

Carpenter ApS

Michael Drewsens Vej 9-11
8270 Højbjerg
Denmark

CVR no. 45 94 17 28

Annual report 2016

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

22 May 2017



chairman

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Financial highlights	7
Operating review	8
Financial statements 1 January – 31 December	
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 Carpenter ApS for the financial year 1 January – 31 December 2016.

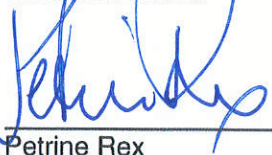
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

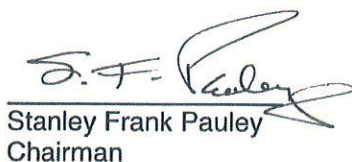
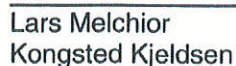
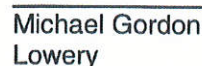

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

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

Aarhus, 22 May 2017
Executive Board:


Petrine Rex
Frank Werner Sander
Karsten Fabrin

Board of Directors:


Stanley Frank Pauley
Chairman
Lars Melchior
Kongsted Kjeldsen
Michael Gordon
Lowery
Frank Werner Sander
Erik Rasmussen
Herluf Schmidt

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Carpenter ApS for the financial year 1 January – 31 December 2016.

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 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations 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.

Aarhus, 22 May 2017
Executive Board:

Petrine Rex



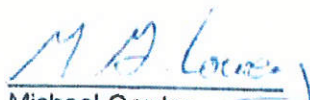
Frank Werner Sander

Karsten Fabrin


Board of Directors:

Stanley Frank Pauley
Chairman

Lars Melchior
Kongsted Kjeldsen



Michael Gordon
Lowery



Frank Werner Sander

Erik Rasmussen

Herluf Schmidt

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Carpenter ApS for the financial year 1 January – 31 December 2016.

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 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations 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.

Aarhus, 22 May 2017
Executive Board:

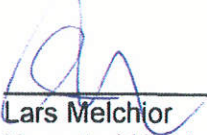
Petrine Rex

Frank Werner Sander

Karsten Fabrin

Board of Directors:

Stanley Frank Pauley
Chairman



Lars Melchior
Kongsted Kjeldsen

Michael Gordon
Lowery

Frank Werner Sander

Erik Rasmussen

Herluf Schmidt



Independent auditor's report

To the shareholder of Carpenter ApS

Opinion

We have audited the financial statements of Carpenter ApS for the financial year 1 January – 31 December 2016 comprising 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 Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 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 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 requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the 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 that 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.



Independent auditor's report

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 in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.



Independent auditor's report

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.

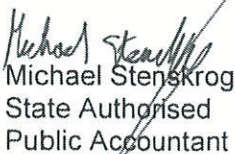
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.


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, 22 May 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98


Michael Stenskrøg
State Authorised
Public Accountant


Jakob Westerdahl
State Authorised
Public Accountant

Carpenter ApS
Annual report 2016
CVR no. 45 94 17 28

Management's review

Company details

Carpenter ApS
Michael Drewsens Vej 9-11
8270 Højbjerg
Denmark

Telephone: +45 86 29 23 11
E-mail: info.dk@carpenter.com

CVR no.: 45 94 17 28
Established: 28 June 1967
Registered office: Aarhus
Financial year: 1 January – 31 December

Board of Directors

Stanley Frank Pauley, Chairman
Lars Melchior Kongsted Kjeldsen
Michael Gordon Lowery
Frank Werner Sander
Erik Rasmussen
Herluf Schmidt

Executive Board

Petrine Rex
Frank Werner Sander
Karsten Fabrin

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V
Denmark

Management's review

Financial highlights

DKK'000	2016	2015	2014	2013	2012
Key figures					
Gross profit	65,024	69,073	61,249	60,458	58,502
Ordinary operating profit	21,353	26,302	20,177	20,611	14,325
Profit from financial income and expenses	987	135	522	552	108
Profit for the year	17,404	20,888	15,632	16,315	10,817
Total assets					
Equity	199,566	189,828	165,647	184,913	171,226
Investment in property, plant and equipment	177,142	159,738	138,849	163,218	146,903
	1,649	2,305	2,007	0	282
Ratios					
Return on equity	10.3%	14.0%	10.3%	10.5%	6.9%
Solvency ratio	88.8%	84.1%	83.8%	88.3%	85.8%
Average number of full-time employees					
	96	97	90	87	87

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". The financial ratios have been calculated as follows:

Return on equity
$$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$$

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

The Company's principal activities comprise production and sale of flexible polyurethane foam.

