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CVR no. 20 22 26 70

**STEEL PRODUCTS A/S**  
**ISLANDSVEJ 25, 8700 HORSENS**  
**ANNUAL REPORT**  
**1 JULY 2021 - 30 JUNE 2022**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 27 December 2022**

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**Mogens Hørdum Sørensen**

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**COMPANY DETAILS**

|                           |                                                                                                                                                                                       |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Company</b>            | Steel Products A/S<br>Islandsvej 25<br>8700 Horsens<br><br>CVR No.: 38 06 92 17<br>Established: 7 October 2016<br>Municipality: Horsens<br>Financial Year: 1 July 2021 - 30 June 2022 |
| <b>Board of Directors</b> | Tine Valente, chairman<br>Emilie Hørdum Valente<br>Mogens Hørdum Sørensen<br>Angela Hørdum Valente                                                                                    |
| <b>Executive Board</b>    | Mogens Hørdum Sørensen                                                                                                                                                                |
| <b>Auditor</b>            | BDO Statsautoriseret revisionsaktieselskab<br>Roms Hule 4, 1. sal<br>7100 Vejle                                                                                                       |

## MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Steel Products A/S for the financial year 1 July 2021 - 30 June 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 30 June 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 July 2021 - 30 June 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Horsens, 27 December 2022

Executive Board

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Mogens Hørdum Sørensen

Board of Directors

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Tine Valente  
Chairman

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Emilie Hørdum Valente

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Mogens Hørdum Sørensen

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Angela Hørdum Valente

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholder of Steel Products A/S

#### Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Steel Products A/S for the financial year 1 July 2021 - 30 June 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 30 June 2022 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 July 2021 - 30 June 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 Consolidated Financial Statements and the Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

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:

## INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

## INDEPENDENT AUDITOR'S REPORT

### Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Vejle, 27 December 2022

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Frank Lau  
State Authorised Public Accountant  
MNE no. mne32054

**FINANCIAL HIGHLIGHTS OF THE GROUP**

|                                                  | 2021/22<br>DKK '000 | 2020/21<br>DKK '000 | 2019/20<br>DKK '000 | 2018/19<br>DKK '000 | 2017/18<br>DKK '000 |
|--------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Income statement</b>                          |                     |                     |                     |                     |                     |
| Net revenue.....                                 | 672.551             | 537.692             | 447.447             | 545.226             | 559.466             |
| Gross profit/loss.....                           | 105.157             | 82.489              | 54.359              | 51.059              | 67.462              |
| Operating profit/loss of main activities...      | 74.075              | 56.116              | 23.461              | 21.897              | 36.324              |
| Financial income and expenses, net.....          | -940                | -1.496              | -1.297              | -1.527              | -2.636              |
| Profit/loss for the year.....                    | 59.577              | 45.791              | 17.291              | 13.449              | 26.312              |
| <b>Balance sheet</b>                             |                     |                     |                     |                     |                     |
| Total assets.....                                | 509.259             | 436.649             | 381.940             | 352.133             | 381.467             |
| Equity.....                                      | 200.730             | 141.266             | 133.881             | 120.697             | 107.459             |
| <b>Cash flows</b>                                |                     |                     |                     |                     |                     |
| Investment in property, plant and equipment..... | 10.514              | 5.256               | 10.793              | 13.552              | 13.742              |
| <b>Average number of full-time employees</b>     |                     |                     |                     |                     |                     |
|                                                  | 309                 | 286                 | 331                 | 364                 | 357                 |
| <b>Key ratios</b>                                |                     |                     |                     |                     |                     |
| Gross margin.....                                | 15,6                | 15,3                | 12,1                | 9,4                 | 12,1                |
| Profit Margin.....                               | 11,4                | 11,0                | 5,3                 | 4,3                 | 6,5                 |
| Return on assets.....                            | 15,0                | 13,5                | 6,2                 | 6,7                 | 9,6                 |
| Solvency ratio.....                              | 38,9                | 31,8                | 35,1                | 34,3                | 28,2                |
| Return on equity.....                            | 34,8                | 33,3                | 13,6                | 11,8                | 26,9                |

The ratios stated in the list of key figures and ratios have been calculated as follows:

|                   |                                                                                                   |
|-------------------|---------------------------------------------------------------------------------------------------|
| Gross margin:     | $\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$                                       |
| Solvency ratio:   | $\frac{\text{Equity (ex. minorities), at year-end} \times 100}{\text{Total assets, at year-end}}$ |
| Return on equity: | $\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$                           |
| Profit margin     | $\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$                               |
| Return on assets  | $\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$                          |



## MANAGEMENT COMMENTARY

### Principal activities

The Steel Products Group serves a wide range of international as well as national customers with counseling and strong product solutions. The Group's competence is complete solutions within deep drawing, pressing, cold forming and spinning for production of very complicated parts. The Group supplies, among others, to the following industries:

- Process equipment - food, juice, beer and soft drinks, pharmaceutical and chemical industrial equipment - e.g., pump, valve and component housing and fittings.
- Automotive - e.g., exhaust parts, engine parts, brake parts and vibration damping.
- Agricultural machinery - components - e.g., pulleys and parts for mobile hydraulics.
- Machine Industry.
- Marine & Offshore - e.g., tank measuring equipment, compressors.
- Energy - e.g., heat exchanger plates, components for wind turbines, components for solar energy systems, cooling and heat control, energy storage equipment.
- Electronics - components - e.g., parabolae, vacuum switches, frequency converter components.
- Consumer goods - e.g., thermostats, heat pumps, oil heaters, audio etc.

The Group continuously strives to be a technological leader in cold forming processes, and it is the Group's stated goal to manufacture products that ensure customers improved competitiveness.

### Unusual matters

It has been found out that there were significant errors in the Annual Reports for 2019/20 and 2020/21, because of the measurement and valuation of Inventories.

The error is incorporated in the comparative figures of the Consolidated Annual Report and causes the accounting items "Production costs" to improve by DKK ('000) 2,271, "Adjustment of deferred tax" is reduced by DKK ('000) 500, thus improving the year's result in 2020/21 by DKK ('000) 1,772. The error also causes the accounting items "Inventories" to improve by DKK ('000) 3,955, "Equity" improves by a total of DKK ('000) 3,085, of which DKK ('000) 1,313 is attributed to improvements in equity at the beginning of 2020/21. "Provision for deferred tax" is reduced by DKK ('000) 870. As a result, the balance sheet improves by DKK ('000) 3,955 as of 30 June 2021.

It has also been found out that there was a significant error in the Annual Report for 2020/21, because of incorrect recognition of deferred tax.

The error is incorporated into the comparative figures of the Consolidated Annual report and causes the accounting item "Tax on the profit for the year" in the income statement to be improved by DKK ('000) 1,300 and "Equity" to be improved by DKK ('000) 1,300 as a result. The error also causes the accounting item "Deferred tax" under provisioned liabilities to be improved by DKK ('000) 1,300. The balance sheet per 30 June 2021 is unchanged as a result.

