



## **F. Junckers Industrier A/S**

Værftsvej 4, 4600 Køge

CVR no. 66 92 02 16

### Annual report 2021

Approved at the Company's annual general meeting on 24 May 2022

Chair of the meeting:

.....  
Thomas Engelund

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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 F. Junckers Industrier 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 development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Køge, 24 May 2022  
Executive Board:

.....  
Lars Gjødsbøl

Board of Directors:

.....  
Per Kristensen  
Chair

.....  
Henrik Sigurd Kaaterud

.....  
Thomas Voss

.....  
Signe Trock Hilstrøm

.....  
Peter Rathsach

.....  
Michael Lund Thrane

## Independent auditor's report

To the shareholders of F. Junckers Industrier A/S

### Opinion

We have audited the financial statements of F. Junckers Industrier 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' 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.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent auditor's report

- ▶ 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, 24 May 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Lars Koudal Jensen  
State Authorised Public Accountant  
mne26778

## Management's review

### Company details

|                            |   |
|----------------------------|---|
| Name                       | F. Junckers Industrier A/S  |
| Address, Postal code, City | Værftsvej 4, 4600 Køge  |
| CVR no.                    | 66 92 02 16   |
| Established                | 24 February 1932  |
| Financial year             | 1 January - 31 December   |
| Board of Directors         | Per Kristensen, Chair<br>Henrik Sigurd Kaaterud<br>Thomas Voss<br>Signe Trock Hilstrøm<br>Peter Rathsach<br>Michael Lund Thrane |
| Executive Board            | Lars Gjødsbøl   |
| Auditors                   | EY Godkendt Revisionspartnerselskab<br>Lysholt Allé 10, 7100 Vejle, Denmark   |

## Management's review

### Financial highlights

| DKK'000                                      | 2021           | 2020           | 2019           | 2018           | 2017           |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Key figures</b>                           |                |                |                |                |                |
| Revenue                                      | 356,844        | 399,243        | 403,108        | 400,795        | 370,998        |
| Gross profit                                 | 63,131         | 74,837         | 80,542         | 84,662         | 77,862         |
| Operating profit/loss                        | -17,977        | -2,475         | -6,171         | 1,289          | 2,306          |
| Net financials                               | 466            | -3,275         | -790           | 73             | -6,429         |
| Profit/loss before tax                       | -4,579         | 1,522          | -3,092         | 115,640        | 7,008          |
| <b>Profit for the year</b>                   | <b>5,622</b>   | <b>6,009</b>   | <b>9,539</b>   | <b>142,102</b> | <b>8,332</b>   |
| <b>Balance sheet</b>                         |                |                |                |                |                |
| Total assets                                 | 322,235        | 360,452        | 362,308        | 349,887        | 446,391        |
| Investments in property, plant and equipment | 9,424          | 12,768         | 7,923          | 9,649          | 11,256         |
| <b>Equity</b>                                | <b>185,870</b> | <b>221,747</b> | <b>224,713</b> | <b>214,938</b> | <b>152,498</b> |
| <b>Financial ratios</b>                      |                |                |                |                |                |
| Gross margin                                 | 17.7%          | 18.7%          | 20.0%          | 21.1%          | 21.0%          |
| Equity ratio                                 | 57.7%          | 61.5%          | 62.0%          | 61.4%          | 34.2%          |
| Return on equity                             | 2.8%           | 2.7%           | 4.3%           | 77.3%          | 5.6%           |
| <b>Average number of full-time employees</b> |                |                |                |                |                |
|  | <b>283</b>     | <b>298</b>     | <b>329</b>     | <b>309</b>     | <b>299</b>     |

The financial ratios stated under "Financial highlights" have been calculated as follows:

|                                |   |
|--------------------------------|---|
| Ordinary operating profit/loss | Profit/loss before financial items adjusted for other operating income and other operating expenses |
| Gross margin                   | $\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$  |
| Equity ratio                   | $\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$          |
| Return on equity               | $\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$                             |

## Management's review

### Data ethics

The company has chosen to publish its statement on data ethics on the Company's website:

<https://www.junckers.dk/om-junckers/privatlivspolitik-disclaimer>

### Business review

Junckers Industrier A/S is Europe's leading manufacturer of solid wood flooring for the sports, residential and commercial segments.

