

## **R&D Steel ApS**

Sigma 3  
8382 Hinnerup  
CVR No. 34706573

### **Annual report 2022**

The Annual General Meeting adopted the annual report on 14.06.2023

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**Emil Wolff**

Chairman of the General Meeting

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# Entity details

## Entity

R&D Steel ApS

Sigma 3

8382 Hinnerup

Business Registration No.: 34706573

Registered office: Favrskov

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Guilherme Silva, Chairman

Peter Kattai Ulrikkeholm

Monique Martins

Emil Wolff

## Executive Board

Peter Kattai Ulrikkeholm, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of R&D Steel ApS for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hinnerup, 14.06.2023

## Executive Board

**Peter Kattai Ulrikkeholm**  
CEO

## Board of Directors

**Guilherme Silva**  
Chairman

**Peter Kattai Ulrikkeholm**

**Monique Martins**

**Emil Wolff**

# Independent auditor's report

## To the shareholder of R&D Steel ApS

### Opinion

We have audited the financial statements of R&D Steel ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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. 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Aarhus, 14.06.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Henrik Vedel**

State Authorised Public Accountant  
Identification No (MNE) mne10052

**Mikael Møller**

State Authorised Public Accountant  
Identification No (MNE) mne47835

# Management commentary

## Primary activities

The company's activities comprise consultancy, development, production and sales of transport and lifting equipment.

## Development in activities and finances

The income statement for the period 01.01.22- 31.12.22 shows a profit of DKK 1,818,824 against DKK 2,431,304 for the period 04.10.20 - 31.12.21. The management considers the net profit for the year to be satisfying.

## 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.



# Income statement for 2022

	Notes	2022 DKK	2020/21 DKK
<b>Gross profit/loss</b>		<b>7,086,944</b>	<b>11,017,331</b>
Staff costs	1	(3,298,447)	(6,175,862)
Depreciation, amortisation and impairment losses		(1,399,120)	(1,535,058)
<b>Operating profit/loss</b>		<b>2,389,377</b>	<b>3,306,411</b>
Other financial income	2	13,209	3,760
Other financial expenses	3	(70,988)	(192,486)
<b>Profit/loss before tax</b>		<b>2,331,598</b>	<b>3,117,685</b>
Tax on profit/loss for the year	4	(512,774)	(686,381)
<b>Profit/loss for the year</b>		<b>1,818,824</b>	<b>2,431,304</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		1,818,824	2,431,304
<b>Proposed distribution of profit and loss</b>		<b>1,818,824</b>	<b>2,431,304</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2020/21 DKK
Plant and machinery		825,665	1,377,679
Leasehold improvements		308,273	1,155,381
<b>Property, plant and equipment</b>	5	<b>1,133,938</b>	<b>2,533,060</b>
<b>Fixed assets</b>		<b>1,133,938</b>	<b>2,533,060</b>
Raw materials and consumables		216,464	317,342
<b>Inventories</b>		<b>216,464</b>	<b>317,342</b>
Trade receivables		1,491,066	664,329
Contract work in progress	6	2,649,609	8,366,229
Receivables from group enterprises	7	5,386,533	1,233,686
Prepayments		15,415	12,227
<b>Receivables</b>		<b>9,542,623</b>	<b>10,276,471</b>
<b>Cash</b>		<b>0</b>	<b>1,686,098</b>
<b>Current assets</b>		<b>9,759,087</b>	<b>12,279,911</b>
<b>Assets</b>		<b>10,893,025</b>	<b>14,812,971</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2020/21 DKK</b>
Contributed capital		500,000	500,000
Retained earnings		5,672,569	3,853,745
<b>Equity</b>		<b>6,172,569</b>	<b>4,353,745</b>
Deferred tax		727,431	1,117,948
Other provisions		120,909	0
<b>Provisions</b>		<b>848,340</b>	<b>1,117,948</b>
Other payables		0	150,201
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>150,201</b>
Contract work in progress	6	525,301	2,305,341
Trade payables		1,365,913	4,663,554
Payables to group enterprises	8	1,162,316	120,909
Income tax payable		353,220	275,820
Other payables		465,366	1,825,453
<b>Current liabilities other than provisions</b>		<b>3,872,116</b>	<b>9,191,077</b>
<b>Liabilities other than provisions</b>		<b>3,872,116</b>	<b>9,341,278</b>
<b>Equity and liabilities</b>		<b>10,893,025</b>	<b>14,812,971</b>
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Assets charged and collateral	11		