The impact of the significant errors is recognized directly on the equity at the beginning in the line "Correction of errors".

In the comparison figures for the parent company, the above errors have caused the accounting item "Income from investments in subsidiaries" to improve by DKK ('000) 3,072, "Equity" to improve by a total of DKK ('000) 4,385, of which DKK ('000) 1,313 can be attributed to the improvement of equity at the beginning of 2020/21. "Investments in subsidiaries" improves by DKK ('000) 4,385. The balance sheet for the parent company improves by DKK ('000) 4,385.

### Development in activities and financial and economic position

The results of the financial year were satisfactory. Realized net sales for the year amounted to DKK 672,6 million. Profit for the year was a profit of DKK 59,6 million. against a profit of DKK 45,8 million. DKK last year. Equity amounts to DKK 200,7 million. DKK per June 30, 2022.

### Profit/loss for the year compared to the expected development

The results of the financial year were satisfactory. Realized net sales for the year amounted to DKK 672,6 million. Profit for the year was a profit of DKK 59,6 million. against a profit of DKK 45,8 million.

## MANAGEMENT COMMENTARY

### **Profit/loss for the year compared to the expected development (continued)**

DKK last year. Equity amounts to DKK 200,7 million. DKK per June 30, 2022.

### **Significant events after the end of the financial year**

No events have occurred after the end of the financial year that could materially affect the company's financial position.

### **Special risks**

#### *Price Risks*

The company's activities and results are affected by fluctuations in commodity prices.

#### *Market risks*

Customer and market risks are assessed as limited due to the spread in different market segments.

#### *Currency risks*

Foreign trade means that earnings and cash flows are affected by exchange rate and interest rate trends for a few currencies. The company monitors developments in the foreign exchange market to assess whether special actions are required. At present, forward transactions are not used to hedge transactions in foreign currencies, as the Company's primary foreign currency is EUR. The company does not enter any speculative currency positions.

#### *Interest rate risk*

The interest-bearing net debt represents a significant amount, which means that moderate changes in interest rates will have a direct effect on earnings.

#### *Research and development activities*

These costs include streamlining production processes as well as developing prototypes in connection with customer projects. These costs are expensed as incurred.

### **Knowledge resources**

We continuously develop the skills of our employees.

### **Future expectations**

For the financial year 2022/23, management expects a turnover between 650 and 750 million DKK. and profit to be between 30 and 60 million. DKK.

**MANAGEMENT COMMENTARY**

**Corporate social responsibility (CSR) report**

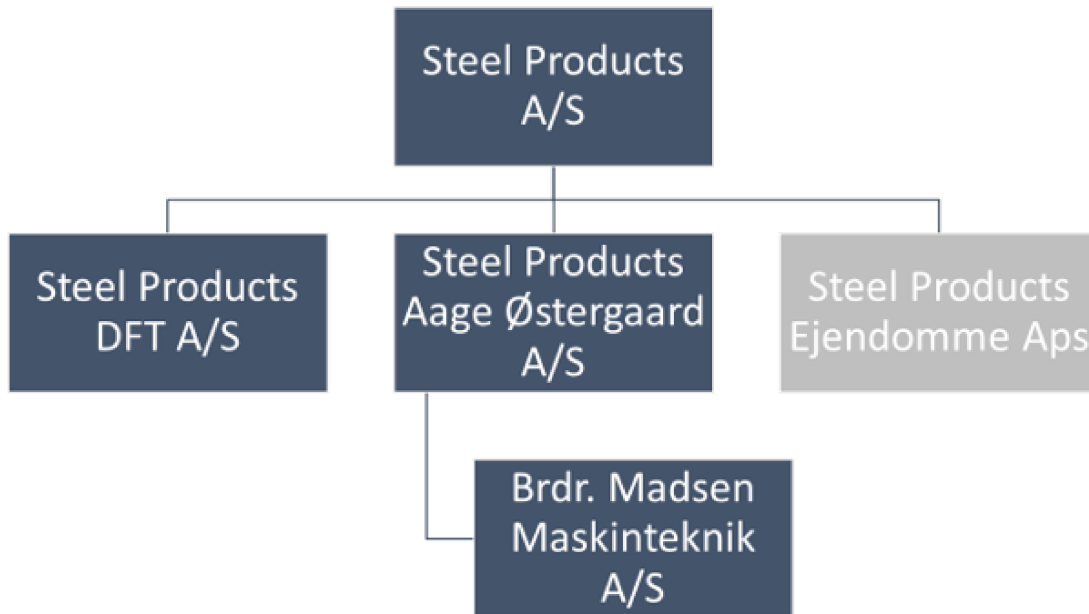
Steel Products A/S has prepared this statutory report on corporate social responsibility in accordance with sections 99a and 99b of the Danish Financial Statements Act.

Steel Products has adopted CSR policies in the areas of environment and climate, social and employee relations, human rights, and anti-corruption. These policies, together with our strategy and vision, form the basis for our work in Steel Products.

**Business model**

Steel Products is an industrial group of subsidiaries, all of which work in metalworking, with exception of Steel Products Ejendomme, which deals exclusively with commercial property rental.

Steel Products consists of the following companies:



*Companies in Steel Products Group.*

The Group continuously strives to be a technological leader in cold forming processes, and it is the Group's stated goal to manufacture products that ensure customers improved competitiveness.

The Steel Products Group serves a wide range of international as well as national customers with counseling and strong product solutions. The Group's competence is complete solutions within deep drawing, pressing, cold forming and spinning for production of very complicated parts. The Group supplies, among others, to the following industries:

- Process equipment - food, juice, beer and soft drinks, pharmaceutical and chemical industrial equipment - e.g., pump, valve and component housing and fittings.
- Automotive - e.g., exhaust parts, engine parts, brake parts and vibration damping.
- Agricultural machinery - components - e.g., pulleys and parts for mobile hydraulics.
- Machine Industry.
- Marine & Offshore - e.g., tank measuring equipment, compressors.
- Energy - e.g., heat exchanger plates, components for wind turbines, components for solar energy systems, cooling and heat control, energy storage equipment.
- Electronics - components - e.g., parabolas, vacuum switches, frequency converter components.

## MANAGEMENT COMMENTARY

### Corporate social responsibility (CSR) report (continued)

- Consumer goods - e.g., thermostats, heat pumps, oil heaters, audio etc.

Steel Products purchases raw materials and components and uses subcontractors. To a large extent, suppliers from Denmark or countries close to them are used.

- Our behavior is largely guided by our values.
- “Best fit” must be a basic principle. It creates value for everyone that we always make the right choices in terms of processes, flow, and equipment so that they match the expectations of the customers.
- We know the importance of continuous innovative improvements and ensure this through employee involvement and close cooperation with customers.
- We invest in our employees and surroundings to ensure a modern and competent company.
- Our current and future competencies must ensure continuous development as well as make Steel Products an attractive workplace and business partner.
- We strive for an environment of innovative solutions, accountability, and quality on time.

