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# Emhart Harttung A/S

Roskildevej 22, 2., 2620 Albertslund

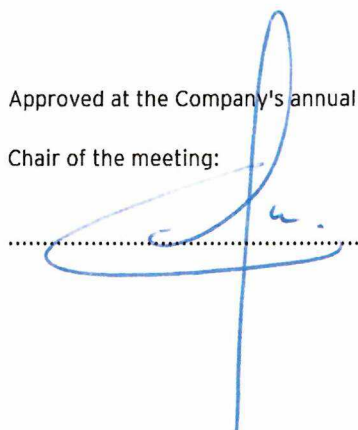
CVR no. 38 95 72 28

## Annual report

for the year 1 January - 31 December 2021

Approved at the Company's annual general meeting on 29 June 2022

Chair of the meeting:



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

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Emhart Harttung A/S for the financial year 1 January - 31 December 2021.

The annual report is 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

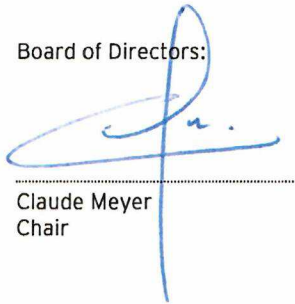
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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


Copenhagen, 27 June 2022  
Executive Board:

.....  
John William Ross

Board of Directors:

  
.....  
Claude Meyer  
Chair

.....  
John William Ross

  
.....  
Donald James Riccitelli

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

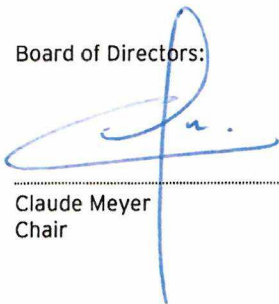
We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 27 June 2022  
Executive Board:

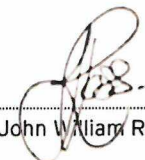


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John William Ross

Board of Directors:



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Claude Meyer  
Chair



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John William Ross

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Donald James Riccitelli

## Independent auditor's report

To the shareholders of Emhart Harttung A/S

### Opinion

We have audited the financial statements of Emhart Harttung A/S for the financial year 1 January - 31 December 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 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 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 the 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 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 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 Company's internal control.

## Independent auditor's report

- ▶ 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.


### Report on other legal and regulatory requirements

#### *Violation of the provisions of the Danish Companies Act regarding capital loss*

The Company has lost more than half of its share capital. Management has not taken steps to convene and hold a general meeting within the deadlines stipulated by the Danish Companies Act, has not given the shareholders an account of the Company's financial position and has not proposed any measures to be taken in that regard. Management may incur liability in this respect.

Kolding, 29 June 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

  
Claus E. Andreasen  
State Authorised Public Accountant  
mne16652

  
Sussi Toff  
State Authorised Public Accountant  
mne35830

## Management's review

### Company details

Name	Emhart Harttung A/S
Address, Postal code, City	Roskildevej 22, 2., 2620 Albertslund
CVR no.	38 95 72 28
Established	31 May 1972
Registered office	Albertslund
Financial year	1 January - 31 December
Website	<a href="http://www.emhart.eu/eu-en/">http://www.emhart.eu/eu-en/</a>
Telephone	+45 44 84 11 00
Telefax	+45 44 84 62 12
Board of Directors	Claude Meyer, Chair John William Ross Donald James Riccitelli
Executive Board	John William Ross
Auditors	EY Godkendt Revisionspartnerselskab Trindholmegade 4, 2. sal, 6000 Kolding, Denmark
Bankers	SEB - Skandinaviska Enskilda Banken Bernstorffsgade 50, 1577 København V

## **Management's review**

### **Business review**

The Company's operational business area is trade with fasteners, which are sold in the Danish construction and industrial markets.

The Company receives a commission based on the Danish sales completed from the UK. As part of the agreement the Company is entitled to a cost reimbursement on the Danish sales completed from the company Avdel UK Limited.

