

**SCHIEDEL SKORSTENE APS  
INDUSTRIVEJ 23  
DK-7470 KARUP J  
REG. NO. 14747346**

**ANNUAL REPORT 2022**

Approved at the Company's annual general meeting on 31 May 2023

**Chairman**



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**Company details****Company**

Schiedel Skorstene ApS

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Website [www.schiedel.dk](http://www.schiedel.dk)E-mail [sales.dk@schiedel.com](mailto:sales.dk@schiedel.com)

Established: 1 September 1990

Registered office: Viborg

Financial year 1 January – 31 December

**Board of Directors**

Michael Ball, Chairman

Anne Marie Aebeloe

Laura Sinkman

**Executive Board**

Anne Marie Aebeloe

**Auditors**

EY Godkendt Revisionspartnerselskab

Vestre Havnepromenade 1 A

DK-9000 Aalborg

**Bankers**

The Company is part of a cash pool facility together with other companies in the group. The main bank account is held by the German associated company BMI Group. The cash pool is held in:

Danske Bank

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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 Schiedel Skorstene ApS for the financial year 1 January – 31 December 2022

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

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Karup, 31 May 2023

## Executive Board

Anne Marie Aebeloe  
CEO

## Board of Directors



Michael Ball  
Chairman



Anne Marie Aebeloe



Laura Sinkman

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# **Independent auditor's report**

## **To the shareholders of Schiedel Skorstene ApS**

### **Opinion**

We have audited the financial statements of Schiedel Skorstene ApS for the financial year 1 January – 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations 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 additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

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

### **Management's responsibilities for the financial statements**

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

In preparing the financial statements, Management is responsible for assessing the 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 financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit conducted in accordance with ISAs and 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 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.

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## Independent auditor's report

- ▶ 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 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 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 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 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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the 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 financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 31 May 2023

EY GODKENDT REVISIONSPARTNERSELSKAB

CVR no. 30 70 02 28

Hans B. Vistisen

State Authorised Public Accountant

mne23254

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## **Management's review**

### **Operating review**

#### **Principal activities of the Company**

The Company is engaged in producing and selling Schiedel chimney and fireplace systems for domestic and foreign wholesalers, and to its affiliated companies.

The Group produces flat and pitched roofing products, chimneys and waterproofing solutions. The Group is represented in more than 40 countries.

#### **Development in activities and financial matters**

The Company reported a profit of DKK'000 1.573 for 2022 and the Company's balance sheet showed equity of DKK'000 6.148 at 31 December 2022. Management considers the profit for the year satisfactory, the result lives up to expectations.

The Company is market leader in the Danish market, and the Company maintains its market shares at the other Scandinavian markets.

The Company is financed by means of intra-group financing, and Management assesses the Company's financial resources adequate to continue as a going concern for 2023.

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**Income statement**

	<b>Note</b>	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
<b>Gross profit</b>		<b>12.638</b>	<b>10.938</b>
Staff costs	2	-9.466	-9.338
Depreciation of property, plant and equipment		-812	-950
<b>Profit/loss before interest income and expenses</b>		<b>2.360</b>	<b>650</b>
Financial income	3	119	68
Financial expenses	4	-450	-269
<b>Profit/loss before tax</b>		<b>2.029</b>	<b>449</b>
Tax on profit/loss for the year	5	-456	-106
<b>PROFIT/LOSS FOR THE YEAR</b>		<b>1.573</b>	<b>343</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		1.573	343
		1.573	343

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**Balance sheet**

	<b>Note</b>	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
<b>ASSETS</b>			
<b>Intangible assets</b>			
Software	6	114	165
<b>Non-current assets</b>			
Land and buildings		4.494	4.284
Plant and machinery		2.841	2.821
Fixtures and fittings, other plant and equipment		856	680
Total property, plant and equipment	7	8.191	7.785
<b>Total non-current assets</b>		<b>8.304</b>	<b>7.950</b>
<b>Current assets</b>			
Raw materials and consumables		2.545	5.936
Finished goods and goods for resale		3.876	4.374
<b>Inventories</b>		<b>6.421</b>	<b>10.310</b>
Trade receivables		6.208	2.968
Receivables at group enterprises		2.241	1.391
Joint taxation contribution receivable		0	179
Deferred tax asset	8	0	52
Prepayments		44	45
<b>Receivables</b>		<b>8.493</b>	<b>4.635</b>
<b>Cash at bank and in hand</b>		<b>0</b>	<b>0</b>
<b>Total current assets</b>		<b>14.914</b>	<b>14.945</b>
<b>TOTAL ASSETS</b>		<b>23.218</b>	<b>22.895</b>