### CSR areas

Steel Products respects and has joined the UN Global Compact in all 10 areas of human rights, labor rights, the environment and anti-corruption. This is included in our CSR policy. Examples of this are also shown in the following CSR areas: Environment, working environment, social and human resources, human rights, anti-corruption, and bribery.

Steel Products also works to support the UN's global goals, specifically we focus on goals 4 and 12 on education and responsible production.

SP is a member of Horsens Alliance and recipient of the CSRpeople brand. This means that we commit ourselves to having a social commitment and helping to strengthen other people in their relationship with the labor market. We do this by hiring people who have challenges in finding and carrying out ordinary work. We have start-up programs to slowly train the ability to be part of a regular work function.

In addition, we employ people of other ethnic origins than Danish, to support a multicultural work environment.

### Environment

Steel Products works according to our environmental policy for sustainable production, where we continuously improve by reducing our impact on the environment, including consumption of resources.

At Steel Products, we have chosen to combine environmental conditions and climate impacts under the heading 'Environment', as our actions in energy, among other things, also influence the climate.

ISO14001: 2015 Environmental certification has been integrated at all Steel Products production sites since 2020.

Our cold forming processes provide a minimum of waste compared to manufacturing similar products with other manufacturing methods. This results in less waste, less consumption of raw materials and often a reduction in processing time. In doing so, we support the UN's World Goal 12.

We are aware that our greatest risk in relation to the environment is an over-consumption of energy or water. We are therefore working to have an overview of our consumption, so that we can respond as quickly as possible if over-consumption occurs and optimize the use of energy. This supports the UN's World Goal 12.

### Waste:

Steel Products A/S's hard focus on waste reduction from production compared to revenue is one of our main drivers to ensure quality and reduction of waste.

**MANAGEMENT COMMENTARY**

**Corporate social responsibility (CSR) report (continued)**

| <b>Waste from Production in % of Revenue</b> |           |           |           |        |
|----------------------------------------------|-----------|-----------|-----------|--------|
|                                              | 2019/2020 | 2020/2021 | 2021/2022 | Target |
| Steel Products Aage Østergaard A/S           | 1,2 %     | 1,0 %     | 0,7 %     | <1,0%  |
| Steel Products DFT A/S                       | 0,9 %     | 0,7 %     | 0,8 %     | <1,0%  |

In 2021/2022, we have had a favorable development, partly from ordinary production and partly from new projects.

In Aage Østergaard, the material consumption of some of our existing production processes was optimized, corresponding to a reduction of raw materials of 100 tons.

**Waste & material sorting:**

By involving employees in the importance of focusing on waste through Awareness courses, which not only deals with product quality, but also energy consumption, correct sorting of waste and metal for recycling, we have based on the motto "the more accurate sorting the better recycling", significantly improved our recycling.

**SCIP, SCHC, Reach & ROHS:**

We are subject to strict requirements regarding the registration, use and disposal of ECHA selected problematic materials and chemical substances. Therefore, all additives are reported in databases so proper disposal is possible.

**Conflict minerals:**

As a responsible supplier, we naturally support the European Trade Commission and comply with the guidelines from here. That is, we ensure that our products contain only minerals and metals from responsible and conflict-free sources.

**Carbon emissions & energy improvements:**

Supporting Net Zero strategy and reducing global warming by 1.5° Celsius is a key value for Steel Products A/S, therefore we have over the last 2 years, performed Scope 1 & 2 GHG Protocols, through Danish Business Authority (Klimakompasset).

This to insure continuously focus on reductions of energy and consumptions, which already has led to -20% & -6% reduction in Ton CO<sub>2</sub> Emission per million Dkr. turnover from 2020/2021 to 2021/2022.

| <b>Scope 1 &amp; 2 CO<sub>2</sub> Emission in Ton</b> |                   |                   |
|-------------------------------------------------------|-------------------|-------------------|
|                                                       | 2020/2021         | 2021/2022         |
| Steel Products Aage Østergaard A/S                    | 1025              | 1091              |
|                                                       | CO <sub>2</sub> e | CO <sub>2</sub> e |
| Steel Products DFT A/S                                | 762               | 805               |
|                                                       | CO <sub>2</sub> e | CO <sub>2</sub> e |

| <b>Scope 1 &amp; 2 CO<sub>2</sub> Emission Ton per Million Dkr. turnover</b> |                   |                   |
|------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                              | 2020/2021         | 2021/2022         |
| Steel Products Aage Østergaard A/S                                           | 2,85              | 2,28              |
|                                                                              | CO <sub>2</sub> e | CO <sub>2</sub> e |
| Steel Products DFT A/S                                                       | 4,36              | 4,10              |
|                                                                              | CO <sub>2</sub> e | CO <sub>2</sub> e |

**MANAGEMENT COMMENTARY**

**Corporate social responsibility (CSR) report (continued)  
Working environment**

Steel Products policy provides the framework for a good and safe work environment, a working environment that ensures the safety and health of employees, as well as complying with legislation and binding obligations that deal with work environment.

Doing the reasoned years, we have reduced the number of accidents with absence, although there has been incidents, none have been fatal, every person has recovered. Our goal, is and will always be 0 work accidents.

In 2022/23, we will continue to work towards this goal. We do this by analyzing our accidents and near misses and telling all employees about the root causes so that together we can help to avoid accidents. In addition, we have ongoing focus areas.

| <b>Number of accidents with absence</b> |           |           |           |
|-----------------------------------------|-----------|-----------|-----------|
|                                         | 2019/2020 | 2020/2021 | 2021/2022 |
| Steel Products Aage Østergaard A/S      | 12        | 11        | 8         |
| Steel Products DFT A/S                  | 3         | 1         | 2         |

*Included are all occupational accidents that have resulted in absence of at least one working day.*

With our whistleblower scheme, we would like to emphasize to our employees that they always have the opportunity, without risk of their employment, to present whatever they find challenging in our company.

**Social and personnel matters**

Our hourly workers are employed according to Industriens overenkomst. We contribute to young people's education by continuously offering apprenticeships.

We contribute to lifting corporate social responsibility by continually offering tests to unemployed people and people with reduced ability to work.

We have been focusing on our sick leave and through discussions with our staff have helped them to a lower absence. Developments in recent years have been, which is within our targets.

| <b>Sick leave (excl. long term leave)</b> |           |           |           |        |
|-------------------------------------------|-----------|-----------|-----------|--------|
|                                           | 2019/2020 | 2020/2021 | 2021/2022 | Target |
| Steel Products Aage Østergaard A/S        | 2,6 %     | 2,1 %     | 2,5 %     | <3,0%  |
| Steel Products DFT A/S                    | 4,1 %     | 2,2 %     | 2,5 %     | <3,0%  |

*Included is all absence due to illness for less than 30 days. Measured in relation to total standard time.*

In relation to our employees, our greatest risk is that we may end up not having enough skilled workforce as tasks change as we progress. That is why we have chosen to focus on upgrading the skills of our employees through established Steel Products Academy.