At the same time, we are the only flooring company in the market that can complement our flooring products with a carefully balanced range of our own developed and produced wood-care products for regular maintenance and renovation of wooden floors.

All our wood floors and wood-care products are developed and produced in Denmark and are therefore a result of the solid traditions of Danish craftsmanship.

At Junckers, we have worked for many years to produce floors with a positive environmental footprint. Especially the long life of the solid floors and an optimized production process with utilization of all wood purchase ensures a positive CO2 footprint.

Junckers is represented in 7 countries through subsidiaries and worldwide through a network of distributors and agents. Exports account for two-thirds of the total sales and the products are sold in more than 45 countries worldwide.

COVID-19 continued to impact our life in 2021, where adaptability to change has been a key behaviour and success criteria.

### Financial review

The income statement for 2021 shows a profit of DKK 5,622 thousand against a profit of DKK 6,009 thousand last year, and the balance sheet at 31 December 2021 shows equity of DKK 185,870 thousand.

Revenue in 2021 reached DKK 357 million, which is DKK 42 million lower than 2020. US sports segment, Spain and Sweden have been the key growth markets for 2021, while our business in China have suffered setbacks, partly due to COVID-19. In 2020 we also had large one-off project orders for US and China.

Gross profit reached DKK 81 million compared to DKK 75 million in 2020. While we managed to reduce the overall product cost prices during the first half of 2021, the reduction was negatively impacted by increasing energy and material prices in the second half of the year. The gross profit was positively affected by changes in country and product mix.

Result before net financials is DKK -5 million compared with an income of DKK 1 million in 2020. The operating result is negatively impacted by settlement fee related to a claim in the US in the amount of DKK 9 million. The operating result benefit from lower spending on travel, exhibitions, and other customer related expenses because of lower activities due to COVID-19.

From a financial perspective the result is in accordance with plans and budget for the year.

In early 2022, the Group renewed its agreement on future capital resources with its main bank contact. The agreement will run until further notice on an annual basis. The Group's liquidity situation is expected to be unchanged by the end of 2022 compared with the end of 2021.

### Non-financial matters

F. Junckers Industrier A/S is owned 100% by Junckers Holding A/S. Junckers Holding A/S is owned 94% of Jysk-Fynsk Kapital J ApS.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.



## Management's review

### Knowledge resources

The Group possesses industry and market knowledge that enables the Group and the organisation to operate efficiently in the wood flooring industry. This knowledge is maintained on an ongoing basis by gathering relevant information and by improving the skills and qualifications of the staff.

The staff and its experience are vital to the management and further development of the Group.

### Financial risks and use of financial instruments

Significant risks have been identified, reviewed and mapped and details on how to disclose such risks have been stated. The information gathered is continuously updated. The most significant risks are identified in areas such as supply of raw wood, energy supply and breakdown in the production plant.

The Group is also exposed to currency and interest rate risks. Current currency risks arise from sales revenue generated in export markets and from the purchase of raw materials. For both, the euro area accounts for the majority.

The policy on foreign currency and financial interest rates is currently to follow market fluctuations. Thus, no hedging is currently made.

### Impact on the external environment

Junckers' main impact on the external environment includes the noise, dust, energy, and waste parameters. Efforts are being made to continuously reduce the impact on the external environment by establishing noise reduction measures, driving projects to sustainably reduce energy consumption, and securing activities to ensure waste reduction. All with the purpose of minimising the environmental impact of Junckers, while improving business performance. The Group's energy consumption in relation to production and transportation of raw materials and finished products also affects the environment. Due to continuous improvement efforts and due to high utilisation of residual wood from production used in public district heating Junckers' CO2 accounts remain positive.

