

Company announcement no. 3/2022

Gentofte, 1 April 2022

Hartmann initiates divestment of the group's Russian activities

As a consequence of the Russian invasion of Ukraine, the board of directors has decided to initiate a sales process for Hartmann's Russian factory. The decision has been made with a view to leave Russia where the current political and economic climate prevents the realisation of Hartmann's business plan in the country. Considering the group's significant growth and investment opportunities in other markets, it is no longer deemed to be in Hartmann's interest to spend time and management resources on developing a business in Russia.

Hartmann initiates the sales process in continuation of the previously announced decision to suspend exports of packaging and sales of machinery and technology to Russia as well as investments in the plant. Hartmann will explore the market for potential buyers while maintaining operations in the transition period to safeguard the factory's 300 employees and reduce the risk of nationalisation.

Based on this decision, the Russian activities will be treated as assets held for sale and thus not contribute to the group's revenue and operating profit until the completion of the sales process. The Russian business will be reassessed at fair value, which will entail an impairment that will be calculated later and booked as special items. In 2021, the Russian business generated revenue of DKK 78 million, and the carrying amount for the activities was DKK 125 million at the end of the year.

Hartmann maintains expectations of generating revenue of DKK 2.9-3.3 billion and a profit margin of 2-7% before special items and restatement for hyperinflation with an investment level around DKK 225 million in 2022.

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