**Anti-corruption, and bribery (Code of Conduct)**

We have chosen to have a very detailed Code of Conduct to show our employees that we do not accept bribes and do not provide this. Most of our customers and suppliers we have had a year-long trusting collaboration with, and we have an ongoing dialogue about their business, with which the risk of corruption is assessed to be low.

For new partners, we focus on contractually incorporating obligations to comply with our Code of Conduct. It is our assessment that during 2021/2022 none of our partners have worked in violation of our Code of Conduct. We work towards implementing procedures that can help ensure focus on anti-

**MANAGEMENT COMMENTARY**

**Corporate social responsibility (CSR) report (continued)**

corruption in a busy everyday life.

**Human rights**

As a responsible supplier, we naturally support the European Trade Commission and comply with the guidelines from here. This means that we ensure that our products only contain minerals and metals from responsible and conflict-free sources.

Steel Products sources raw materials and components itself and uses subcontractors. To a large extent, suppliers from Denmark or countries close to this are used. Most of our suppliers we have had a long-term trusting collaboration with, and we have an ongoing dialogue about their business, with which the risk of human rights violations is assessed to be low.

It is our assessment that in 2021/22 none of our subcontractors have violated the European Trade Commission's guidelines for conflict - free minerals. We are working towards implementing procedures that can help ensure focus on human rights in a busy day.

**Statement of gender composition of management**

At Steel Products A/S, we strive to always have at least 1 of each gender seated on the board, to ensure diversity within the group.

The shareholders will be aware of the gender diversity in connection with the forthcoming constituencies of the board and will take this into account if the recruitment basis supports this. However, the main goal of election to the board of directors and management will always be to have the most suitable persons in the individual positions.

To the extent that there are employee representatives on the boards of the companies under Steel Products, we do not want to influence the employees' ability to precisely choose the representatives of the board that they find best, regardless of gender.

Steel Production is normally male dominated within blue collar jobs, Steel Products A/S does not differ from this. When in recruiting process we are very aware of potential recruiting of females to production, latest we have succeeded in hiring females from Ukraine in packaging. White collar diversity is better and continuously improving.

| <b>Diversity female &amp; male, blue collar</b>  |           |
|--------------------------------------------------|-----------|
|                                                  | 2021/2022 |
| Steel Products Aage Østergaard A/S               | F: 15%    |
|                                                  | M: 85%    |
| Steel Products DFT A/S                           | F: 7%     |
|                                                  | M: 93%    |
| <b>Diversity female &amp; male, white collar</b> |           |
|                                                  | 2021/2022 |
| Steel Products Aage Østergaard A/S               | F: 31%    |
|                                                  | M: 69%    |
| Steel Products DFT A/S                           | F: 33%    |
|                                                  | M: 67%    |

**MANAGEMENT COMMENTARY**

**Corporate social responsibility (CSR) report (continued)**

| <b>Diversity female &amp; male, Board Members</b> |           |           |           |
|---------------------------------------------------|-----------|-----------|-----------|
|                                                   | 2019/2020 | 2020/2021 | 2021/2022 |
| Steel Products A/S                                | F: 75%    | F: 75%    | F: 75%    |
|                                                   | M: 25%    | M: 25%    | M: 25%    |
| Steel Products DFT A/S                            | F: 75 %   | F: 75%    | F: 75%    |
|                                                   | M: 25%    | M: 25%    | M: 25%    |
| Steel Products Aage Østergaard A/S                | F: 57%    | F: 57%    | F: 57%    |
|                                                   | M: 43%    | M: 43%    | M: 43%    |

Diversity is not only gender related, we are therefore proud that Steel Products A/S represent more than 10 nationalities.

**Target figures and policy for the underrepresented gender**

At Steel Products A/S, we strive to always have at least 1 of each gender seated on the board, to ensure diversity within the group.

The shareholders will be aware of the gender diversity in connection with the forthcoming constituencies of the board and will take this into account if the recruitment basis supports this. However, the main goal of election to the board of directors and management will always be to have the most suitable persons in the individual positions.

To the extent that there are employee representatives on the boards of the companies under Steel Products, we do not want to influence the employees' ability to precisely choose the representatives of the board that they find best, regardless of gender.

Its management intention to increase the underrepresented gender in the company's daily management. The company has thus established a politic to increase the underrepresented gender in the daily management. The daily management includes the direction, line managers and division managers.

Employment will always be based upon qualifications. The company strive for at least, one of each gender will be among the final candidates in the recruitment process.

As of 30. June 2022 the underrepresented gender in the management amounts to 15 % against 10 % as per 30. June 2021. Management will yearly evaluate the progress on behalf of the established politic.

**Statement of data ethics policy**

As a result of the digital development, the Steel Products Group (SP) increasingly uses data to run its business. Data security, privacy and data ethics are all elements of a responsible data culture. Therefore, in the financial year 2021/22, SP has expanded our Code of Conduct to also include the most important elements from the Data Ethics Council's proposal for a data ethics policy. These elements of the Code of Conduct ensure that we comply with applicable legislation and protect our data in accordance with good IT practice. In addition, we want to handle data with respect for people, always taking equality, dignity, and freedom into account to ensure that SP actively promotes people's welfare and well-being in its data handling. The Code of Conduct has been made available on the SP Group's intranet.



## INCOME STATEMENT 1 JULY - 30 JUNE

|                                                                       | Note | Group               |                     | Parent Company      |                     |
|-----------------------------------------------------------------------|------|---------------------|---------------------|---------------------|---------------------|
|                                                                       |      | 2021/22<br>DKK '000 | 2020/21<br>DKK '000 | 2021/22<br>DKK '000 | 2020/21<br>DKK '000 |
| <b>NET REVENUE</b> .....                                              | 1    | <b>672.551</b>      | <b>537.692</b>      | 0                   | 0                   |
| Production costs.....                                                 | 2    | -567.394            | -455.203            | 0                   | 0                   |
| <b>GROSS PROFIT/LOSS</b> .....                                        |      | <b>105.157</b>      | <b>82.489</b>       | 0                   | 0                   |
| Distribution costs.....                                               | 2    | -7.225              | -5.863              | 0                   | 0                   |
| Administrative expenses.....                                          | 2    | -23.857             | -20.510             | -30                 | -30                 |
| <b>OPERATING PROFIT</b> .....                                         |      | <b>74.075</b>       | <b>56.116</b>       | <b>-30</b>          | <b>-30</b>          |
| Other operating income.....                                           |      | 2.508               | 2.951               | 0                   | 0                   |
| Other operating expenses.....                                         |      | -19                 | -32                 | 0                   | 0                   |
| <b>PROFIT/LOSS BEFORE<br/>FINANCIAL INCOME<br/>AND EXPENSES</b> ..... |      | <b>76.564</b>       | <b>59.035</b>       | <b>-30</b>          | <b>-30</b>          |
| Income from investments in<br>subsidiaries.....                       | 3    | 0                   | 0                   | 59.295              | 45.219              |
| Financial income.....                                                 | 4    | 2.854               | 664                 | 178                 | 471                 |
| Financial expenses.....                                               | 5    | -3.794              | -2.160              | 0                   | 0                   |
| <b>PROFIT BEFORE TAX</b> .....                                        |      | <b>75.624</b>       | <b>57.539</b>       | <b>59.443</b>       | <b>45.660</b>       |
| Tax on profit/loss for the year.....                                  | 6    | -16.047             | -11.748             | -33                 | -97                 |
| <b>PROFIT FOR THE YEAR</b> .....                                      | 7    | <b>59.577</b>       | <b>45.791</b>       | <b>59.410</b>       | <b>45.563</b>       |

