

# Smiths Medical Danmark ApS

Ørestads Boulevard 73, 2300 København S


CVR no. 31 25 47 01

## Annual report

for the period 1 August 2021 - 31 December 2022

Approved at the Company's annual general meeting on 20 July 2023

Chair of the meeting:

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Nigel John Bark

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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 Smiths Medical Danmark ApS for the financial year 1 August 2021 - 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 financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 August 2021 - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 20 July 2023  
Executive Board:

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Nigel John Bark  
CEO

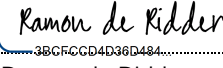
Board of Directors:

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Nigel John Bark  
Chair

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Louis Philip Jones

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Cornelis de Rooij

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Brian Michael Bonnell

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Ramon de Ridder

## Independent auditor's report

To the shareholder of Smiths Medical Danmark ApS

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 August 2021 - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Smiths Medical Danmark ApS for the financial year 1 August 2021 - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### 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 the 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 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 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 judgment and maintain professional skepticism 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 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 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, in our view, 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 in Management's Review.

Hellerup, 20 July 2023  
PriceWaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

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Kaare von Cappeln  
State Authorised Public Accountant  
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Thomas Lauritsen  
State Authorised Public Accountant  
mne34342

## Management's review

### Company details

Name	Smiths Medical Danmark ApS
Address, Postal code, City	Ørestads Boulevard 73, 2300 København S
CVR no.	31 25 47 01
Established	1 February 2008
Registered office	Copenhagen
Financial year	1 August 2021 - 31 December 2022
Board of Directors	Nigel John Bark, Chair Louis Philip Jones Cornelis de Rooij Brian Michael Bonnell Ramon de Ridder
Executive Board	Nigel John Bark, CEO
Auditors	PriceWaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, DK-2900 Hellerup

## Management's review

### Business review

The Company's mission is to sell and deliver medical products of high quality to the public and private health sector. The Company was founded in 2008 and is a sales and marketing Company wholly owned by ICU Medical Group Ltd. Customer focus is in the areas of anesthesia, intensive care, infusion therapy, home care and treatment of pain.

### Unusual matters having affected the financial statements

On January 6, 2022, the Smiths Medical Division of Smiths Group plc was acquired by ICU Medical, inc., a supplier of devices used for infusion therapy and critical care applications. Work to consolidate the two operations has begun but is expected to continue throughout the year. On July 7, 2022, the company's financial year was changed. This annual report covers the period for the extended financial year 2021-08-01 - 2022-12-31.

### Financial review

The income statement for 2021/22 shows a profit of DKK 1,332,667 against a profit of DKK 803,315 last year, and the balance sheet at 31 December 2022 shows equity of DKK 7,073,593. In regards to comparing the profit the financial year of 2021/22 consist of 17 months against 12 months in 2020/21.

### Events after the balance sheet date

No events materially affecting the company's financial position have occurred subsequent to the financial year-end.

## Financial statements 1 August 2021 - 31 December 2022

### Income statement

Note	DKK	2021/22 17 months	2020/21 12 months
	Gross profit	11,160,602	7,145,710
2	Staff costs	-9,312,162	-5,992,045
	Profit before net financials	1,848,440	1,153,665
3	Financial income	843	3,870
	Financial expenses	-152,926	-65,790
	Profit before tax	1,696,357	1,091,745
4	Tax for the year	-363,690	-288,430
	Profit for the year	1,332,667	803,315
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	4,000,000	0
	Retained earnings/accumulated loss	-2,667,333	803,315
		1,332,667	803,315



## Financial statements 1 August 2021 - 31 December 2022

### Balance sheet

Note	DKK	2021/22	2020/21
	ASSETS		
	Current assets		
	Inventories		
	Finished goods and goods for resale	28,300	13,123
		28,300	13,123
	Receivables		
	Trade receivables	3,253,522	4,053,377
	Corporation tax receivable	538,552	245,336
	Other receivables	806,912	806,932
	Prepayments	102,914	80,909
		4,701,900	5,186,554
	Cash	9,177,045	9,286,313
	Total current assets	13,907,245	14,485,990
	TOTAL ASSETS	13,907,245	14,485,990