The Parent is environmentally certified according to ISO 14001, certified in accordance with OHSAS 18001 and for energy according to ISO 50001. The environmental management system also includes the areas of safety in electricity work (KLS) and certification according to PEFC and FSC standards. Junckers' products are Indoor Climate and CE-labelled.

### Statutory CSR report

In 2011, Junckers joined the UN Global Compact to support the organisation's work and to strengthen its own corporate social responsibility.

Parts of the Global Compact's ten principles in terms of human rights, labour rights, environment and anticorruption are already integrated in the Group's operations, as Junckers has already worked systematically with these areas for many years under its environmental and work environment certifications.

The Group complies with applicable laws and regulations. The daily activities and processes in the Group include working with the principles of CSR and the Group's progress in this area is described in the annual CSR report published on: <https://www.junckers.com/sustainability/how-we-collaborate-with-nature/corporate-social-responsibility>

## Management's review

### Account of the gender composition of Management, cf. §99b

The Board of Directors has adopted target figures and policies on the equal gender balance of the Board of Directors. The Company's target is that the proportion of the underrepresented gender of the Board of Directors among non-employee representatives will constitute one Board Member within 2025. The policy entails that the underrepresented gender must be represented among the candidates when replacing non-employee representatives of the Board of Directors. Two Board of Director members were replaced during 2021 and as one of the new members is female the target was achieved. Of the four non-employee representatives of the Board of Directors are, therefore, three male persons and one female person. Junckers has in 2021 actively worked to ensure that a candidate from each gender is among the last two candidates in the recruitment process".

As for the Board of Directors, the policy and initiative for an equal gender balance also applies on the management levels: President and Vice Presidents, who currently represent three male persons. The target for replacing employees on the company's management levels is that at least one from the underrepresented gender is among the candidates.

### Events after the balance sheet date

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

### Outlook

Entering 2022 with uncertainties related to the development on energy and material prices and consequently our sales prices and the continued uncertainties related to the COVID-19 pandemic and its impact on the business, especially in the first half of the year, but also with a strong trend in our sport segment we expect a revenue close to DKK 360 million with an operating result around DKK 5 million.

## Financial statements 1 January - 31 December

### Income statement

| Note | DKK'000                                      | 2021     | 2020     |
|------|--|----------|----------|
| 3    | <b>Revenue</b>                               | 356,844  | 399,243  |
| 13   | Production costs                             | -293,713 | -324,406 |
|      | <b>Gross profit</b>                          | 63,131   | 74,837   |
|      | Distribution costs                           | -55,088  | -51,739  |
|      | Administrative expenses                      | -26,020  | -25,574  |
|      | <b>Operating profit/loss</b>                 | -17,977  | -2,476   |
|      | Other operating income                       | 12,964   | 4,378    |
|      | Other operating expenses                     | 0        | -700     |
|      | <b>Profit/loss before net financials</b>     | -5,013   | 1,202    |
|      | Income from investments in group enterprises | -32      | 3,595    |
| 4    | Financial income                             | 5,061    | 4,143    |
| 5    | Financial expenses                           | -4,595   | -7,418   |
|      | <b>Profit/loss before tax</b>                | -4,579   | 1,522    |
| 6    | Tax for the year                             | 10,201   | 4,487    |
|      | <b>Profit for the year</b>                   | 5,622    | 6,009    |