## BALANCE SHEET AT 30 JUNE

| ASSETS                                                   | Note     | Group            |                  | Parent Company   |                  |
|----------------------------------------------------------|----------|------------------|------------------|------------------|------------------|
|                                                          |          | 2022<br>DKK '000 | 2021<br>DKK '000 | 2022<br>DKK '000 | 2021<br>DKK '000 |
| Land and buildings.....                                  |          | 97.861           | 103.191          | 0                | 0                |
| Production plant and machinery...                        |          | 43.867           | 43.222           | 0                | 0                |
| Other plant, machinery tools and<br>equipment.....       |          | 287              | 342              | 0                | 0                |
| Leasehold improvements.....                              |          | 681              | 140              | 0                | 0                |
| Tangible fixed assets in progress<br>and prepayment..... |          | 1.900            | 2.462            | 0                | 0                |
| <b>Property, plant and equipment...</b>                  | <b>8</b> | <b>144.596</b>   | <b>149.357</b>   | <b>0</b>         | <b>0</b>         |
| Investments in subsidiaries.....                         |          | 0                | 0                | 216.706          | 157.411          |
| Rent deposit and other<br>receivables.....               |          | 3                | 3                | 0                | 0                |
| <b>Financial non-current assets.....</b>                 | <b>9</b> | <b>3</b>         | <b>3</b>         | <b>216.706</b>   | <b>157.411</b>   |
| <b>NON-CURRENT ASSETS.....</b>                           |          | <b>144.599</b>   | <b>149.360</b>   | <b>216.706</b>   | <b>157.411</b>   |
| Raw materials and consumables...                         |          | 80.801           | 47.161           | 0                | 0                |
| Work in progress.....                                    |          | 85.935           | 67.749           | 0                | 0                |
| Finished goods and goods for<br>resale.....              |          | 42.466           | 23.275           | 0                | 0                |
| <b>Inventories.....</b>                                  |          | <b>209.202</b>   | <b>138.185</b>   | <b>0</b>         | <b>0</b>         |
| Trade receivables.....                                   |          | 106.540          | 88.803           | 0                | 0                |
| Receivables from group<br>enterprises.....               |          | 1.255            | 11.799           | 17.052           | 41.404           |
| Other receivables.....                                   |          | 5.339            | 6.484            | 0                | 0                |
| Corporation tax receivable.....                          |          | 21               | 0                | 0                | 0                |
| Prepayments.....                                         | 10       | 1.452            | 2.083            | 0                | 0                |
| <b>Receivables.....</b>                                  |          | <b>114.607</b>   | <b>109.169</b>   | <b>17.052</b>    | <b>41.404</b>    |
| <b>Cash and cash equivalents.....</b>                    |          | <b>40.851</b>    | <b>39.935</b>    | <b>0</b>         | <b>0</b>         |
| <b>CURRENT ASSETS.....</b>                               |          | <b>364.660</b>   | <b>287.289</b>   | <b>17.052</b>    | <b>41.404</b>    |
| <b>ASSETS.....</b>                                       |          | <b>509.259</b>   | <b>436.649</b>   | <b>233.758</b>   | <b>198.815</b>   |

## BALANCE SHEET AT 30 JUNE

| EQUITY AND LIABILITIES                                      | Note | Group            |                  | Parent Company   |                  |
|-------------------------------------------------------------|------|------------------|------------------|------------------|------------------|
|                                                             |      | 2022<br>DKK '000 | 2021<br>DKK '000 | 2022<br>DKK '000 | 2021<br>DKK '000 |
| Share capital.....                                          | 11   | 7.400            | 7.400            | 7.400            | 7.400            |
| Reserve for revaluation.....                                |      | 27.046           | 28.130           | 0                | 0                |
| Reserve for net revaluation under<br>the equity method..... |      | 0                | 0                | 138.027          | 78.732           |
| Retained earnings.....                                      |      | 163.697          | 103.203          | 52.716           | 52.601           |
| Minority shareholders.....                                  |      | 2.587            | 2.533            | 0                | 0                |
| <b>EQUITY.....</b>                                          |      | <b>200.730</b>   | <b>141.266</b>   | <b>198.143</b>   | <b>138.733</b>   |
| Provision for deferred tax.....                             | 12   | 21.512           | 19.827           | 0                | 0                |
| Other provisions.....                                       | 13   | 6.843            | 6.843            | 0                | 0                |
| <b>PROVISIONS.....</b>                                      |      | <b>28.355</b>    | <b>26.670</b>    | <b>0</b>         | <b>0</b>         |
| Debt to mortgage credit<br>institution.....                 |      | 69.897           | 73.565           | 0                | 0                |
| Lease liabilities.....                                      |      | 742              | 951              | 0                | 0                |
| Payables to group enterprises.....                          |      | 10.500           | 10.500           | 0                | 0                |
| Corporation tax.....                                        |      | 12.504           | 0                | 0                | 0                |
| <b>Non-current liabilities.....</b>                         | 14   | <b>93.643</b>    | <b>85.016</b>    | <b>0</b>         | <b>0</b>         |
| Debt to mortgage credit<br>institution.....                 |      | 3.813            | 4.447            | 0                | 0                |
| Bank debt.....                                              |      | 0                | 78               | 0                | 0                |
| Lease liabilities.....                                      |      | 209              | 437              | 0                | 0                |
| Prepayments from customers.....                             |      | 1.791            | 5.632            | 0                | 0                |
| Trade payables.....                                         |      | 89.461           | 65.631           | 31               | 31               |
| Debt to Group companies.....                                |      | 48.572           | 66.569           | 35.454           | 59.954           |
| Corporation tax payable.....                                |      | 10.291           | 9.435            | 130              | 97               |
| Other liabilities.....                                      |      | 32.384           | 31.458           | 0                | 0                |
| Deferred income.....                                        | 15   | 10               | 10               | 0                | 0                |
| <b>Current liabilities.....</b>                             |      | <b>186.531</b>   | <b>183.697</b>   | <b>35.615</b>    | <b>60.082</b>    |
| <b>LIABILITIES.....</b>                                     |      | <b>280.174</b>   | <b>268.713</b>   | <b>35.615</b>    | <b>60.082</b>    |
| <b>EQUITY AND LIABILITIES.....</b>                          |      | <b>509.259</b>   | <b>436.649</b>   | <b>233.758</b>   | <b>198.815</b>   |
| Contingencies etc.                                          | 16   |                  |                  |                  |                  |
| Charges and securities                                      | 17   |                  |                  |                  |                  |
| Related parties                                             | 18   |                  |                  |                  |                  |
| Consolidated Financial<br>Statements                        | 19   |                  |                  |                  |                  |

