

# Fiskars Denmark A/S

Smedeland 46  
2600 Glostrup

CVR No. 26 57 35 72

## Annual report 2022

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

27 June 2023

Päivi Maarit Timonen  
Chairman

## **Table of contents**

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
<b>Management's review</b>	<b>5</b>
Company information	5
Financial highlights	6
Operating review	7
<b>Financial statements 1 January – 31 December</b>	<b>10</b>
Income statement	10
Balance sheet	11
Statement of changes in equity	13
Notes	14

## **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 Fiskars Denmark A/S 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 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 development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Glostrup, 27 June 2023

Executive Board:

---

Allan Scheffe  
CEO

Board of Directors:

---

Jussi Pekka Kaarlo Siitonen  
Chairman

---

Päivi Maarit Timonen  
Deputy Chairman

---

Satu Maaria Roman

# Independent auditor's report

## To the shareholders of Fiskars Denmark A/S

### Opinion

We have audited the financial statements of Fiskars Denmark A/S 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' 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.

### 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.

## **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.

Aarhus, 27 June 2023

EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Jes Lauritzen  
State Authorised  
Public Accountant  
mne10121

Peter Ørsøe  
State Authorised  
Public Accountant  
mne44105

**Fiskars Denmark A/S**  
Annual report 2022  
CVR No. 26 57 35 72

## **Management's review**

### **Company details**

Fiskars Denmark A/S  
Smedeland 46  
2600 Glostrup

CVR No.:	26 57 35 72
Date of foundation:	23 April 2002
Registered office:	Glostrup
Financial year:	1 January – 31 December

#### **Board of Directors**

Jussi Pekka Kaarlo Siitonen, Chairman  
Päivi Maarit Timonen, Deputy Chairman  
Satu Maaria Roman

#### **Executive Board**

Allan Schefte, CEO

#### **Auditors**

EY Godkendt Revisionspartnerselskab  
Dirch Passers Allé 36  
2000 Frederiksberg

## Management's review

### Financial highlights

DKKm	2022	2021	2020	2019	2018
<b>Key figures</b>					
Revenue	928	921	849	851	902
Profit before financial income and expenses	275	270	234	228	253
Profit from financial income and expenses	24	3	4	1	-1
Profit for the year	237	214	185	179	199
Total assets	604	753	476	782	604
Investment in property, plant and equipment	8	32	1	1	3
Equity	367	450	238	653	474
<b>Ratios</b>					
Gross margin	56%	54%	53%	56%	54%
Operating margin	30%	29%	28%	27%	28%
Return on invested capital	72%	101%	79%	57%	118%
Current ratio	436%	425%	-	-	-
Return on equity	58%	62%	42%	32%	53%
Solvency ratio	61%	60%	50%	84%	78%
Average number of full-time employees	200	175	170	180	179

The financial ratios have been calculated as follows:

Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Operating margin	$\frac{\text{Profit before financial income and expenses} \times 100}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Profit before financial income and expenses} \times 100}{\text{Average invested capital}}$
Invested capital	Operational intangible assets and property, plant and equipment as well as net working capital
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Long-term debt}}$
Return on equity	$\frac{\text{Profit after tax} \times 100}{\text{Average equity}}$
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

#### Principal activities

Fiskars Denmark A/S is part of the Fiskars Group that provides a large number of iconic lifestyle products within the Vita, Terra and Crea business areas.

Vita includes porcelain, glass and gift items under the brands Royal Copenhagen and Iittala. Terra and Crea are primary products for the garden and the kitchen goods areas, respectively, under the Fiskars brand.

The Company mainly sells the products on the Danish market through specialist trade, and its own stores and to a lesser extent for export.

In addition, the Company has granted a license for the exploitation of its intellectual property rights. The Company also provides services to group-affiliated companies and manufactures exclusive hand-painted porcelain, including Flora Danica products.

#### Development in activities and financial position

##### *Profit for the year*

Revenue in the financial year increased by 1% to DKK 928 million (2021: DKK 921 million). The increase in revenue is mostly driven by the strong sales growth in the first half of the year. However, in the second half of the year, sales was negatively impacted by weaker demand due to low consumer confidence and retailers' high inventory levels.

Vita segment grew by 4% to DKK 780 million (2021: DKK 751 million) mainly driven by royalty income and sales in own stores.

Terra segment declined by 4% to DKK 102 million (2021: DKK 106 million).

Crea segment was most affected by the weaker demand and declined by 28% to DKK 46 million (2021: DKK 64 million).