## Financial statements 1 January - 31 December

### Balance sheet

| Note | DKK'000  | 2021           | 2020           |
|------|--|----------------|----------------|
|      | <b>ASSETS</b>  |                |                |
|      | <b>Fixed assets</b>  |                |                |
| 7    | <b>Intangible assets</b>   |                |                |
|      | Acquired intangible assets   | 370            | 794            |
|      | Development projects in progress and prepayments for intangible assets | 2,096          | 458            |
|      |  | <u>2,466</u>   | <u>1,252</u>   |
| 8    | <b>Property, plant and equipment</b>                                   |                |                |
|      | Land and buildings   | 7,474          | 5,356          |
|      | Plant and machinery  | 47,057         | 48,992         |
|      | Fixtures and fittings, other plant and equipment                       | 2,717          | 4,300          |
|      | Property, plant and equipment under construction                       | 1,757          | 471            |
|      |  | <u>59,005</u>  | <u>59,119</u>  |
| 9    | <b>Investments</b>   |                |                |
|      | Investments in group enterprises                                       | 18,093         | 17,624         |
|      | Other receivables  | 1,682          | 3,055          |
|      | Deposits, investments  | 13,898         | 13,635         |
|      |  | <u>33,673</u>  | <u>34,314</u>  |
|      | <b>Total fixed assets</b>  | <u>95,144</u>  | <u>94,685</u>  |
|      | <b>Non-fixed assets</b>  |                |                |
|      | <b>Inventories</b>   |                |                |
|      | Raw materials and consumables  | 23,643         | 25,611         |
|      | Work in progress   | 51,706         | 56,663         |
|      | Finished goods and goods for resale                                    | 43,526         | 45,140         |
|      |  | <u>118,875</u> | <u>127,414</u> |
|      | <b>Receivables</b>   |                |                |
|      | Trade receivables  | 29,001         | 32,179         |
|      | Receivables from group enterprises                                     | 16,820         | 39,075         |
| 11   | Deferred tax assets  | 35,910         | 43,071         |
|      | Joint taxation contribution receivable                                 | 4,418          | 15,434         |
|      | Other receivables  | 1,374          | 6,379          |
|      | Prepayments  | 843            | 2,036          |
|      |  | <u>88,366</u>  | <u>138,174</u> |
|      | <b>Cash</b>  | <u>19,850</u>  | <u>179</u>     |
|      | <b>Total non-fixed assets</b>  | <u>227,091</u> | <u>265,767</u> |
|      | <b>TOTAL ASSETS</b>  | <u>322,235</u> | <u>360,452</u> |

## Financial statements 1 January - 31 December

### Balance sheet

| Note | DKK'000  | 2021           | 2020           |
|------|--|----------------|----------------|
|      | <b>EQUITY AND LIABILITIES</b>                                  |                |                |
|      | <b>Equity</b>  |                |                |
| 10   | Share capital  | 65,336         | 65,336         |
|      | Retained earnings  | 103,789        | 114,411        |
|      | Dividend proposed  | 16,745         | 42,000         |
|      | <b>Total equity</b>  | <b>185,870</b> | <b>221,747</b> |
|      | <b>Liabilities other than provisions</b>                       |                |                |
| 12   | <b>Non-current liabilities other than provisions</b>           |                |                |
|      | Lease liabilities  | 5,528          | 6,042          |
|      | Other payables   | 28,850         | 22,790         |
|      |  | <b>34,378</b>  | <b>28,832</b>  |
|      | <b>Current liabilities other than provisions</b>               |                |                |
| 12   | Short-term part of long-term liabilities other than provisions | 2,760          | 3,523          |
|      | Bank debt  | 0              | 4,409          |
|      | Prepayments received from customers                            | 4,774          | 3,741          |
|      | Trade payables   | 43,470         | 48,347         |
|      | Payables to group enterprises                                  | 16,266         | 22,014         |
|      | Other payables   | 34,717         | 27,839         |
|      |  | <b>101,987</b> | <b>109,873</b> |
|      | <b>Total liabilities other than provisions</b>                 | <b>136,365</b> | <b>138,705</b> |
|      | <b>TOTAL EQUITY AND LIABILITIES</b>                            | <b>322,235</b> | <b>360,452</b> |

