		0	2,777	0	0
Other payables		18,242	22,177	74	66
		<b>47,661</b>	<b>59,616</b>	<b>74</b>	<b>66</b>
<b>Total liabilities other than provisions</b>		<b>47,661</b>	<b>59,616</b>	<b>74</b>	<b>66</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>321,429</b>	<b>316,316</b>	<b>209,922</b>	<b>210,017</b>
<b>Fees to auditor appointed at the general meeting</b>	11				
<b>Contractual obligations, contingencies, etc.</b>	12				
<b>Related party disclosures</b>	13				



## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Group			
	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2022	1,500	225,016	15,000	241,516
Exchange adjustment	0	-9,165	0	-9,165
Ordinary dividends paid	0	0	-15,000	-15,000
Transferred over the profit appropriation	0	-64,417	104,600	40,183
<b>Equity at 31 December 2022</b>	<b>1,500</b>	<b>151,434</b>	<b>104,600</b>	<b>257,534</b>

  

DKK'000	Parent Company			
	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2022	1,500	193,452	15,000	209,952
Ordinary dividends paid	0	0	-15,000	-15,000
Transferred over the profit appropriation	0	-194,304	209,200	14,896
<b>Equity at 31 December 2022</b>	<b>1,500</b>	<b>-852</b>	<b>209,200</b>	<b>209,848</b>

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Cash flow statement

DKK'000	Note	Group	
		2022	2021
Profit for the year		40,190	52,980
Other adjustments of non-cash operating items	14	7,542	11,639
Depreciation, amortisation and impairment losses		7,274	5,859
Cash flows from operations before changes in working capital		55,006	70,478
Changes in working capital	15	3,922	-36,245
Corporation tax paid		-12,397	0
Cash flows from ordinary activities		46,531	34,233
Interest income		6,793	4,539
Interest expense		-3,105	-2,240
<b>Cash flows from operating activities</b>		<b>50,219</b>	<b>36,532</b>
Acquisition of intangible assets		0	-13,594
Sale of intangible assets		0	11,340
Acquisition of property, plant and equipment		-9,576	0
<b>Cash flows from investing activities</b>		<b>-9,576</b>	<b>-2,254</b>
Shareholders:			
Distributed dividends		-15,000	0
<b>Cash flows from financing activities</b>		<b>-15,000</b>	<b>0</b>
<b>Cash flows for the year</b>		<b>25,643</b>	<b>34,278</b>
Cash and cash equivalents at the beginning of the year		113,412	81,805
Unrealised value adjustments for the year		-9,165	-2,671
<b>Cash and cash equivalents at year-end</b>		<b>129,890</b>	<b>113,412</b>

## **Consolidated financial statements and parent company financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies**

The annual report of Carpenter Holdings ApS for 2022 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and parent company financial statements are consistent with those of last year.

#### **Consolidated financial statements**

The consolidated financial statements comprise the Parent Company, Carpenter Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in some other way exercises control over. Entities in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are considered associates.

On consolidation, intragroup income and expenses, shareholdings, intragroup balances and dividends and realised and unrealised gains and losses on intragroup transactions are eliminated.

Equity investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

#### **Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Upon recognition of foreign subsidiaries and associates that are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity.

Upon recognition of foreign subsidiaries that are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

#### Income statement

##### Revenue

Income from the sale of goods and finished goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

##### Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of property, plant and equipment.

##### Cost of sales

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

##### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Group's employees, excluding reimbursements from public authorities.

##### Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

## **Consolidated financial statements and parent company financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

Dividends from equity investments in subsidiaries are recognised in the income statement in the financial year in which dividends are declared. To the extent that distributed dividends exceed accumulated earnings at the acquisition date, the dividends are recognised as write-down of the cost of the equity investment.

#### **Tax on profit/loss for the year**

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date on which they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### **Balance sheet**

#### **Property, plant and equipment**

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	20-60 years
Plant and machinery	5-10 years
Fixtures and fittings, tools and equipment	3-10 years

## **Consolidated financial statements and parent company financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### **Investments**

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

#### **Impairment of fixed assets**

The carrying amount of property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

#### **Inventories**

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

#### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Equity

##### *Dividends*

The expected dividend payment for the year is disclosed as a separate item under equity.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

## **Consolidated financial statements and parent company financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Deferred income**

Deferred income comprises advance invoicing regarding income in subsequent years.

##### **Cash flow statement**

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

##### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the Group's share of profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

##### **Cash flows from investing activities**

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

##### **Cash flows from financing activities**

Cash flows from financing activities comprise changes in size or composition of the Company's contributed capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividends to owners.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash, bank deposits and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.



## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

#### 2 Segment information

Segment information is provided on geographical markets. The segment information is in line with the Group's accounting policies, risks and internal financial management.

	Group		Parent Company	
	2022	2021	2022	2021
DKK'000				
Revenue, Denmark	181,553	178,489	0	0
Revenue, Nordic region	193,785	211,233	0	0
Revenue, Europe	113,750	114,073	0	0
Revenue, other	1,391	2,651	0	0
	<u>490,479</u>	<u>506,446</u>	<u>0</u>	<u>0</u>

The distribution of revenue across business segments is not disclosed in accordance with section 96 (1) the Danish Financial Statements Act as information about this may cause material damage to the Group.

