

Emhart Harttung A/S

Tordenskjoldsgade 34A, st., 1055 København K

CVR no. 38 95 72 28

Annual report

for the year 1 January - 31 December 2023

Approved at the Company's annual general meeting on 28 June 2024

Chair of the meeting:

.....
Claude Meyer

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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 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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, 28 June 2024
Executive Board:

.....
John William Ross

Board of Directors:

.....
Claude Meyer
Chairman

.....
John William Ross

.....
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 2023, 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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' 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 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.

Vejle, 28 June 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Claus E. Andreasen
State Authorised Public Accountant
mne16652

Management's review

Company details

Name	Emhart Harttung A/S
Address, Postal code, City	Tordenskjoldsgade 34A, st., 1055 København K
CVR no.	38 95 72 28
Established	31 May 1972
Registered office	København
Financial year	1 January - 31 December
Website	http://www.emhart.eu/eu-en/
Telephone	+45 44 84 11 00
Board of Directors	Claude Meyer, Chairman John William Ross Donald James Riccitelli
Executive Board	John William Ross
Auditors	EY Godkendt Revisionspartnerselskab Lysholt Allé 10, 7100 Vejle, 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.

Financial review

The income statement for 2023 shows a profit of DKK 2,786,811 against a loss of DKK 9,088,145 last year, and the balance sheet at 31 December 2023 shows a negative equity of DKK 7,670,155. 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 108,595 thousand) and payables if the Company does not have available funds to make the payment.

Several scenarios for re-establishment of the equity are currently being analyzed for legal and financial consequences by the group management. Depending on the result of these analytical procedures management expects equity to be re-established either by debt forgiveness or capital injection.

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	2023	2022
	Gross profit	2,697,788	1,734,929
2	Staff costs	-2,544,174	-1,598,673
3	Depreciation of property, plant and equipment	-17,709	-36,665
	Profit before net financials	135,905	99,591
4	Financial income	9,380,280	0
5	Financial expenses	-6,968,376	-9,471,091
	Profit/loss before tax	2,547,809	-9,371,500
6	Tax for the year	239,002	283,355
	Profit/loss for the year	<u>2,786,811</u>	<u>-9,088,145</u>
	 Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	<u>2,786,811</u>	<u>-9,088,145</u>
		<u>2,786,811</u>	<u>-9,088,145</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	ASSETS		
	Non-current assets		
7	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	13,399	38,150
		<u>13,399</u>	<u>38,150</u>
	Total non-current assets	<u>13,399</u>	<u>38,150</u>
	Current assets		
	Receivables		
	Trade receivables	0	3,257
8	Receivables from group entities	247,039,523	299,762,403
	Joint taxation contribution receivable	941,698	702,696
	Other receivables	88,270	248,929
		<u>248,069,491</u>	<u>300,717,285</u>
	Cash	196,898	193,094
	Total current assets	<u>248,266,389</u>	<u>300,910,379</u>
	TOTAL ASSETS	<u>248,279,788</u>	<u>300,948,529</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	29,796,761	29,796,761
	Retained earnings	-37,466,916	-40,253,727
	Total equity	<u>-7,670,155</u>	<u>-10,456,966</u>
	Liabilities		
	Non-current liabilities		
	Payables to group entities	108,594,825	107,016,136
	Total non-current liabilities	<u>108,594,825</u>	<u>107,016,136</u>
	Current liabilities		
	Trade payables	280,715	250,192
10	Payables to group entities	146,836,072	204,071,305
	Other payables	238,331	67,862
	Total current liabilities	<u>147,355,118</u>	<u>204,389,359</u>
	Total liabilities	<u>255,949,943</u>	<u>311,405,495</u>
	TOTAL EQUITY AND LIABILITIES	<u>248,279,788</u>	<u>300,948,529</u>

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

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2022	29,796,761	-31,165,582	-1,368,821
Transfer through appropriation of loss	0	-9,088,145	-9,088,145
Equity at 1 January 2023	29,796,761	-40,253,727	-10,456,966
Transfer through appropriation of profit	0	2,786,811	2,786,811
Equity at 31 December 2023	29,796,761	-37,466,916	-7,670,155

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 108,595 thousand) and payables if the Company does not have available funds to make the payment.