Development in activities and financial position

In 2016, the Company's revenue came in at DKK 197,564 thousand as against DKK 210,019 thousand in 2015. The income statement for 2016 shows a profit of DKK 17,404 thousand as against DKK 20,888 thousand last year, and the balance sheet as 31 December 2016 shows equity of DKK 177,142 thousand.

In an overall perspective, performance in 2016 was in line with last year and expectations set forth in the annual report for the year ended 31 December 2015.

Events after the balance sheet date

No events have occurred after the balance sheet date significantly affecting the assessment of the annual report.

Outlook

Results for 2017 are expected to be in line with 2016 results.

Particular risks

Financial risks

The Company applies polyol as raw material which, due to considerable price fluctuations characterising the volatile market for polyol, implies a particular risk as price increases might not to the full extend be incorporated in the price of finished goods.

Currency risks

The vast part of the acquisition of raw materials, etc. from abroad and the sale of finished goods to foreign countries in foreign currencies are made in EUR for which the currency risk is deemed limited.

Interest rate risks

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

Intellectual capital

The Company's production of polyurethane products requires a high degree of knowledge by its employees.

Management's review

Operating review

Environmental matters

The Company's production has a heavy environmental impact in terms of storage of raw materials, reporting to authorities, contingency plan in case of accidents, etc.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2016	2015
Gross profit		65,024	69,073
Staff costs	2	-40,815	-39,721
Depreciation, amortisation and impairment		-2,856	-3,050
Operating profit		21,353	26,302
Financial income	3	1,364	779
Financial expenses		-377	-644
Profit before tax		22,340	26,437
Tax on profit/loss for the year	4	-4,936	-5,549
Profit for the year	5	17,404	20,888

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Fixed assets			
Property, plant and equipment	6		
Land and buildings		39,078	40,817
Plant and machinery		3,390	3,065
Fixtures and fittings, tools and equipment		969	763
		<u>43,437</u>	<u>44,645</u>
Total fixed assets		<u>43,437</u>	<u>44,645</u>
Current assets			
Inventories			
Raw materials and consumables		14,929	15,089
Work in progress		509	134
Finished goods and goods for resale		1,714	1,619
		<u>17,152</u>	<u>16,842</u>
Receivables			
Trade receivables		25,304	30,149
Receivables from group entities	7	41,247	25,967
Other receivables		83	278
Prepayments		280	1,037
		<u>66,914</u>	<u>57,431</u>
Cash at bank and in hand		<u>72,063</u>	<u>70,910</u>
Total current assets		<u>156,129</u>	<u>145,183</u>
TOTAL ASSETS		<u><u>199,566</u></u>	<u><u>189,828</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
EQUITY AND LIABILITIES			
Equity	8		
Share capital		48,000	48,000
Retained earnings		129,142	111,738
Total equity		177,142	159,738
Provisions			
Provisions for deferred tax	9	4,176	4,006
Total provisions		4,176	4,006
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		6,518	8,511
Payables to group entities		111	5,038
Corporation tax		4,762	5,329
Other payables		6,857	7,206
		18,248	26,084
Total liabilities other than provisions		18,248	26,084
TOTAL EQUITY AND LIABILITIES		199,566	189,828
Contractual obligations, contingencies, etc.	10		
Related party disclosures	11		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2016	48,000	111,738	159,738
Transferred over the profit appropriation	<u>0</u>	<u>17,404</u>	<u>17,404</u>
Equity at 31 December 2016	<u>48,000</u>	<u>129,142</u>	<u>177,142</u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Carpenter ApS for 2016 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

— Going forward, the residual value of property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

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 of Carpenter Holdings ApS.

Foreign currency translation

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

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

Income statement

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Revenue

Income from the sale of goods and finished goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

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

Cost of raw materials and consumables

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

Other operating income

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

Other external costs

Other external costs includes the year's expense relating to the entity's core activities, including expenses relating to distribution, sales, advertising, administration, office premises, bad debt, payments under operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees. Refunds received from public authorities are deducted from staff costs.

