

O.L. Seals A/S

**Bymosevej 14
3200 Helsingør**

CVR no. 20 11 46 73

**Annual report for 2022
(26th Financial year)**

Adopted at the annual general meeting on 3 June 2023



Christof Domeisen
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Accounting policies	7
Income statement	13
1 January 2022 - 31 December 2022	
Balance sheet at 31 December 2022	14
Statement of changes in equity	16
Cash flow statement 1 January - 31 December	17
Notes	18

Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of O.L. Seals A/S for the financial year 1 January - 31 December 2022.

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 company's financial position at 31 December 2022 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2022.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Helsingør, 3 June 2023

Executive board



Peter Torp Kayser
managing director

Supervisory board



Christof Domeisen
chairman



Paolo Lavelli



Anthony Dohr

Independent auditor's report

To the shareholders of O.L. Seals A/S

Opinion

We have audited the financial statements of O.L. Seals A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2022 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 requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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 about 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 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 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 management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Elsinore, 3 June 2023

WILLADS & VIBE-HASTRUP
~~Godkendte Revisorer ApS~~
CVR no. 29 61 96 70



Peter Willads
state-authorised public accountant
MNE no. mne27850

Company details

The company

O.L. Seals A/S
Bymosevej 14
3200 Helsingør

CVR no.: 20 11 46 73

Reporting period: 1 January - 31 December 2022

Domicile: Gribskov

Supervisory board

Christof Domeisen, chairman
Paolo Lavelli
Anthony Dohr

Executive board

Peter Torp Kayser

Auditors

WILLADS & VIBE-HASTRUP
Godkendte Revisorer ApS
Nordlysvænget 10A
3000 Helsingør

Management's review

Business review

The principal activities in the Company are production and sale of seals and comparative products.

Financial review

The company's income statement for the year ended 31 December 2022 shows a profit of DKK 2.406.234, and the balance sheet at 31 December 2022 shows equity of DKK 22.103.598.

The turnover of O.L Seals improved with 19%, which was in line with the expectation. The final result is in line with the expectations.

The expectation for the result in 2023 is DKK 5.149.982.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of O.L. Seals A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2022 is presented in Danish kroner.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects, patents and licences

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3 years.

Tangible assets

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

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Plant and machinery	5-10 years
Other fixtures and fittings, tools and eqp.	3-10 years
Leasehold improvements	10-20 years

Assets costing less than DKK 37.500 are expensed in the year of acquisition.

Accounting policies

Stocks

Stocks are measured at cost using the weighted average method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

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

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Receivables

Receivables are measured at amortised cost.

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, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Cash flow statement

The cash flow statement shows the company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are stated as the company's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes. Dividend income from investments is recognised under 'Interest income and dividend received'.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Accounting policies

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the company's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Income statement
1 January 2022 - 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Gross profit		28.875.788	23.337.759
Staff costs	1	<u>-23.514.511</u>	<u>-21.444.073</u>
Profit/loss before amortisation/depreciation and impairment losses		5.361.277	1.893.686
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2.169.699	-2.484.716
Other operating costs		<u>0</u>	<u>-350.000</u>
Profit/loss before net financials		3.191.578	-941.030
Financial income		14.031	1.362
Financial costs	2	<u>-320.136</u>	<u>-119.655</u>
Profit/loss before tax		2.885.473	-1.059.323
Tax on profit/loss for the year	3	<u>-479.239</u>	<u>231.884</u>
Profit/loss for the year		<u>2.406.234</u>	<u>-827.439</u>
Recommended appropriation of profit/loss			
Retained earnings		<u>2.406.234</u>	<u>-827.439</u>
		<u>2.406.234</u>	<u>-827.439</u>

Balance sheet at 31 December 2022

	Note	2022 DKK	2021 DKK
Assets			
Development projects in progress		450.078	0
Intangible assets	4	450.078	0
Plant and machinery	5	11.897.351	7.674.725
Other fixtures and fittings, tools and equipment	5	187.186	548.674
Leasehold improvements	5	1.615.027	1.521.408
Property, plant and equipment in progress	5	3.477.679	467.369
Tangible assets		17.177.243	10.212.176
Deposits		537.121	522.962
Fixed asset investments		537.121	522.962
Total non-current assets		18.164.442	10.735.138
Raw materials and consumables		9.933.726	5.872.685
Work in progress		6.017.443	4.498.432
Finished goods and goods for resale		2.019.296	2.126.918
Stocks		17.970.465	12.498.035
Trade receivables		4.876.093	6.035.076
Other receivables		398.944	268.544
Prepayments		1.178.681	599.897
Receivables		6.453.718	6.903.517
Total current assets		24.424.183	19.401.552
Total assets		42.588.625	30.136.690