- 1 Accounting policies
- 2 Special items
- 14 Contractual obligations and contingencies, etc.
- 15 Collateral
- 16 Related parties
- 17 Fee to the auditors appointed by the Company in general meeting
- 18 Appropriation of profit

## Financial statements 1 January - 31 December

### Statement of changes in equity

| Note | DKK'000   | Share capital | Retained earnings | Dividend proposed | Total   |
|------|---|---------------|-------------------|-------------------|---------|
|      | <b>Equity at</b>  |               |                   |                   |         |
|      | 1 January 2021  | 65,336        | 114,411           | 42,000            | 221,747 |
| 18   | Transfer, see<br>"Appropriation of<br>profit"                           | 0             | -11,123           | 16,745            | 5,622   |
|      | Adjustment of<br>investments through<br>foreign exchange<br>adjustments | 0             | 501               | 0                 | 501     |
|      | Dividend distributed  | 0             | 0                 | -42,000           | -42,000 |
|      | <b>Equity at</b>  |               |                   |                   |         |
|      | 31 December 2021  | 65,336        | 103,789           | 16,745            | 185,870 |

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of F. Junckers Industrier A/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### 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.

#### *Foreign group entities*

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

### Income statement

#### Revenue

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

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

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.

#### Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation. Distribution costs are recognised in the income statement when the Company obtains control of the distribution product.

##### Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

##### Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

##### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and 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:

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

Land is not depreciated.

##### Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The item includes dividend received from subsidiaries.

##### 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 capital gains and losses on transactions in foreign currencies under the advance-payment-of-tax scheme, etc.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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

##### Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

##### 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.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Leases

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

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

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)

##### Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates 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. Impairment losses on goodwill are not reversed.

##### Inventories

Inventories are measured at cost in accordance with weighted-average method. 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 expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

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.

##### Prepayments

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

##### Cash

Cash comprise cash.

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Liabilities

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

Other liabilities are measured at net realisable value.

##### Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Special items

Special items comprise significant income and expenses of a special nature relative to the Company's revenue-generating operating activities. Special items comprises to significant one-off items that, in Management's opinion, do not form part of the company's operating activities.

As disclosed in the Management's review, the profit/loss for the year is affected by a number of matters that Management does not consider part of the operating activities.

Special items for the year are specified below, including the line items in which they are recognised in the income statement.

|  |                      |                |
|--|----------------------|----------------|
| DKK'000  | <u>2021</u>          |                |
| <b>Income</b>  |                      |                |
| Insurance compensation   | 10,540               |                |
|  | <u>10,540</u>        |                |
| <b>Expenses</b>  |                      |                |
| Product liability payments regarding products sold in previous years (settlement)  | -19,460              |                |
|  | <u>-19,460</u>       |                |
| <b>Special items are recognised in the below items of the financial statements</b> |                      |                |
| Other operating income   | 10,540               |                |
| Productions cost   | -19,460              |                |
| <b>Net loss on special items</b>   | <u><u>-8,920</u></u> |                |
| DKK'000  | <u>2021</u>          | <u>2020</u>    |
| <b>3 Segment information</b>   |                      |                |
| <b>Breakdown of revenue by geographical segment:</b>                               |                      |                |
| Europe   | 284,263              | 273,960        |
| North and South America  | 37,869               | 58,921         |
| Asia   | 16,742               | 50,252         |
| Other countries  | 17,970               | 16,110         |
|  | <u>356,844</u>       | <u>399,243</u> |
| <b>4 Financial income</b>  |                      |                |
| Interest receivable, group entities  | 314                  | 753            |
| Other financial income   | 4,747                | 3,390          |
|  | <u>5,061</u>         | <u>4,143</u>   |
| <b>5 Financial expenses</b>  |                      |                |
| Interest expenses, group entities  | 0                    | 333            |
| Other financial expenses   | 4,595                | 7,085          |
|  | <u>4,595</u>         | <u>7,418</u>   |