Profit before financial income and expenses increased to DKK 275 million (2021: DKK 270 million) and profit for the year increased to DKK 237 million (2021: DKK 214 million). The improvement was driven by the increased revenue and dividends received.

All in all the development was satisfactory and in line with the expectations.

#### Capital resources

At the end of the year, the Company's equity amounts to DKK 367 million against DKK 450 million in the year before, corresponding to a solvency ratio of 61% at the end of the year against 60% in the previous year.

#### Particular risks

By way of consultation, the management and the board continuously assess the general and specific risks associated with the Company's activities and operations and seek to ensure that these risks are effectively managed.

Internal control systems have been established with the aim of uncovering financial risks and risks in connection with financial reporting. The basis for this is a clear organizational structure, unambiguous reporting lines, authorisation and attestation procedures and an appropriate separation of functions.

Business risks are evaluated and adjusted according to the relevance of the risks, periodically by the management and the board. The risk management of the business risks and the internal control systems are continuously developed and improved in line with the company's development, so that these meet the requirements for a company of the nature and complexity of Fiskars Denmark A/S.

## Management's review

### Operating review

#### Operating risks

Through partnership agreements, the Company has obtained the necessary security to maintain a suitable continuous supply of raw materials, packaging and finished goods so that it is possible to service efficient operations and fulfill customer orders.

The Company is also insured to the extent necessary against the usual risks relating to assets and operational disruptions.

#### Currency and interest rate risks

The Company is only exposed to currency risks to a limited extent, as purchases and sales predominantly take place in DKK or EUR.

Likewise, as a result of its solvency, the Company has only limited exposure to changes in interest rate levels.

#### Environmental matters

The Company is subject to environmental supervision in accordance with current Danish regulations. Porcelain, which is the primary material in the production of the Company's products, is made from naturally occurring raw materials, primarily kaolin, quartz and feldspar.

The use of environmentally harmful auxiliary substances in the production process has essentially been replaced by more environmentally neutral substances. For example, when decorating porcelain, only water-based colouring is used.

#### Research and development activities

The Company sells a wide range of high-quality products consisting of both novelties and classic products with a long lifespan.

The supply of attractive, newly developed products requires continuous collaboration with highly experienced designers. Building brands and implementing the chosen positioning strategy requires competent marketing resources.

The production takes place in an art-industrial environment characterized by craftsmanship. The maintenance of this presupposes high competitiveness and standards, which must be ensured through ongoing modernization and efficiency. Skilled craftsmen are of vital importance and continued access to these has been a key prerequisite for development.

#### Goals and policies for the underrepresented gender

The gender composition of the company's board members elected by the general meeting is two women and one man. It was the company's goal that one of the positions be filled by a man before 2022, which has now been achieved and hence there is fair gender distribution.

The Company's other management levels, including management and middle managers, consist of 15 women and 12 men. Based on the above, Fiskars Denmark A/S has not found it necessary to draw up a policy to increase the proportion of the underrepresented gender in the other management levels.

#### Corporate social responsibility

Fiskars Denmark A/S refers to Fiskars Group's Sustainability Report 2022 for the statutory statement of social responsibility cf. Financial Statements Act §99a. The report can be found at the following link: [https://fiskarsgroup.com/wp-content/uploads/2023/02/FiskarsGroup\\_Sustainability\\_Report\\_2022.pdf](https://fiskarsgroup.com/wp-content/uploads/2023/02/FiskarsGroup_Sustainability_Report_2022.pdf)

## Management's review

### Operating review

#### **Statement on data ethics cf. §99d of the Financial Statements Act**

Fiskars Denmark A/S does not currently have a separate policy for data ethics. For Fiskars Denmark A/S and the Fiskars Group, conducting business in an ethical and responsible manner is central in all respects. The work with data ethics is therefore a natural extension of Fiskars Group's existing code of conduct and policies for e.g. data security. It is the Company's goal that an actual policy for data ethics is fully formalized and implemented in the upcoming years.

#### **Unusual circumstances**

Although the year 2022 was affected by Russia's attack on Ukraine leading to energy crisis, inflation and drop in consumer confidence, it is the management's assessment that, overall, this did not constitute unusual conditions of significant importance for the financial year's result.

#### **Expected development**

It is management's expectation that revenue and profit for 2023 would be at the same level as 2022.