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**Balance sheet**

	<b>Note</b>	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		3.500	3.500
Retained earnings		2.648	1.075
<b>Total equity</b>	<b>9</b>	<b>6.148</b>	<b>4.575</b>
Deferred tax	<b>8</b>	248	0
Other provisions		111	111
<b>Total provisions</b>		<b>359</b>	<b>111</b>
Trade payables		2.503	3.575
Payables to group enterprises	<b>10</b>	10.167	11.830
Joint taxation contribution payable		156	0
Other payables		3.886	2.804
<b>Current liabilities other than provisions</b>		<b>16.712</b>	<b>18.209</b>
<b>EQUITY AND LIABILITIES</b>		<b>23.218</b>	<b>22.895</b>
Contingent liabilities and other financial obligations	<b>11</b>		
Related party disclosures	<b>12</b>		
Shareholders			

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**Statement of changes in equity**

	Share capital DKK'000	Retained earnings DKK'000	Total DKK'000
Balance at 1 January 2021	3.500	732	4.232
Transferred for the year	0	343	343
Balance at 31 December 2021	3.500	1.075	4.575
Balance at 1 January 2022	3.500	1.075	4.575
Transferred for the year	0	1.573	1.573
Balance at 31 December 2022	3.500	2.648	6.148

## Notes to the financial statement

### 1 Accounting policies

The annual report of Schiedel Skorstene ApS has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

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

#### Presentation currency

The financial statements are presented in Danish Kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Receivables and payables and other monetary items denominated in foreign currencies which are not settled at the balance sheet date are translated at the exchange rate at the balance sheet date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment and the rate at the balance sheet date, respectively, are recognized in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer, the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

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

##### Raw materials and consumables, etc.

Raw materials and consumables include the costs of raw materials and consumables incurred to generate revenue for the year.

##### Other operating income

Other operating income comprises items secondary to the principal activities of the Company, including compensation, government grants, gains on the disposal of property, plant and equipment, etc. Compensation and grants are recognised when it is highly probable that they are received and that the conditions are fulfilled.

##### Gross profit

In accordance with section 32 of the Danish Financial Statements Act, revenue, raw materials and consumables etc., and other external costs are comprised into the financial statement caption gross profit.

##### Other external expenses

Other external expenses comprise costs relating to the Company's primary activities incurred in the year, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

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## Notes

### Accounting policies (continued)

#### 1 Staff costs

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

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, realized and unrealized gains and losses on payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme.

#### Taxation

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

The Company is jointly taxed with the Danish group enterprises. The Danish corporation tax is allocated between profit/loss-making Danish companies in proportion to their taxable income (full absorption).

Jointly taxed companies with excess tax receive interest at least in accordance with applicable rates from the administrative company, Monier Holding ApS, just as jointly taxed companies with outstanding tax at a maximum pay surcharge in accordance with applicable rates for surcharges to the administrative company.

#### Balance sheet

##### Intangible assets

On initial recognition, intangible assets are measured at cost.

Software is subsequently measured at cost less accumulated amortization. Software is amortised over 3 years.

Gains and losses on the disposal of intangible assets are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognized in the income statement as other operating income or other operating expenses, respectively.

##### 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 acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the date when it is ready to be put into operation. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers, and wages and salaries.

The basis of depreciation is cost less expected residual value at the end of the useful life. Depreciation is provided according to the straight-line method, based on the following expected useful lives:

Buildings	20-25 years
Plant and machinery	5-20 years
Fixtures and fittings, other plant and equipment	3-7 years

Land is not depreciated.

The depreciation period and the residual value are determined at the acquisition date and are reassessed annually.

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## Notes

### Accounting policies (continued)

- 1 In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognized in the income statement as depreciation and impairment losses.

### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation made.

Impairment tests are conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the recoverable amount and carrying amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to ownership to the entity are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies.

### Inventories

Inventories are measured at the lower of cost in accordance with the average cost formula and the net realizable value.

Finished goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs. 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 maintenance and depreciation and impairment losses regarding production machinery, buildings and equipment as well as factory administration and management. Financing costs are not included in the cost.

The net realizable value of inventories is determined taking into consideration estimated sales price less costs of completion and costs necessary to make the sale.

### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable has been impaired.

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## Notes

### Accounting policies (continued)

#### Cash and cash equivalents

Bank deposits and drawings on group cash pool are recognized as balances with group enterprises. The arrangement is a physical cash pooling, in which the group physically sweeps excess cash out of the individual bank accounts to the cash pool master account on a daily basis.

#### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

#### Equity - dividends

Dividends are recognized as a liability at the date when they are adopted at the annual general meeting.