# Statement of changes in equity for 2022

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	500,000	3,853,745	4,353,745
Profit/loss for the year	0	1,818,824	1,818,824
<b>Equity end of year</b>	<b>500,000</b>	<b>5,672,569</b>	<b>6,172,569</b>

# Notes

## 1 Staff costs

	<b>2022</b>	<b>2020/21</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	2,935,987	5,595,890
Pension costs	288,361	338,213
Other social security costs	54,349	140,136
Other staff costs	19,750	101,623
	<b>3,298,447</b>	<b>6,175,862</b>
Average number of full-time employees	<b>4</b>	<b>6</b>

## 2 Other financial income

	<b>2022</b>	<b>2020/21</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	11,026	0
Other interest income	2,183	3,760
	<b>13,209</b>	<b>3,760</b>

## 3 Other financial expenses

	<b>2022</b>	<b>2020/21</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from group enterprises	18,604	118,397
Other interest expenses	25,368	54,200
Exchange rate adjustments	1,355	2,461
Other financial expenses	25,661	17,428
	<b>70,988</b>	<b>192,486</b>

## 4 Tax on profit/loss for the year

	<b>2022</b>	<b>2020/21</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	903,291	275,892
Change in deferred tax	(390,517)	410,489
	<b>512,774</b>	<b>686,381</b>

## 5 Property, plant and equipment

	Plant and machinery DKK	Leasehold improvements DKK
Cost beginning of year	3,794,926	4,354,904
Disposals	(1,418,249)	(567,438)
<b>Cost end of year</b>	<b>2,376,677</b>	<b>3,787,466</b>
Depreciation and impairment losses beginning of year	(2,417,247)	(3,199,523)
Impairment losses for the year	(391,942)	(38,076)
Depreciation for the year	(160,072)	(809,032)
Reversal regarding disposals	1,418,249	567,438
<b>Depreciation and impairment losses end of year</b>	<b>(1,551,012)</b>	<b>(3,479,193)</b>
<b>Carrying amount end of year</b>	<b>825,665</b>	<b>308,273</b>

## 6 Contract work in progress

	2022 DKK	2020/21 DKK
Contract work in progress	10,977,825	23,790,856
Progress billings regarding contract work in progress	(8,853,517)	(17,729,968)
Transferred to liabilities other than provisions	525,301	2,305,341
	<b>2,649,609</b>	<b>8,366,229</b>

## 7 Receivables from group enterprises

The company, together with other group companies, engages in cash pool arrangements where other companies are liable to the bank. Deposits and debts in relation to the cash pool scheme are accepted as intra-group receivables and debt, respectively. At 31 December 2022, the item receivables from group enterprises includes an amount of DKK 2.684k, which is placed in the cash pool arrangement.

## 8 Payables to group enterprises

The company, together with other group companies, engages in cash pool arrangements where other companies are liable to the bank. Deposits and debts in relation to the cash pool scheme are accepted as intra-group receivables and debt, respectively. At 31 December 2022, the item payables to group enterprises includes an amount of DKK 986k, which is drawn on the cash pool arrangement.

## 9 Unrecognised rental and lease commitments

	2022 DKK	2020/21 DKK
Liabilities under rental or lease agreements until maturity in total	<b>115,200</b>	<b>170,496</b>

## 10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where ITW Denmark ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities'

total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

### **11 Assets charged and collateral**

The company has provided a company charge of DKK 1.500k as security for group enterprises' debt to credit institutions of DKK 0k. The company charge comprises goodwill, intellectual property rights, motor vehicles, other plant, fixtures and fittings, tools and equipment, inventories and trade receivables. The total carrying amount of the comprised assets is DKK 2.842k.

The company has provided a performance bond as security to the customers, which amounts to DKK 1.932k.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Non-comparability

There is non-comparability between this year's figures and the comparative figures, as items from the previous year are based on a period of 15 months whereas the current year's items are based on a period of 12 months.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, changes in work in progress, other operating income, cost of raw materials and consumables and other external expenses.

### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.



Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

**Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

**Other financial income**

Other financial income comprises interest income, net capital or exchange gains on securities, etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and net capital or exchange losses on securities, payables and transactions in foreign currencies.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Property, plant and equipment**

Plant and machinery, tools and equipment etc are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Plant and machinery	3-20 years
Leasehold improvements	3-10 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### **Cash**

Cash comprises bank deposits.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Tax receivable or payable**

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.