## Financial statements 1 January - 31 December

### Notes to the financial statements

| DKK'000                              | 2021           | 2020          |
|--------------------------------------|----------------|---------------|
| <b>6 Tax for the year</b>            |                |               |
| Estimated tax charge for the year    | -186           | 58            |
| Deferred tax adjustments in the year | 7,161          | 9,011         |
| Tax adjustments, prior years         | 0              | 1,878         |
| Refund in joint taxation             | -17,176        | -15,434       |
|                                      | <u>-10,201</u> | <u>-4,487</u> |

### 7 Intangible assets

| DKK'000   | Acquired<br>intangible assets | Development<br>projects in<br>progress and<br>prepayments for<br>intangible assets | Total         |
|---|-------------------------------|--|---------------|
| Cost at 1 January 2021                                    | 16,806                        | 458  | 17,264        |
| Additions   | 149                           | 1,638  | 1,787         |
| Cost at 31 December 2021                                  | <u>16,955</u>                 | <u>2,096</u>   | <u>19,051</u> |
| Impairment losses and amortisation at<br>1 January 2021   | 16,012                        | 0  | 16,012        |
| Amortisation for the year                                 | 573                           | 0  | 573           |
| Impairment losses and amortisation at<br>31 December 2021 | <u>16,585</u>                 | <u>0</u>   | <u>16,585</u> |
| <b>Carrying amount at 31 December 2021</b>                | <u>370</u>                    | <u>2,096</u>   | <u>2,466</u>  |

### 8 Property, plant and equipment

| DKK'000  | Land and<br>buildings | Plant and<br>machinery | Fixtures and<br>fittings, other<br>plant and<br>equipment | Property, plant<br>and equipment<br>under<br>construction | Total          |
|--|-----------------------|------------------------|---|---|----------------|
| Cost at 1 January 2021   | 16,898                | 561,170                | 35,467  | 471   | 614,006        |
| Additions  | 2,538                 | 2,428                  | 2,827   | 1,631   | 9,424          |
| Disposals  | 0                     | -144                   | 0   | 0   | -144           |
| Transferred  | 0                     | 345                    | 0   | -345  | 0              |
| Cost at 31 December 2021   | <u>19,436</u>         | <u>563,799</u>         | <u>38,294</u>   | <u>1,757</u>  | <u>623,286</u> |
| Impairment losses and depreciation<br>at 1 January 2021  | 11,542                | 512,178                | 31,167  | 0   | 554,887        |
| Accumulated impairment losses<br>and depreciation of additions<br>through mergers and business<br>combinations | 0                     | 0                      | 283   | 0   | 283            |
| Depreciation   | 420                   | 4,632                  | 4,127   | 0   | 9,179          |
| Reversal of prior year impairment<br>losses  | 0                     | -68                    | 0   | 0   | -68            |
| Impairment losses and depreciation<br>at 31 December 2021  | <u>11,962</u>         | <u>516,742</u>         | <u>35,577</u>   | <u>0</u>  | <u>564,281</u> |
| <b>Carrying amount at<br/>31 December 2021</b>   | <u>7,474</u>          | <u>47,057</u>          | <u>2,717</u>  | <u>1,757</u>  | <u>59,005</u>  |
| Property, plant and equipment<br>include finance leases with a<br>carrying amount totalling                    | <u>0</u>              | <u>5,839</u>           | <u>1,575</u>  | <u>0</u>  | <u>7,414</u>   |