### **Unusual matters having affected the financial statements**

#### **Financial review**

The income statement for 2021 shows a loss of DKK 8,412,941 against a profit of DKK 7,436,578 last year, and the balance sheet at 31 December 2021 shows a negative equity of DKK 1,368,821. The profit for the year is impacted by the development in the USD exchange rate to DKK since a portion of the company's liabilities are nominated in USD.

The group company Black & Decker Luxembourg S.á.r.l. has undertaken to provide continuing financial support to the Company for at least 12 months from the date of approval of the financial statements. With reference to the intercompany loan issued to Emhart Harttung A/S Black & Decker Luxembourg S.á.r.l. has confirmed that the company will not demand repayment of any loan principals (DKK 98,548 thousand) and payables if the Company does not have available funds to make the payment.

At 31 December 2021, the company has lost the share capital. Pursuant to the capital loss provisions of section 119 of the Danish Companies Act, the executive board is required to convene a general meeting within six months after the loss has been recorded. At the general meeting, the executive board is required to give an account of the company's financial position and, if required, propose any appropriate measures to be taken.

#### **Events after the balance sheet date**

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2021	2020
	Gross profit	2,520,484	3,630,656
2	Staff costs	-2,392,577	-3,331,339
3	Depreciation of property, plant and equipment	-42,739	-40,679
	<b>Profit before net financials</b>	<b>85,168</b>	<b>258,638</b>
4	Financial income	0	8,612,340
5	Financial expenses	-9,055,064	-1,434,400
	<b>Profit/loss before tax</b>	<b>-8,969,896</b>	<b>7,436,578</b>
6	Tax for the year	556,955	0
	<b>Profit/loss for the year</b>	<b>-8,412,941</b>	<b>7,436,578</b>
	<b>Recommended appropriation of profit/loss</b>		
	Retained earnings/accumulated loss	-8,412,941	7,436,578
		-8,412,941	7,436,578

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2021</u>	<u>2020</u>
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
7	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	68,699	111,438
		<u>68,699</u>	<u>111,438</u>
	<b>Total non-current assets</b>	<u>68,699</u>	<u>111,438</u>
	<b>Current assets</b>		
	<b>Receivables</b>		
	Trade receivables	36,814	6,128
	Receivables from group entities	197,127,983	260,431,708
	Joint taxation contribution receivable	419,341	1,782,872
	Other receivables	177,957	397,482
		<u>197,762,095</u>	<u>262,618,190</u>
	<b>Cash</b>	196,346	12,548,193
	<b>Total current assets</b>	<u>197,958,441</u>	<u>275,166,383</u>
	<b>TOTAL ASSETS</b>	<u>198,027,140</u>	<u>275,277,821</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	29,796,761	29,796,761
	Retained earnings	-31,165,582	-22,752,641
	<b>Total equity</b>	<u>-1,368,821</u>	<u>7,044,120</u>
	<b>Liabilities</b>		
8	<b>Non-current liabilities</b>		
	Payables to group entities	98,548,002	91,662,185
	Other payables	332,253	0
	<b>Total non-current liabilities</b>	<u>98,880,255</u>	<u>91,662,185</u>
	<b>Current liabilities</b>		
	Trade payables	403,279	483,545
	Payables to group entities	100,005,374	175,185,625
	Other payables	107,053	902,346
	<b>Total current liabilities</b>	<u>100,515,706</u>	<u>176,571,516</u>
	<b>Total liabilities</b>	<u>199,395,961</u>	<u>268,233,701</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>198,027,140</u>	<u>275,277,821</u>

- 1 Accounting policies  
10 Contractual obligations and contingencies, etc.  
11 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2020	29,796,761	-30,189,219	-392,458
Transfer through appropriation of profit	0	7,436,578	7,436,578
<b>Equity at 1 January 2021</b>	<b>29,796,761</b>	<b>-22,752,641</b>	<b>7,044,120</b>
Transfer through appropriation of loss	0	-8,412,941	-8,412,941
<b>Equity at 31 December 2021</b>	<b>29,796,761</b>	<b>-31,165,582</b>	<b>-1,368,821</b>

The group company Black & Decker Luxembourg S.á.r.l. has undertaken to provide continuing financial support to the Company for at least 12 months from the date of approval of the financial statements. With reference to the intercompany loan issued to Emhart Harttung A/S Black & Decker Luxembourg S.á.r.l. has confirmed that the company will not demand repayment of any loan principals (DKK 98,548 thousand) and payables if the Company does not have available funds to make the payment.