## Financial statements 1 January – 31 December

### Income statement

DKKm	Note	2022	2021
<b>Revenue</b>	2	928	921
Production costs	3	-405	-420
<b>Gross profit</b>		523	501
Distribution costs	3	-222	-212
Administrative expenses	3	-27	-24
Other operating income	4	1	5
<b>Profit before financial income and expenses</b>		275	270
Other financial income	5	27	4
Other financial expenses		-3	-1
<b>Profit before tax</b>		299	273
Tax on profit for the year		-62	-59
<b>Profit for the year</b>	6	237	214

## Financial statements 1 January – 31 December

### Balance sheet

DKKm	Note	2022	2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Acquired intangible assets	7	1	1
<b>Property, plant and equipment</b>			
Land and buildings	8	99	131
Plant and machinery		1	0
Fixtures and fittings, tools and equipment		8	7
Property, plant and equipment under construction		0	3
		108	141
<b>Investments</b>			
Investments in group entities	9	119	120
Other securities and equity investments	10	14	15
		133	135
<b>Total fixed assets</b>		242	277
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		1	1
Finished goods and goods for resale		26	20
		27	21
<b>Receivables</b>			
Trade receivables		144	189
Receivables from group entities		174	259
Corporation tax receivables		1	0
Other receivables		7	1
Deferred tax assets	11	5	4
Prepayments	12	3	1
		334	454
<b>Cash at bank and in hand</b>		1	1
<b>Total current assets</b>		362	476
<b>TOTAL ASSETS</b>		604	753

## Financial statements 1 January – 31 December

### Balance sheet

DKKm	Note	2022	2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	13	21	21
Retained earnings		26	109
Proposed dividends for the financial year		320	320
<b>Total equity</b>		<b>367</b>	<b>450</b>
<b>Provisions</b>			
Other provisions	14	8	8
<b>Total provisions</b>		<b>8</b>	<b>8</b>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Lease liabilities	15	83	112
		83	112
<b>Current liabilities other than provisions</b>			
Trade payables		14	19
Payables to group entities		35	60
Corporation tax payable		0	1
Lease liabilities		24	26
Other payables		73	77
		146	183
<b>Total liabilities other than provisions</b>		<b>229</b>	<b>295</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>604</b>	<b>753</b>
Accounting policies	1		
Contractual obligations, contingencies, etc.	16		
Related party disclosures	17		
Events after the balance sheet date	18		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK m	Contributed capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2021	21	217	0	238
Adjustment as a result of change in accounting policies	0	-2	0	-2
Transferred over the profit appropriation	0	-106	320	214
<b>Equity at 31 December 2021</b>	<b>21</b>	<b>109</b>	<b>320</b>	<b>450</b>
Equity at 1 January 2022	21	109	320	450
Ordinary dividend paid	0	0	-320	-320
Transferred over the profit appropriation	0	-83	320	237
<b>Equity at 31 December 2022</b>	<b>21</b>	<b>26</b>	<b>320</b>	<b>367</b>

# Financial statements 1 January – 31 December

## Notes

### 1 Accounting policies

The annual report of Fiskars Denmark A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

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

#### Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Fiskars Denmark A/S and group entities are included in the consolidated financial statements of Fiskars Oyj Abp, Finland.

#### Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The company's cash flows are included in the cash flow statement in the consolidated financial statements for Fiskars Oyj Abp.

#### Omission of disclosure of audit fee

Pursuant to section 86(4) and 96(3) of the Danish Financial Statements Act, no audit fee, i.e. one that is determined at the annual general meeting, has been disclosed. The Company's audit fee is included in the consolidated financial statements for Fiskars Oyj Abp.

### Income statement

#### Revenue

The Company has chosen IFRS 15 as an interpretation contribution for the recognition of revenue. Revenue is recognised when the control over the individual identifiable performance obligation is fulfilled towards the customer, so that the customer obtains control of the goods. Revenue is measured at the fair value of the agreed remuneration less VAT and taxes. All types of discounts are recognised in revenue. Revenue for contracts in which variable consideration is included, for example volume discounts are recognised at the most probable value of the consideration. The net revenue is only recognised when it is highly probable that changes to the estimated variable remuneration will not subsequently result in a significant part of the amount having to be reversed and thus reduce the net revenue.

#### Production costs

Production costs comprise costs, including product consumption, maintenance, depreciation and wages, etc., which are incurred to generate revenue for the year.

#### Distribution costs

Distribution costs comprise costs incurred to cover or enable the distribution of goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions as well as depreciation.

#### Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, management, office premises, office expenses and depreciation.