	Group		Parent Company	
	2022	2021	2022	2021
DKK'000				
Wages and salaries	83,907	78,621	0	0
Pensions	16,273	17,896	0	0
Other social security costs	671	588	0	0
	<u>100,851</u>	<u>97,105</u>	<u>0</u>	<u>0</u>
Average number of full-time employees	<u>233</u>	<u>221</u>	<u>0</u>	<u>0</u>

#### 4 Financial income

Foreign exchange gains	4,477	2,961	0	1
Other interest income	2,316	1,578	4	8
	<u>6,793</u>	<u>4,539</u>	<u>4</u>	<u>9</u>

#### 5 Proposed profit appropriation/distribution of loss

Proposed dividends for the year	104,600	15,000	104,600	15,000
Retained earnings	<u>-64,410</u>	<u>37,980</u>	<u>-89,704</u>	<u>-15,066</u>
	<u>40,190</u>	<u>52,980</u>	<u>14,896</u>	<u>-66</u>

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

#### 6 Property, plant and equipment

DKK'000	Group				
	Land and buildings	Property, plant and equipment under construction	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2022	123,602	183,334	12,544	11,574	331,054
Exchange rate adjustment	-1,526	-6,169	-185	0	-7,880
Additions for the year	0	6,557	2,394	625	9,576
Disposals for the year	0	-4,313	-1,283	0	-5,596
Transfers for the year	0	11,574	0	-11,574	0
Cost at 31 December 2022	122,076	190,983	13,470	625	327,154
Depreciation and impairment losses at 1 January 2022	-77,244	-175,304	-11,596	0	-264,144
Exchange rate adjustment	1,034	5,998	151	0	7,183
Depreciation for the year	-3,218	-3,417	-558	0	-7,193
Depreciation and impairment losses for the year on assets sold	0	4,313	1,283	0	5,596
Depreciation and impairment losses at 31 December 2022	-79,428	-168,410	-10,720	0	-258,558
<b>Carrying amount at 31 December 2022</b>	<b>42,648</b>	<b>22,573</b>	<b>2,750</b>	<b>625</b>	<b>68,596</b>

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

#### 7 Investments

	Parent Company
DKK'000	
Cost at 1 January 2022	198,918
Cost at 31 December 2022	198,918
<b>Carrying amount at 31 December 2022</b>	<b>198,918</b>

Name	Registered office	Voting rights and ownership interest
Carpenter ApS	Aarhus, Denmark	100%
Carpenter Sweden AB	Tranås, Sweden	100%

#### 8 Prepayments

	Group		Parent Company	
DKK'000	31/12 2022	31/12 2021	31/12 2022	31/12 2021
Costs	196	407	0	0
Insurance	254	667	0	0
	450	1,074	0	0

#### 9 Equity

Contributed capital consists of 1 shares of a nominal value of DKK 1,500 thousand. There have been no changes in contributed capital during the last five years.

All shares rank equally.

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

DKK'000	Group		Parent Company	
	31/12 2022	31/12 2021	31/12 2022	31/12 2021
<b>10 Deferred tax assets</b>				
Deferred tax at 1 January	15,184	13,143	0	0
Deferred tax adjustment for the year in the income statement	<u>1,050</u>	<u>2,041</u>	<u>0</u>	<u>0</u>
	<u>16,234</u>	<u>15,184</u>	<u>0</u>	<u>0</u>
<b>11 Fees to auditor appointed at the general meeting</b>				
Audit	396	379	26	30
Non-audit services	<u>92</u>	<u>79</u>	<u>55</u>	<u>60</u>
	<u>488</u>	<u>458</u>	<u>81</u>	<u>90</u>

### 12 Contractual obligations, contingencies, etc.

#### Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

#### Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 390 thousand within four years (2021: DKK 487 thousand).

### 13 Related party disclosures

Carpenter Holdings ApS' related parties comprise the following:

#### Control

Parent Company:  
E.R Carpenter Holding B.V., Tijvoortsebaan 2, 5051 HJ Goirle, the Netherlands

Ultimate Parent Company:  
Carpenter Co., 560 Monument Ave., Richmond VA 23230, USA

## Consolidated financial statements and parent company financial statements 1 January – 31 December

### Notes

#### Related party transactions

DKK'000	Group		Parent Company	
	2022	2021	2022	2021
<b>Group</b>				
Sales of goods	6,035	11,223	0	0
Purchase of goods and other expenses	<u>-16,227</u>	<u>-21,950</u>	<u>0</u>	<u>0</u>
	<u>-10,192</u>	<u>-10,727</u>	<u>0</u>	<u>0</u>

Payables to and receivables from group entities are disclosed in the balance sheet.

DKK'000	Group	
	2022	2021

#### 14 Other adjustments

Financial income	-6,793	-4,539
Financial expenses	3,105	2,240
Tax on profit for the year	10,615	14,159
Exchange rate adjustments PPE	697	0
Other items	<u>-82</u>	<u>-221</u>
	<u>7,542</u>	<u>11,639</u>

#### 15 Changes in working capital

Change in inventories	-465	-7,618
Change in receivables	13,565	-20,495
Change in trade and other payables	<u>-9,178</u>	<u>-8,132</u>
	<u>3,922</u>	<u>-36,245</u>