At 31 December 2021, the company has lost the share capital. Pursuant to the capital loss provisions of section 119 of the Danish Companies Act, the executive board is required to convene a general meeting within six months after the loss has been recorded. At the general meeting, the executive board is required to give an account of the company's financial position and, if required, propose any appropriate measures to be taken.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Emhart Harttung A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

#### Reporting 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 rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

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

Commission income is recognised over the term of the agreement in accordance with the content of the commission agreement.

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

##### Gross profit

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	3-5 years
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The residual value is determined at the time of acquisition and is reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

In the 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.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Depreciation principles used are based on straight-line depreciation of assets during their expected useful lives. The following years have in general been used for depreciation:

Depreciation is recognised in the income statement.

##### 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 the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Impairment of non-current assets

Every year, other fixtures and fittings, tools and equipment as well as investments in subsidiaries and associates are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable 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 and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

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

##### Receivables

Receivables are measured at amortised cost.

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

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprises bank accounts which are subject to minor risks of changes in value.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

##### Other payables

Other payables are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

	DKK	2021	2020
<b>2 Staff costs</b>			
Wages/salaries		2,198,021	3,112,027
Pensions		186,660	218,381
Other social security costs		7,896	931
		<u>2,392,577</u>	<u>3,331,339</u>
Average number of full-time employees		<u>2</u>	<u>4</u>
	DKK	2021	2020
<b>3 Depreciation of property, plant and equipment</b>			
Depreciation of property, plant and equipment		42,739	40,679
		<u>42,739</u>	<u>40,679</u>
<b>4 Financial income</b>			
Exchange adjustments		0	8,612,340
		<u>0</u>	<u>8,612,340</u>
<b>5 Financial expenses</b>			
Interest expenses, group entities		2,477,282	1,434,377
Exchange losses		6,573,392	23
Other financial expenses		4,390	0
		<u>9,055,064</u>	<u>1,434,400</u>
<b>6 Tax for the year</b>			
Estimated tax charge for the year		-419,341	0
Tax adjustments, prior years		-137,614	0
		<u>-556,955</u>	<u>0</u>

Tax adjustments, prior years, include tax refunds received from the joint taxation with other Stanley Black & Decker entities.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 7 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment
Cost at 1 January 2021	646,728
Cost at 31 December 2021	646,728
Impairment losses and depreciation at 1 January 2021	535,290
Amortisation/depreciation in the year	42,739
Impairment losses and depreciation at 31 December 2021	578,029
<b>Carrying amount at 31 December 2021</b>	<b>68,699</b>

#### 8 Non-current liabilities

Of the long-term liabilities, DKK 332,253 falls due for payment after more than 5 years after the balance sheet date.

#### 9 Deferred tax

The Company has tax loss carry-forwards. As it is uncertain if these tax losses can be utilised within a foreseeable future, their carrying amount has not been recognised in the financial statements.

#### 10 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities liable for payment of income taxes for the income onwards as well as withholding taxes on interest, royalties and dividends falling due for payment.

#### 11 Related parties

Emhart Harttung A/S' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Deutsche SBD Holdings Ltd.	6th Floor, 2 Grand Canale Square, Dublin D02 A3432, Ireland	Participating interest

##### Information about consolidated financial statements

Parent	Domicile
Stanley Black & Decker Inc.	1000 Stanley Drive, New Britain, Connecticut 05053, USA