## EQUITY

|                                                   | Group         |                         |                   |                       | Total          |
|---------------------------------------------------|---------------|-------------------------|-------------------|-----------------------|----------------|
|                                                   | Share capital | Reserve for revaluation | Retained earnings | Minority shareholders |                |
| Equity at 1 July 2021 .....                       | 7.400         | 28.130                  | 100.131           | 2.533                 | 138.194        |
| Change of equity due to correction of errors..... |               |                         | 3.072             |                       | 3.072          |
| <b>Adjusted equity at 1 July 2021 .....</b>       | <b>7.400</b>  | <b>28.130</b>           | <b>103.203</b>    | <b>2.533</b>          | <b>141.266</b> |
| Proposed profit allocation, see note 7....        |               |                         | 59.410            | 167                   | 59.577         |
| <b>Transactions with owners</b>                   |               |                         |                   |                       |                |
| Dividend paid .....                               |               |                         |                   | -113                  | -113           |
| <b>Transfers</b>                                  |               |                         |                   |                       |                |
| Depreciations .....                               |               | -1.084                  | 1.084             |                       | 0              |
| <b>Equity at 30 June 2022.....</b>                | <b>7.400</b>  | <b>27.046</b>           | <b>163.697</b>    | <b>2.587</b>          | <b>200.730</b> |

|                                                   | Parent Company              |                                       |                   | Total          |
|---------------------------------------------------|-----------------------------|---------------------------------------|-------------------|----------------|
|                                                   | Share capital equity method | Reserve for net revaluation under the | Retained earnings |                |
| Equity at 1 July 2021 .....                       | 7.400                       | 75.660                                | 52.601            | 135.661        |
| Change of equity due to correction of errors..... |                             | 3.072                                 |                   | 3.072          |
| <b>Adjusted equity at 1 July 2021 .....</b>       | <b>7.400</b>                | <b>78.732</b>                         | <b>52.601</b>     | <b>138.733</b> |
| Proposed profit allocation, jf. note 7.....       |                             | 59.295                                | 115               | 59.410         |
| <b>Equity at 30 June 2022.....</b>                | <b>7.400</b>                | <b>138.027</b>                        | <b>52.716</b>     | <b>198.143</b> |

**CASH FLOW STATEMENT 1 JULY - 30 JUNE**

|                                                                                               | Group               |                     |
|-----------------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                               | 2021/22<br>DKK '000 | 2020/21<br>DKK '000 |
| Profit/loss for the year.....                                                                 | 59.577              | 45.791              |
| Depreciation, reversed.....                                                                   | 13.758              | 14.653              |
| Adjustment of other financial income.....                                                     | 0                   | 664                 |
| Adjustment of other financial expenses.....                                                   | 0                   | 2.160               |
| Tax on profit/loss, reversed.....                                                             | 16.047              | 11.748              |
| Other adjustments.....                                                                        | 0                   | -4.884              |
| Corporation tax paid.....                                                                     | -1.023              | -2.512              |
| Change in inventories.....                                                                    | -71.017             | -12.831             |
| Change in receivables (ex tax).....                                                           | -5.417              | -28.089             |
| Change in other provisions.....                                                               | 0                   | -770                |
| Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)..... | 2.403               | 25.826              |
| <b>CASH FLOWS FROM OPERATING ACTIVITY.....</b>                                                | <b>14.328</b>       | <b>51.756</b>       |
| Purchase and sale of property, plant and equipment.....                                       | -8.997              | -5.175              |
| Purchase of financial assets.....                                                             | 0                   | -3                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITY.....</b>                                                | <b>-8.997</b>       | <b>-5.178</b>       |
| Instalments on loans.....                                                                     | -4.302              | -3.672              |
| Other changes in non-current debt.....                                                        | 0                   | 14.499              |
| Dividends paid in the financial year.....                                                     | -113                | -45.111             |
| <b>CASH FLOWS FROM FINANCING ACTIVITY.....</b>                                                | <b>-4.415</b>       | <b>-34.284</b>      |
| <b>CHANGE IN CASH AND CASH EQUIVALENTS.....</b>                                               | <b>916</b>          | <b>12.294</b>       |
| Cash and cash equivalents at July 1st.....                                                    | 39.935              | 27.641              |
| <b>CASH AND CASH EQUIVALENTS AT JUNE 30TH.....</b>                                            | <b>40.851</b>       | <b>39.935</b>       |
| Cash and cash equivalents at 30 June comprise:                                                |                     |                     |
| Cash and cash equivalents.....                                                                | 40.851              | 39.935              |
| <b>CASH AND CASH EQUIVALENTS.....</b>                                                         | <b>0</b>            | <b>0</b>            |