#### Other operating income

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

## Notes

### 1 Accounting policies (continued)

#### Financial income and expenses

Financial income and expenses comprise interest income and expense realized and unrealized capital gains and losses, as well as dividends and value adjustments of investments.

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

Tax for the year comprises current 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 at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

#### Balance sheet

##### Intangible assets

Acquired intangible assets are measured at cost less accumulated amortisation and impairment losses. Acquired intangible assets are depreciated on a straight-line basis over the estimated economic useful life, which is 7–10 years.

##### 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:

Plant and machinery	3–10 years
Fixtures and fittings, tools and equipment	3–10 years
Land and buildings	3–10 years

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

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

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 and associates are measured at cost. In the case of any indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Dividends from capital shares in subsidiaries are recognised as income in the parent company's income statement in the financial year in which the dividend is declared. To the extent that the distributed dividend exceeds the accumulated earnings after the takeover date, the dividend is recognised as a reduction of the capital share's cost price.

## Notes

### 1 Accounting policies (continued)

#### Leasing contracts

The Company has chosen IFRS 16 as interpretation for recognition of leases.

Leasing contracts are recognised in the balance sheet corresponding to the value of the calculated leasing obligation. The leasing obligation is measured at the present value of the leasing services, calculated using the internal interest rate cf. the leasing contract, or the company's marginal loan interest rate as a discount rate if the internal interest rate is not available. Lease assets are depreciated and written down according to the same practice as established for the Company's other fixed assets.

The Company has chosen to use the exceptions regarding leasing contracts with a short term and low value. These leasing assets are therefore not recognised in the balance sheet as assets and liabilities. The leasing obligation regarding leasing contracts with a short term and low value is disclosed in a note.

The leasing obligation is recognised in the balance sheet as a liability and is regularly adjusted by way of paid instalments. At the same time, interest is accrued on the obligation. The interest costs are expensed on an ongoing basis in the income statement.

#### Impairment of fixed assets

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

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. Where the net realisable value is lower than cost, inventories are written down to this lower value.

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.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production costs. 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.

#### Receivables

Receivables are measured at amortised cost.

#### 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 measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

## Notes

### 1 Accounting policies (continued)

#### Corporation tax and deferred tax (continued)

Deferred tax assets, including the tax value of tax loss carry-forwards, 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.

#### Prepayments

Prepayments are recognised under current assets, and comprise prepayment of costs incurred relating to subsequent financial years.

#### Cash

Cash comprises cash in hand and bank deposits.

#### Equity

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

#### Provisions

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

#### Liabilities other than provisions

Liabilities are measured at amortised cost, which essentially corresponds to nominal value.

### 2 Segment information

#### Activities – primary segment

DKKkm	Group			
	Vita	Terra	Crea	Total
<b>2022</b>				
Revenue	780	102	46	928
<b>2021</b>				
Revenue	751	106	64	921

#### Geographical – secondary segment

DKKkm	Group			Total
	Europe	Americas	Asia-Pacific	
<b>2022</b>				
Revenue	925	2	1	928
<b>2021</b>				
Revenue	919	1	1	921

## Notes

### 3 Staff costs and incentive schemes

DKKm	2022	2021
Wages and salaries	112	101
Pensions	9	8
Other social security costs	1	0
Other staff costs	3	2
	<u>125</u>	<u>111</u>
Average number of full-time employees	<u>200</u>	<u>175</u>

Staff costs are recognised in the financial statements as follows:

Production costs	27	18
Distribution costs	85	81
Administrative expenses	13	12
	<u>125</u>	<u>111</u>

Remuneration for the Company's management and board of directors is not included, in accordance with the Danish Financial Statements Act § 98b subsection 3(2).

### 4 Special items

In 2022, the Company received no government subsidy to compensate for the negative effects of the COVID-19 pandemic (2021: DKK 3,4 million).