Financial income and expenses

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax on profit/loss for the year

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

Balance sheet

Property, plant and equipment

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

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

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

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

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	50 years
Plant and machinery	5-10 years
Fixtures and fittings, tools and equipment	3-10 years
Buildings, installation	10-30 years

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

Land is not depreciated.

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Depreciation is recognised in the income statement as other operating income or other external costs, 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.

Impairment of non-current assets

The carrying amount of property, plant and equipment 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 in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

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

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

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

Receivables

Receivables are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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

Prepayments

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

Equity

Dividends

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

Corporation tax and deferred tax

The company is covered by the Danish rules on compulsory joint taxation of the Carpenter Holdings ApS Group's Danish subsidiaries. The current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable income.

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

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

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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

Liabilities other than provisions

Financial liabilities comprise trade payables and other liabilities, etc. are measured at net realisable value.

DKK'000	2016	2015
2 Staff costs		
Wages and salaries	37,559	36,617
Pensions	2,845	2,714
Other social security costs	411	390
	<u>40,815</u>	<u>39,721</u>
Average number of full-time employees	<u>96</u>	<u>97</u>

Staff costs include remuneration of the Company's Executive Board of DKK 2,071 thousand (2015: DKK 1,958 thousand), pensions of DKK 78 thousand (2015: DKK 78 thousand) as well as remuneration of the Company's Board of Directors of DKK 0 thousand (2015: DKK 28 thousand).

DKK'000	2016	2015
3 Financial income		
Interest income from group entities	745	499
Foreign exchange gains	608	271
Other interest income	11	9
	<u>1,364</u>	<u>779</u>
4 Tax on profit for the year		
Current tax for the year	4,762	5,329
Adjustment of deferred tax for the year	170	220
Adjustment of tax regarding previous years	4	0
	<u>4,936</u>	<u>5,549</u>

Financial statements 1 January – 31 December

Notes

5 Proposed profit appropriation

DKK'000	2016	2015
Retained earnings	<u>17,404</u>	<u>20,888</u>

6 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2016	70,464	97,774	9,772	178,010
Additions	0	1,101	548	1,649
Disposals	0	-41	-156	-197
Cost at 31 December 2016	<u>70,464</u>	<u>98,834</u>	<u>10,164</u>	<u>179,462</u>
Depreciation and impairment losses at 1 January 2016	-29,647	-94,709	-9,009	-133,365
Depreciation	-1,739	-776	-341	-2,856
Disposals	0	41	155	196
Depreciation and impairment losses at 31 December 2016	<u>-31,386</u>	<u>-95,444</u>	<u>-9,195</u>	<u>-136,025</u>
Carrying amount at 31 December 2016	<u>39,078</u>	<u>3,390</u>	<u>969</u>	<u>43,437</u>

7 Receivables from group entities

The receivables from group entities fall due for payment upon requests.

8 Equity

The share capital consists of 1 shares of a nominal value of DKK 48,000 thousand. There have been no changes in share capital during the last 5 years.

9 Provision for deferred tax

DKK'000	2016	2015
Property, plant and equipment	<u>3,996</u>	<u>3,642</u>
Inventories	210	228
Trade receivables	<u>-30</u>	<u>136</u>
	<u>4,176</u>	<u>4,006</u>

Financial statements 1 January – 31 December

Notes

10 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. The jointly taxed entities' total net liability to SKAT amounted DKK 387 thousand at 31 December 2016. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc. may entail an increase in the entities' liability.

Operating lease obligations

The Company has entered into leases with a residual lease payment of DKK 99 thousand during the lease period, of which DKK 45 thousand falls due in 2017.

11 Related party disclosures

Carpenter ApS' related parties comprise the following:

Control

Parent company:
Carpenter Holdings ApS

Ultimate parent company:
Carpenter Co., 560 Monument Ave., Richmond VA 23230, USA

Carpenter ApS is included in the consolidated financial statements of Carpenter Holdings ApS.

Carpenter Holdings ApS
Michael Drewsens Vej 9
8270 Højberg
Denmark

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.