## NOTES

|                                                           | Group               |                     | Parent Company      |                     | Note     |
|-----------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|----------|
|                                                           | 2021/22<br>DKK '000 | 2020/21<br>DKK '000 | 2021/22<br>DKK '000 | 2020/21<br>DKK '000 |          |
| <b>Net revenue</b>                                        |                     |                     |                     |                     | <b>1</b> |
| Net revenue.....                                          | 672.551             | 537.692             | 0                   | 0                   |          |
|                                                           | <b>672.551</b>      | <b>537.692</b>      | <b>0</b>            | <b>0</b>            |          |
| <b>Segment details (geography)</b>                        |                     |                     |                     |                     |          |
| Revenue, Denmark.....                                     | 180.943             | 152.438             | 0                   | 0                   |          |
| Revenue, exports.....                                     | 491.608             | 385.254             | 0                   | 0                   |          |
|                                                           | <b>672.551</b>      | <b>537.692</b>      | <b>0</b>            | <b>0</b>            |          |
| <b>Staff costs</b>                                        |                     |                     |                     |                     | <b>2</b> |
| Average number of employees                               | 309                 | 286                 | 0                   | 0                   |          |
| Wages and salaries.....                                   | 146.384             | 130.493             | 0                   | 0                   |          |
| Pensions.....                                             | 10.892              | 9.425               | 0                   | 0                   |          |
| Social security costs.....                                | 2.151               | 1.949               | 0                   | 0                   |          |
| Other staff costs.....                                    | 6.060               | 4.957               | 0                   | 0                   |          |
|                                                           | <b>165.487</b>      | <b>146.824</b>      | <b>0</b>            | <b>0</b>            |          |
| Remuneration of Management and<br>Board of Directors..... | 2.121               | 2.449               | 0                   | 0                   |          |
|                                                           | <b>2.121</b>        | <b>2.449</b>        | <b>0</b>            | <b>0</b>            |          |
| <b>Income from investments in<br/>subsidiaries</b>        |                     |                     |                     |                     | <b>3</b> |
| Income from investments in<br>subsidiaries.....           | 0                   | 0                   | 59.295              | 45.219              |          |
|                                                           | <b>0</b>            | <b>0</b>            | <b>59.295</b>       | <b>45.219</b>       |          |
| <b>Financial income</b>                                   |                     |                     |                     |                     | <b>4</b> |
| Group enterprises.....                                    | 0                   | 28                  | 178                 | 471                 |          |
| Other interest income.....                                | 2.854               | 636                 | 0                   | 0                   |          |
|                                                           | <b>2.854</b>        | <b>664</b>          | <b>178</b>          | <b>471</b>          |          |
| <b>Financial expenses</b>                                 |                     |                     |                     |                     | <b>5</b> |
| Group enterprises.....                                    | 290                 | 0                   | 0                   | 0                   |          |
| Other interest expenses.....                              | 3.504               | 2.160               | 0                   | 0                   |          |
|                                                           | <b>3.794</b>        | <b>2.160</b>        | <b>0</b>            | <b>0</b>            |          |

## NOTES

Note

|                                                                        | Group               |                     | Parent Company                 |                                            |              |
|------------------------------------------------------------------------|---------------------|---------------------|--------------------------------|--------------------------------------------|--------------|
|                                                                        | 2021/22<br>DKK '000 | 2020/21<br>DKK '000 | 2021/22<br>DKK '000            | 2020/21<br>DKK '000                        |              |
| <b>Tax on profit/loss for the year</b>                                 |                     |                     |                                |                                            | <b>6</b>     |
| Calculated tax on taxable income of the year.....                      | 14.223              | 10.369              | 33                             | 97                                         |              |
| Adjustment of tax for previous years.....                              | 139                 | 612                 | 0                              | 0                                          |              |
| Adjustment of deferred tax.....                                        | 1.685               | 767                 | 0                              | 0                                          |              |
|                                                                        | <b>16.047</b>       | <b>11.748</b>       | <b>33</b>                      | <b>97</b>                                  |              |
| <br><b>Proposed distribution of profit</b>                             |                     |                     |                                |                                            | <br><b>7</b> |
| Extraordinary dividend.....                                            | 0                   | 45.000              | 0                              | 0                                          |              |
| Allocation to reserve for net revaluation under the equity method..... | 0                   | 0                   | 59.295                         | 45.219                                     |              |
| Retained earnings.....                                                 | 59.410              | 562                 | 115                            | 344                                        |              |
| Minority interests' share of net profit/loss of subsidiaries.....      | 167                 | 229                 | 0                              | 0                                          |              |
|                                                                        | <b>59.577</b>       | <b>45.791</b>       | <b>59.410</b>                  | <b>45.563</b>                              |              |
| <br><b>Property, plant and equipment</b>                               |                     |                     |                                |                                            | <br><b>8</b> |
|                                                                        |                     | <b>Group</b>        |                                |                                            |              |
|                                                                        |                     | Land and buildings  | Production plant and machinery | Other plant, machinery tools and equipment |              |
| Cost at 1 July 2021.....                                               | 148.086             | 431.993             | 3.247                          |                                            |              |
| Additions.....                                                         | 109                 | 9.779               | 66                             |                                            |              |
| Disposals.....                                                         | 0                   | -954                | 0                              |                                            |              |
| <b>Cost at 30 June 2022.....</b>                                       | <b>148.195</b>      | <b>440.818</b>      | <b>3.313</b>                   |                                            |              |
| Revaluation at 1 July 2021.....                                        | 44.488              | 0                   | 0                              |                                            |              |
| <b>Revaluation at 30 June 2022.....</b>                                | <b>44.488</b>       | <b>0</b>            | <b>0</b>                       |                                            |              |
| Depreciation and impairment losses at 1 July 2021.....                 | 89.383              | 388.975             | 2.702                          |                                            |              |
| Reversal of depreciation of assets disposed of..                       | 0                   | -890                | 0                              |                                            |              |
| Depreciation for the year.....                                         | 5.439               | 8.866               | 324                            |                                            |              |
| <b>Depreciation and impairment losses at 30 June 2022.....</b>         | <b>94.822</b>       | <b>396.951</b>      | <b>3.026</b>                   |                                            |              |
| <b>Carrying amount at 30 June 2022.....</b>                            | <b>97.861</b>       | <b>43.867</b>       | <b>287</b>                     |                                            |              |
| Value of recognised assets, excluding revaluation under § 41 (1).....  | 63.187              |                     |                                |                                            |              |
| Finance lease assets.....                                              |                     | 1.392               |                                |                                            |              |

## NOTES

|                                                                | <u>Group</u>              |                                                        | Note         |
|----------------------------------------------------------------|---------------------------|--------------------------------------------------------|--------------|
|                                                                | Leasehold<br>improvements | Tangible fixed<br>assets in progress<br>and prepayment |              |
| <b>Tangible fixed assets (continued)</b>                       |                           |                                                        | <b>8</b>     |
| Cost at 1 July 2021.....                                       | 140                       | 2.462                                                  |              |
| Additions.....                                                 | 560                       | 0                                                      |              |
| Disposals.....                                                 | 0                         | -562                                                   |              |
| <b>Cost at 30 June 2022.....</b>                               | <b>700</b>                | <b>1.900</b>                                           |              |
| Depreciation for the year.....                                 | 19                        |                                                        |              |
| <b>Depreciation and impairment losses at 30 June 2022.....</b> | <b>19</b>                 |                                                        |              |
| <b>Carrying amount at 30 June 2022.....</b>                    | <b>681</b>                | <b>1.900</b>                                           |              |
| <br><b>Financial non-current assets</b>                        |                           |                                                        | <br><b>9</b> |
|                                                                |                           | <u>Group</u>                                           |              |
|                                                                |                           | Rent deposit and<br>other receivables                  |              |
| Cost at 1 July 2021.....                                       |                           | 3                                                      |              |
| <b>Cost at 30 June 2022.....</b>                               |                           | <b>3</b>                                               |              |
| <b>Carrying amount at 30 June 2022.....</b>                    |                           | <b>3</b>                                               |              |
|                                                                |                           | <u>Parent<br/>Company</u>                              |              |
|                                                                |                           | Investments in<br>subsidiaries                         |              |
| Cost at 1 July 2021.....                                       |                           | 78.679                                                 |              |
| <b>Cost at 30 June 2022.....</b>                               |                           | <b>78.679</b>                                          |              |
| Revaluation at 1 July 2021.....                                |                           | 78.732                                                 |              |
| Profit/loss for the year.....                                  |                           | 59.019                                                 |              |
| Other adjustments.....                                         |                           | 276                                                    |              |
| <b>Revaluation at 30 June 2022.....</b>                        |                           | <b>138.027</b>                                         |              |
| <b>Carrying amount at 30 June 2022.....</b>                    |                           | <b>216.706</b>                                         |              |
| <b>Investments in subsidiaries</b>                             |                           |                                                        |              |
| <b>Name and domicil</b>                                        |                           | <b>Ownership</b>                                       |              |
| Steel Products DFT A/S, Sønderborg.....                        |                           | 100 %                                                  |              |
| Steel Products Ejendomme ApS, Horsens.....                     |                           | 100 %                                                  |              |
| Steel Products Aage Østergaard A/S, Horsens.....               |                           | 100 %                                                  |              |
| Brdr. Madsen Maskinteknik A/S, Horsens.....                    |                           | 60 %                                                   |              |