Balance sheet at 31 December 2022

	Note	2022 DKK	2021 DKK
Equity and liabilities			
Share capital		2.500.000	2.500.000
Retained earnings		<u>19.603.598</u>	<u>17.197.365</u>
Equity		<u>22.103.598</u>	<u>19.697.365</u>
Provision for deferred tax		<u>959.060</u>	<u>479.821</u>
Total provisions		<u>959.060</u>	<u>479.821</u>
Lease obligations		1.039.421	547.659
Payables to associates		<u>2.602.775</u>	<u>0</u>
Total non-current liabilities	6	<u>3.642.196</u>	<u>547.659</u>
Short-term part of long-term debet	6	3.210.520	308.813
Banks		7.148.320	3.194.515
Prepayments received from customers		1.516	0
Trade payables		3.061.611	2.343.655
Payables to subsidiaries		267.094	0
Other payables		<u>2.194.710</u>	<u>3.564.862</u>
Total current liabilities		<u>15.883.771</u>	<u>9.411.845</u>
Total liabilities		<u>19.525.967</u>	<u>9.959.504</u>
Total equity and liabilities		<u>42.588.625</u>	<u>30.136.690</u>
Rent and lease liabilities	7		
Mortgages and collateral	8		
Related parties and ownership structure	9		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2022	2.500.000	17.197.364	19.697.364
Net profit/loss for the year	0	2.406.234	2.406.234
Equity at 31 December 2022	2.500.000	19.603.598	22.103.598

Cash flow statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Net profit/loss for the year		2.406.234	-827.439
Adjustments	10	2.955.043	2.370.981
Cash flows from operating activities before financial income and expenses		5.361.277	1.543.542
Interest income and similar income		14.031	1.362
Interest expenses and similar charges		-320.137	-119.508
Cash flows from operating activities		5.055.171	1.425.396
Purchase of intangible assets		-450.078	0
Purchase of property, plant and equipment		-9.134.767	-467.369
Fixed asset investments made etc		-14.159	-15.189
Cash flows from investing activities		-9.599.004	-482.558
Raising of lease obligations		790.694	-300.260
Raising of loans from associates		5.205.550	0
Raising of loans from credit institutions		3.953.805	2.688.629
Change in receiveables		780.523	-1.105.355
Change in stocks		-5.472.430	-3.785.238
Change in short term debt		-714.309	1.042.271
Cash flows from financing activities		4.543.833	-1.459.953
Change in cash and cash equivalents		0	-517.115
Cash and cash equivalents		0	517.115
Cash and cash equivalents		0	0

Notes

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	20.278.672	18.466.276
Pensions	2.785.971	2.534.686
Other social security costs	449.868	443.111
	<u>23.514.511</u>	<u>21.444.073</u>
 Average number of employees	 <u>42</u>	 <u>42</u>
 2 Financial costs		
Financial expenses, associates	70.565	0
Other financial costs	186.702	71.076
Exchange adjustments costs	62.869	48.579
	<u>320.136</u>	<u>119.655</u>
 3 Tax on profit/loss for the year		
Deferred tax for the year	<u>479.239</u>	<u>-231.884</u>
	<u>479.239</u>	<u>-231.884</u>

Notes

4 Intangible assets

	Development projects in progress
	DKK
Cost at 1 January 2022	0
Additions for the year	450.078
Cost at 31 December 2022	450.078
Revaluations at 1 January 2022	0
Revaluations at 31 December 2022	0
Impairment losses and amortisation at 1 January 2022	0
Impairment losses and amortisation at 31 December 2022	0
Carrying amount at 31 December 2022	450.078

Notes

5 Tangible assets

	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress
	DKK	DKK	DKK	DKK
Cost at 1 January 2022	24.181.235	3.037.367	2.986.463	467.369
Additions for the year	1.363.379	35.668	402.274	7.333.447
Transfers for the year	4.323.137	0	0	-4.323.137
Cost at 31 December 2022	29.867.751	3.073.035	3.388.737	3.477.679
Impairment losses and depreciation at 1 January 2022	16.506.510	2.488.693	1.465.055	0
Depreciation for the year	1.463.890	397.156	308.655	0
Impairment losses and depreciation at 31 December 2022	17.970.400	2.885.849	1.773.710	0
Carrying amount at 31 December 2022	11.897.351	187.186	1.615.027	3.477.679
Value of leased assets	2.417.047	0	0	0

6 Long term debt

	Debt at 1 January 2022	Debt at 31 December 2022	Instalment next year	Debt outstanding after 5 years
	DKK	DKK	DKK	DKK
Lease obligations	856.472	1.647.166	607.745	0
Payables to associates	0	5.205.550	2.602.775	0
	856.472	6.852.716	3.210.520	0

Notes

	<u>2022</u> DKK	<u>2021</u> DKK
7 Rent and lease liabilities		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	657.417	749.795
Between 1 and 5 years	<u>45.805</u>	<u>166.101</u>
	<u>703.222</u>	<u>915.896</u>
8 Mortgages and collateral		
None.		
9 Related parties and ownership structure		
Controlling interest		
Angst & Pfister AG, Thurgauerstrasse 66, 8050 Zürich, Schweiz- is the owner of 51 % of the shares.		
Ownership structure		
According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:		
Angst & Pfister AG, Thurgauerstrasse 66, 8050 Zürich, Schweiz		
MCM SpA, Via Castello 70, I-24060 Adrara S. Martino, Italy		
	<u>2022</u> DKK	<u>2021</u> DKK
10 Cash flow statement - adjustments		
Financial income	-14.031	-1.362
Financial costs	320.136	119.511
Depreciation, amortisation and impairment losses	2.169.699	2.484.716
Tax on profit/loss for the year	<u>479.239</u>	<u>-231.884</u>
	<u>2.955.043</u>	<u>2.370.981</u>