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 9 Investments

| DKK'000  | Investments in<br>group<br>enterprises | Other<br>receivables | Deposits,<br>investments | Total         |
|--|--|----------------------|--------------------------|---------------|
| Cost at 1 January 2021                         | 27,108                                 | 3,055                | 13,635                   | 43,798        |
| Disposals                                      | 0                                      | -1,100               | -10                      | -1,110        |
| Transferred                                    | 0                                      | -273                 | 273                      | 0             |
| Cost at 31 December 2021                       | 27,108                                 | 1,682                | 13,898                   | 42,688        |
| Value adjustments at<br>1 January 2021         | -9,484                                 | 0                    | 0                        | -9,484        |
| Foreign exchange adjustments                   | 501                                    | 0                    | 0                        | 501           |
| Profit/loss for the year                       | -32                                    | 0                    | 0                        | -32           |
| Value adjustments at<br>31 December 2021       | -9,015                                 | 0                    | 0                        | -9,015        |
| <b>Carrying amount at<br/>31 December 2021</b> | <b>18,093</b>                          | <b>1,682</b>         | <b>13,898</b>            | <b>33,673</b> |

| Name                   | Domicile      | Interest |
|------------------------|---------------|----------|
| <b>Subsidiaries</b>    |               |          |
| Junckers Parkett GmbH  | Germany       | 100.00%  |
| Junckers France S.A.S. | France        | 100.00%  |
| Junckers Limited       | Great Britain | 100.00%  |
| Junckers Iberica       | Spain         | 100.00%  |
| Junckers Hardwood Inc. | US            | 100.00%  |
| Junckers Italy S.r.l.  | Italy         | 100.00%  |

| DKK'000  | 2021   | 2020   |
|--|--------|--------|
| <b>10 Share capital</b>                          |        |        |
| Analysis of the share capital:                   |        |        |
| 65,335,787 shares of DKK 1.00 nominal value each | 65,336 | 65,336 |
|  | 65,336 | 65,336 |

The Company's share capital has remained DKK 65,336 thousand over the past 5 years.

#### 11 Deferred tax

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Deferred tax at 1 January            | -43,071        | -52,082        |
| Deferred tax adjustment for the year | 7,161          | 9,011          |
| <b>Deferred tax at 31 December</b>   | <b>-35,910</b> | <b>-43,071</b> |

The company's deferred tax assets relates to depreciable assets.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 12 Non-current liabilities other than provisions

| DKK'000           | Total debt at<br>31/12 2021 | Repayment,<br>next year | Long-term<br>portion | Outstanding debt<br>after 5 years |
|-------------------|-----------------------------|-------------------------|----------------------|-----------------------------------|
| Lease liabilities | 6,626                       | 1,098                   | 5,528                | 1,389                             |
| Other payables    | 30,512                      | 1,662                   | 28,850               | 21,977                            |
|                   | <u>37,138</u>               | <u>2,760</u>            | <u>34,378</u>        | <u>23,366</u>                     |

Other Payables includes financial liabilities amounting to DKK 8,703 thousand in total, payment next year amounts to DKK 1,379 thousand and longterm portion amounts to DKK 7,324 thousand with outstanding debt after 5 years amounting to DKK 1,524 thousand.

| DKK'000                               | 2021           | 2020           |
|---------------------------------------|----------------|----------------|
| <b>13 Staff costs</b>                 |                |                |
| Wages/salaries                        | 124,926        | 130,642        |
| Pensions                              | 9,194          | 9,563          |
| Other social security costs           | 3,437          | 3,705          |
|                                       | <u>137,557</u> | <u>143,910</u> |
| Average number of full-time employees | <u>283</u>     | <u>298</u>     |

Total remuneration to management categories: DKK 3,452 thousand (2020: DKK 3,792 thousand)

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

##### Other contingent liabilities

| DKK'000               | 2021       | 2020       |
|-----------------------|------------|------------|
| Guarantee commitments | 650        | 650        |
|                       | <u>650</u> | <u>650</u> |

The Company is party to a dispute in respect of previously sold products. Other possible contingent liabilities in this regard amounts to a maximum liabilities for approx. DKK 1.000 thousand. In Management's opinion, the outcome of these disputes will not further affect the Company's financial position apart from the receivables and payables recognised in the balance sheet at 31 December 2021.

The Company is jointly taxed with its parent, Jysk-Fynsk Kapital A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year onwards as well as withholding taxes on interest, royalties and dividends.