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

#### Other provisions

Other provisions are recognized and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

Warranties comprise obligations to make good any errors and omissions within the warranty period.

#### Financial liabilities

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities.

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

Other liabilities are measured at net realisable value.

#### Corporation tax and deferred tax

Current tax payable and receivable are recognized 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. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the expected value of their utilisation; 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 realizable values.

Deferred tax is measured according to 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 due to changes in the tax rate are recognized in the income statement.

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**Notes**

	<b>2022</b>	<b>2021</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>2 Staff costs</b>		
Wages and salaries	8.632	8.515
Pensions	692	720
Other social security costs	142	103
	<u>9.467</u>	<u>9.338</u>
 Average number of full-time employees	 <u>19</u>	 <u>19</u>
<b>3 Financial income</b>		
Interest income, group enterprises	24	19
Interest income, exchange rate gains, etc.	95	49
	<u>119</u>	<u>68</u>
<b>4 Financial expenses</b>		
Interest expenses, group enterprises	417	227
Interest expenses, exchange rate losses, etc.	33	42
	<u>450</u>	<u>269</u>
<b>5 Tax on profit/loss for the year</b>		
Adjustment of deffered tax, prior years	0	-975
Adjustment of deffered tax	-300	690
Joint taxation contribution for the year	-156	179
	<u>-456</u>	<u>-106</u>

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**Notes****6 Intangible assets**

	Software DKK'000
Cost at 1 January 2022	279
Cost at 31 December 2022	279
Accumulated depreciation at 1 January 2022	113
Depreciation of the year	51
Accumulated depreciation at 31 December 2022	165
Carrying amount at 31 December 2022	114

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**7 Property, plant  
and equipment**

	Land and buildings DKK'000	Plant and machinery DKK'000	Fixtures and fittings, other plant and equipment DKK'000	TOTAL FIXED ASSETS DKK'000
Cost at 1 January 2022	14.021	16.977	7.767	38.765
Additions for the year	340	419	409	1.168
Cost at 31 December 2022	14.361	17.396	8.175	39.933
Accumulated depreciation at 1 January 2022	-9.738	-14.155	-7.088	-30.981
Depreciation for the year	-97	-364	-299	-760
Accumulated depreciation at 31 December 2022	-9.835	-14.520	-7.387	-31.742
Carrying amount at 31 December 2022	4.526	2.876	789	8.191

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## Notes

### 8 Deferred tax asset

The provision for deferred tax primarily relates to timing differences.

	2022 DKK'000	2021 DKK'000
Deferred tax 1 January	52	1.027
Adjustment of deferred tax for the year, income statement	-300	-975
Deferred tax 31 December	-248	52

### 9 Equity

The share capital comprises:

35 shares of DKK'000 100 each

	2022 DKK'000	2021 DKK'000
	3.500	3.500
	3.500	3.500

There were no changes in the share capital for the past five years.  
No shares has special rights.

### 10 Payables

Schiedel Skorstene ApS participates in a cash pool arrangement with the Group. BMI Group Operations s.a.r.l. is the cash pool master and Schiedel Skorstene ApS is a sub-account holder together with the Group's other affiliated companies.

Schiedel Skorstene ApS' accounts in the cash pool arrangement, which are included under payables to group enterprises, amount to DKK 8.527 thousand as of 31 December 2022. (2021: DKK 11.040 thousand.)

### 11 Contingent liabilities and other financial obligations

#### Lease liabilities

According to operating leases regarding copying machines, forklift trucks and cars, liabilities total

	2022 DKK'000	2021 DKK'000
	687	263

The remaining term is up to 5 years.

The Company is for the period 1 January – 31 December 2022 jointly taxed with the Danish affiliated companies within the BMI Group. The Company has joint and several unlimited liability for Danish withholding taxes on dividends, interest, royalties and corporation taxes within the joint taxation unit.

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## Notes

### 12 Related party disclosures

Related parties exercising control of Schiedel Skorstene ApS:

- The Company's principal shareholder, Schiedel GmbH & Co. KG, Munich, Germany as well as higher-ranking parents, including the ultimate parent company, G Holdings Inc, USA.

The largest group in which the results of the Company are consolidated is that headed by Standard Industries, Inc, whose registered office is 9 West 57th St, 47th Floor, New York, NY 10019, USA.

The smallest group in which they are consolidated is that headed by BMI Group Holdings (USA) LLC. BMI Group Holdings (USA) LLC is incorporated in the United States of America, and the consolidated financial statements of this group are available to the public and may be obtained from its registered office at 9 West 57th St, 47th Floor, New York, NY 10019, USA.

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