## Financial statements 1 August 2021 - 31 December 2022

### Balance sheet

Note	DKK	2021/22	2020/21
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125,000	125,000
	Retained earnings	2,948,593	5,615,926
	Dividend proposed	4,000,000	0
	Total equity	7,073,593	5,740,926
	Liabilities		
	Non-current liabilities		
	Other payables	0	471,826
	Total non-current liabilities	0	471,826
	Current liabilities		
	Prepayments received from customers	1,108	7,604
	Trade payables	1,712,861	686,722
	Payables to group enterprises	3,202,833	4,657,251
	Other payables	1,916,850	2,921,661
	Total current liabilities	6,833,652	8,273,238
	Total liabilities	6,833,652	8,745,064
	TOTAL EQUITY AND LIABILITIES	13,907,245	14,485,990

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral
- 7 Related parties

## Financial statements 1 August 2021 - 31 December 2022

### Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 August 2020	125,000	4,812,611	0	4,937,611
Transfer through appropriation of profit	0	803,315	0	803,315
Equity at 1 August 2021	125,000	5,615,926	0	5,740,926
Transfer through appropriation of profit	0	-2,667,333	4,000,000	1,332,667
Equity at 31 December 2022	125,000	2,948,593	4,000,000	7,073,593

## Financial statements 1 August 2021 - 31 December 2022

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Smiths Medical Danmark ApS for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Smiths Medical Danmark ApS has changed their financial year from 1 August - 31 July to 1 January - 31 December. The change related to the group organisation as an effect of this, the financial year for the current year will be 1 August 2021 to 31 December 2022.

Except of the above the accounting policies used in the preparation of the financial statement are consistent with last year.

#### Basis of recognition and measurement

Revenue are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

#### Reporting currency

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

#### Foreign currency translation

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

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

## Financial statements 1 August 2021 - 31 December 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

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

###### Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

###### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

###### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

###### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

###### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

###### Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, 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.

## Financial statements 1 August 2021 - 31 December 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Leases

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

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

##### 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. 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.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

##### 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 and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

## Financial statements 1 August 2021 - 31 December 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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".

##### Income taxes and deferred taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### 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.

Other liabilities are measured at net realisable value.

## Financial statements 1 August 2021 - 31 December 2022

### Notes to the financial statements

	2021/22 17 months	2020/21 12 months
DKK		
2 Staff costs		
Wages/salaries	8,392,783	5,536,768
Pensions	607,909	393,574
Other social security costs	279,987	35,348
Other staff costs	31,483	26,355
	<u>9,312,162</u>	<u>5,992,045</u>
Average number of full-time employees	<u>6</u>	<u>6</u>
DKK		
3 Financial income		
Interest receivable, group entities	0	3,289
Other financial income	843	581
	<u>843</u>	<u>3,870</u>
DKK		
4 Tax for the year		
Estimated tax charge for the year	363,690	288,430
	<u>363,690</u>	<u>288,430</u>

### 5 Contractual obligations and contingencies, etc.

#### Other contingent liabilities

As management company, the company was jointly taxed with John crane until 6th Jan-22 and was jointly and severally with other jointly taxed group entities for payment of income taxes for income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

#### Other financial obligations

#### Other rent and lease liabilities:

DKK	2021/22	2020/21
Rent and lease liabilities	<u>235,717</u>	<u>425,900</u>

The Company has entered into a rental agreement which can be terminated with 3 months notice. Rent in the non-terminated period are DKK 67 thousand of which DKK 67 thousand is recognized as prepaid expenses. Furthermore, the Company has liabilities under operating leases for cars and IT equipment, totalling DKK 169 thousand, of which DKK 98 thousand mature within one year.

### 6 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2022.



## Financial statements 1 August 2021 - 31 December 2022

### Notes to the financial statements

#### 7 Related parties

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
ICU Medical Group Limited	United Kingdom	1500 Eureka Park, Ashford, Kent. TN25 4BF

##### Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.