##### Other financial obligations

Other rent and lease liabilities:

| DKK'000                    | 2021           | 2020           |
|----------------------------|----------------|----------------|
| Rent and lease liabilities | 292,613        | 297,014        |
|                            | <u>292,613</u> | <u>297,014</u> |

Rent and lease liabilities include rent agreements with remaining contract terms up to 16 years (2020: 17 years).

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 15 Collateral

The company has made a pledge of nominally DKK 70,000 thousand (2020: DKK 70,000 thousand) as collateral for debt to banks and credit institutions amounting to DKK 0 thousand (2020: DKK 4,409 thousand). The pledge comprises inventories, Trade receivables and Plant and machinery.

The Company has mortgage registered to banks and credit institutions amounting to DKK 4,000 thousand

#### 16 Related parties

F. Junckers Industrier A/S' related parties comprise the following:

##### Significant influence

| <u>Related party</u>   | <u>Domicile</u>    | <u>Basis for significant influence</u> |
|------------------------|--------------------|--|
| Junckers Holding A/S   | Køge, Denmark      | Owner                                  |
| Jysk-Fynsk Kapital A/S | Hedensted, Denmark | Ultimate owner                         |

##### Information about consolidated financial statements

| <u>Parent</u>          | <u>Domicile</u>    | <u>Requisitioning of the parent company's consolidated financial statements</u> |
|------------------------|--------------------|---|
| Jysk-Fynsk Kapital A/S | Hedensted, Denmark | Jysk-Fynsk Kapital A/S  |

##### Related party transactions

F. Junckers Industrier A/S was engaged in the below related party transactions:

| <u>DKK'000</u>                  | <u>2021</u> | <u>2020</u> |
|---------------------------------|-------------|-------------|
| Sale, group entities            | 133,230     | 149,029     |
| Receivables from group entities | 16,820      | 39,075      |
| Payables to group entities      | 29,024      | 22,016      |

#### 17 Fee to the auditors appointed by the Company in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements for Jysk-Fynsk Kapital A/S.

#### 18 Appropriation of profit

##### Recommended appropriation of profit

|   |              |              |
|---|--------------|--------------|
| Proposed dividend recognised under equity | 16,745       | 42,000       |
| Retained earnings/accumulated loss        | -11,123      | -35,991      |
|   | <u>5,622</u> | <u>6,009</u> |



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## Lars Gjødsbøl

CEO

På vegne af: F. Junckers Industrier A/S

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2022-05-30 05:24:58 UTC



## Per Kristensen

Chair

På vegne af: F. Junckers Industrier A/S

Serienummer: PID:9208-2002-2-269631618458

IP: 87.48.xxx.xxx

2022-05-30 06:36:27 UTC



## Signe Trock Hilstrøm

Board of Directors

På vegne af: F. Junckers Industrier A/S

Serienummer: PID:9208-2002-2-314623753676

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2022-05-30 06:49:06 UTC



## Thomas Voss

Board of Directors

På vegne af: F. Junckers Industrier A/S

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## Peter Rathsach

Board of Directors

På vegne af: F. Junckers Industrier A/S

Serienummer: PID:9208-2002-2-882204713041

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2022-05-30 12:57:52 UTC



## Michael Lund Thrane

Board of Directors

På vegne af: F. Junckers Industrier A/S

Serienummer: PID:9208-2002-2-860981925987

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2022-06-01 08:06:27 UTC



## Henrik Sigurd Kaaterud

Board of Directors

På vegne af: F. Junckers Industrier A/S

Serienummer: PID:9208-2002-2-598091255412

IP: 92.241.xxx.xxx

2022-06-01 13:15:58 UTC



## Lars Koudal Jensen

State Authorised Public Accountant

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: CVR:30700228-RID:1267704910153

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## Thomas Engelund

### Chair of the meeting

På vegne af: F. Junckers Industrier A/S

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