Several scenarios for re-establishment of the equity are currently being analyzed for legal and financial consequences by the group management. Depending on the result of these analytical procedures management expects equity to be re-established either by debt forgiveness of capital injection.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Emhart Harttung A/S for 2023 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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Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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".

Impairment of non-current assets

The carrying amount of property, plant and equipment is assessed for impairment on an annual 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.

Receivables

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

Receivables are measured at amortised cost.

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.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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.

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	2023	2022
2 Staff costs		
Wages/salaries	2,350,997	1,395,113
Pensions	183,442	167,243
Other social security costs	9,735	36,317
	<u>2,544,174</u>	<u>1,598,673</u>
Average number of full-time employees	<u>2</u>	<u>2</u>
3 Depreciation of property, plant and equipment		
Depreciation of property, plant and equipment	17,709	36,665
	<u>17,709</u>	<u>36,665</u>
4 Financial income		
Interest income, group entities	6,298,711	0
Exchange gain	3,078,154	0
Other financial income	3,415	0
	<u>9,380,280</u>	<u>0</u>
5 Financial expenses		
Interest expenses, group entities	6,968,376	2,840,727
Exchange losses	0	6,627,448
Other financial expenses	0	2,916
	<u>6,968,376</u>	<u>9,471,091</u>
6 Tax for the year		
Estimated tax charge for the year	-239,002	-283,355
	<u>-239,002</u>	<u>-283,355</u>

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

DKK	Other fixtures and fittings, tools and equipment
Cost at 1 January 2023	652,844
Additions in the year	6,162
Disposals in the year	<u>-608,059</u>
Cost at 31 December 2023	50,947
Impairment losses and depreciation at 1 January 2023	614,694
Amortisation/depreciation in the year	17,709
Reversal of amortisation/depreciation and impairment of disposals	<u>-594,855</u>
Impairment losses and depreciation at 31 December 2023	37,548
Carrying amount at 31 December 2023	<u>13,399</u>

Financial statements 1 January - 31 December

Notes to the financial statements

8 Receivables from group entities

Receivables from group entities includes cash pool arrangement with group enterprises with Citibank Europe Plc where Stanley Black & Decker Netherlands B.V. is the account holder and Emhart Harttung A/S is the sub-account holder together with other group entities.

Emhart Harttung A/S' account in the cash pool arrangement which is included in receivables from group entities, per 31. December 2023 amount to 243,853 t.DKK (2022: 295,584 t.DKK).

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 Payables to group entities

Payables to group entities includes cash pool arrangement with group enterprises with Citibank Europe Plc where Stanley Black & Decker Netherlands B.V. is the account holder and Emhart Harttung A/S is the sub-account holder together with other group entities.

Emhart Harttung A/S' account in the cash pool arrangement which is included in payables to group entities, per 31. December 2023 amount to 107,059 t.DKK (2022: 164,626 t.DKK).

11 Contractual obligations and contingencies, etc.

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.

12 Related parties

Information about consolidated financial statements

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

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

John William Ross

Executive Board

On behalf of: Emhart Harttung AS

Serial number: john.ross3@sbdinc.com

IP: 136.226.xxx.xxx

2024-06-28 11:13:25 UTC



Claude Meyer

Chairman

On behalf of: Emhart Harttung AS

Serial number: claude.meyer@sbdinc.com

IP: 147.161.xxx.xxx

2024-06-28 11:14:34 UTC



Claude Meyer

Board of Directors

On behalf of: Emhart Harttung AS

Serial number: claude.meyer@sbdinc.com

IP: 147.161.xxx.xxx

2024-06-28 11:14:34 UTC



John William Ross

Board of Directors

On behalf of: Emhart Harttung AS

Serial number: john.ross3@sbdinc.com

IP: 136.226.xxx.xxx

2024-06-28 12:05:21 UTC



Donald James Riccitelli

Board of Directors

On behalf of: Emhart Harttung AS

Serial number: donald.riccitelli@sbdinc.com

IP: 136.226.xxx.xxx

2024-07-01 16:13:09 UTC



Claus Ejsing Andreasen

EY Godkendt Revisionspartnerselskab CVR: 30700228

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: ceb67009-ce7c-4637-9d30-7161df9608a8

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