### 5 Financial income

DKKm	2022	2021
Dividend income from subsidiaries	27	4
	<u>27</u>	<u>4</u>

### 6 Proposed distribution of profit

DKKm	2022	2021
Proposed dividend for the year	320	320
Retained earnings	-83	-106
	<u>237</u>	<u>214</u>

## Notes

### 7 Intangible assets

DKKm	Acquired intangible assets
Cost at 1 January 2022	4
Cost at 31 December 2022	4
Amortisation and impairment losses at 1 January 2022	-3
Amortisation and impairment losses at 31 December 2022	-3
<b>Carrying amount at 31 December 2022</b>	<b>1</b>

### 8 Property, plant and equipment

DKKm	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2022	204	5	46	3	258
Additions	5	1	2	0	8
Disposals	-11	-1	-1	0	-13
Transfers during the year	0	0	3	-3	0
Cost at 31 December 2022	198	5	50	0	253
Depreciation and impairment losses at 1 January 2022	-73	-5	-39	0	-117
Depreciation for the year	-26	0	-4	0	-30
Disposals	0	1	1	0	2
Depreciation and impairment losses at 31 December 2022	-99	-4	-42	0	-145
<b>Carrying amount at 31 December 2022</b>	<b>99</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>108</b>
<b>Leasing</b>	<b>99</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>101</b>

## Notes

### 9 Investments

DKKm	Equity investments in affiliated companies
Cost at 1 January 2022	125
Disposals	-1
Cost at 31 December 2022	124
Impairment losses at 1 January 2022	-5
Impairment losses at 31 December 2022	-5
<b>Carrying amount at 31 December 2022</b>	<b>119</b>

Name/legal form	Registered office	Equity interest	Equity	Profit/loss for the year
			DKKm	DKKm
Subsidiaries:				
Royal Copenhagen GmbH	Germany	100%	-34	1
Fiskars Japan CO., Ltd	Japan	100%	104	11
Royal Copenhagen Korea Ltd	South Korea	100%	5	3
Fiskars Taiwan Limited	Taiwan	100%	52	3
Royal Copenhagen Thailand Ltd	Thailand	60%	79	17
Fiskars Hong Kong Ltd	Hong Kong	100%	-18	0
			188	35

When calculating the equity and the year's result for subsidiaries, 2021 figures are provided.

### 10 Other securities and equity investments

DKKm	Other securities and equity investments
Cost at 1 January 2022	15
Additions	3
Disposals	-4
Cost at 31 December 2022	14
<b>Carrying amount at 31 December 2022</b>	<b>14</b>

## Notes

### 11 Deferred tax assets

The Company's deferred tax assets relate to intangible and tangible assets as well as provisions.

DKKm	2022	2021
Deferred tax at 1 January	4	4
Deferred tax for the year	1	0
	<u>5</u>	<u>4</u>

Management estimates that the recognised tax asset of DKK 5 million will be utilised within the coming years against future taxable income.

### 12 Prepayments

Prepayments of DKK 3 million (2021: DKK 1 million) comprise payments to creditors that cannot be recognised until the subsequent financial year.

### 13 Contributed capital

The Company's contributed capital of DKK 21 million consists of 210,000 shares with a nominal value of DKK 100. There have been no changes in the Company's contributed capital in the past 5 years. All shares rank equally.

### 14 Provisions

Other provisions relate to the re-establishment of leases and guarantee obligations.

### 15 Long-term liabilities

DKKm	2022	2021
1 – 5 years	82	102
> 5 years	1	10
	<u>83</u>	<u>112</u>

### 16 Contractual obligations, contingencies, etc.

#### Contingent liabilities

The Company has issued a parent company declaration to the subsidiary Royal Copenhagen GmbH, Germany. The Company therefore guarantees Royal Copenhagen GmbH's debt to Fiskars Oyj Abp.

### 17 Related party disclosures

Fiskars Denmark A/S related parties comprise the following:

#### Control

Fiskars Europe Holding Oy Ab, Finland which owns 100% of the shares.

#### Significant influence

Fiskars Group Management and Board of Directors.

## Notes

### 17 Related party disclosures (continued)

#### Related party transactions

DKKm	2022	2021
Sale of goods to affiliated companies	19	17
Sale of services to affiliated companies	80	72
Royalty income from affiliated companies	256	248
Financial income from affiliated companies	1	0
Dividends received from affiliated companies	26	4
Purchase of goods from affiliated companies	376	396
Purchase of services from affiliated companies	32	31
Receivables from affiliated companies	174	259
Payables to affiliated companies	35	60

#### Consolidated financial statements

The Company is part of the consolidated financial statements of Fiskars Oyj Abp, Finland and can be obtained at the following website:

[https://fiskarsgroup.com/wp-content/uploads/2023/02/FiskarsGroup\\_Financial\\_statements\\_2022.pdf](https://fiskarsgroup.com/wp-content/uploads/2023/02/FiskarsGroup_Financial_statements_2022.pdf)

### 18 Events after the balance sheet date

No events occurred after the balance sheet date to this date which would influence the evaluation of this annual report.