## NOTES

|                                                                                                                                                                                                         |                   |               |                       |                   | Note |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|-----------------------|-------------------|------|
| <b>Prepayments</b>                                                                                                                                                                                      |                   |               |                       |                   | 10   |
| Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.                                                                                                |                   |               |                       |                   |      |
|                                                                                                                                                                                                         |                   |               | 2022                  | 2021              |      |
|                                                                                                                                                                                                         |                   |               | DKK '000              | DKK '000          |      |
| <b>Share capital</b>                                                                                                                                                                                    |                   |               |                       |                   | 11   |
| Allocation of share capital:                                                                                                                                                                            |                   |               |                       |                   |      |
| A-shares, 7.400 unit in the denomination of 1.000 DKK.....                                                                                                                                              |                   |               | 7.400                 | 7.400             |      |
|                                                                                                                                                                                                         |                   |               | <b>7.400</b>          | <b>7.400</b>      |      |
| <b>Provision for deferred tax</b>                                                                                                                                                                       |                   |               |                       |                   | 12   |
| The provision for deferred tax is related to differences between the carrying amount and tax value of receivables, inventories and tangible fixed assets, including recognised finance lease contracts. |                   |               |                       |                   |      |
|                                                                                                                                                                                                         | <u>Group</u>      |               | <u>Parent Company</u> |                   |      |
|                                                                                                                                                                                                         | 2022              | 2021          | 2022                  | 2021              |      |
|                                                                                                                                                                                                         | DKK '000          | DKK '000      | DKK '000              | DKK '000          |      |
| Deferred tax, beginning of year.....                                                                                                                                                                    | 19.827            | 17.759        | 0                     | 0                 |      |
| Deferred tax of the year, income statement.....                                                                                                                                                         | 1.685             | 767           | 0                     | 0                 |      |
| Deferred tax of the year, equity.....                                                                                                                                                                   | 0                 | 1.301         | 0                     | 0                 |      |
| <b>Provision for deferred tax 30 June 2022.....</b>                                                                                                                                                     | <b>21.512</b>     | <b>19.827</b> | <b>0</b>              | <b>0</b>          |      |
| <b>Other provisions</b>                                                                                                                                                                                 |                   |               |                       |                   | 13   |
| Other provisions relate to warranty costs on goods sold. Provisions are assessed annually and based on historical data.                                                                                 |                   |               |                       |                   |      |
| <b>Long-term liabilities</b>                                                                                                                                                                            |                   |               |                       |                   | 14   |
|                                                                                                                                                                                                         | <u>Group</u>      |               |                       |                   |      |
|                                                                                                                                                                                                         | 30/6 2022         | Repayment     | Debt                  | 30/6 2021         |      |
|                                                                                                                                                                                                         | total liabilities | next year     | outstanding           | total liabilities |      |
|                                                                                                                                                                                                         |                   |               | after 5 years         |                   |      |
| Debt to mortgage credit institution.....                                                                                                                                                                | 73.710            | 3.813         | 55.267                | 73.565            |      |
| Lease liabilities.....                                                                                                                                                                                  | 951               | 209           | 0                     | 951               |      |
| Payables to group enterprises.....                                                                                                                                                                      | 10.500            | 0             | 0                     | 10.500            |      |
| Corporation tax.....                                                                                                                                                                                    | 22.795            | 10.291        | 0                     | 9.435             |      |
|                                                                                                                                                                                                         | <b>107.956</b>    | <b>14.313</b> | <b>55.267</b>         | <b>94.451</b>     |      |

NOTES

Note

**Deferred income** 15  
 Deferred income consists of payments received in respect of income in subsequent years.

**Contingencies etc.** 16

**Contingent liabilities**  
 The group has entered into rental contract which is interminable for up to 30 months. The total commitment in addition to the ordinary notice period amounts to DKK ('000) 4.812.

**Joint liabilities**  
 The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of KIRKEHØJGAARD ApS, which serves as management Company for the joint taxation.

**Charges and securities** 17  
 Land and buildings at a carrying amount of DKK ('000) 97.861 has been placed by the group as security for with mortgage credit institutes.

The Group's production plants and machinery of DKK ('000) 43.868 may with exception of cars be included in the mortgage on properties in compliance with the rules on security for fittings.

A mortgage deed of DKK ('000) 10.500 has been issued by the group, which is pledged as security for other long-term debt to group enterprises.

The group has issued owner's mortgage of DKK ('000) 12.900 which leads to a mortgage on specific production plants and machinery. The owner's mortgage is in the possession of the group.

As security for commitment with banks the group has issued corporate mortgage of DKK ('000) 57.500. The following assets are included in the corporate mortgage:

|                                                 | <b>Group</b> | <b>Parent Company</b> |
|-------------------------------------------------|--------------|-----------------------|
|                                                 | DKK '000     | DKK '000              |
| Receivables from sales.....                     | 106.529      | 0                     |
| Extensive operating fixtures and equipment..... | 34.257       | 0                     |
| Inventories.....                                | 107.875      | 0                     |

**Related parties** 18  
 The Company's related parties include:

*Controlling interest*  
*Kirkehøjgaard ApS, Parent company*

**Transactions with related parties**  
 The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

**NOTES****Note****Consolidated Financial Statements****19**

The company is enclosed in the consolidated financial statements for the parent company: Kirkehøjgaard ApS, Horsens 25 37 28 08.

The consolidated financial statements can be requested at [cvr.dk](http://cvr.dk).

## ACCOUNTING POLICIES

The Annual Report of Steel Products A/S for 2021/22 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large-size enterprises.

With the exception of the following points, the Annual Report is prepared consistently with the accounting principles applied last year.

### Comparative figures

In the Annual Report for 2020/21, income from wage refunds was offset against staff costs, which was not in accordance with the gross principle in the Financial Statements Act. Wage refunds were to be included in the accounting item "Other operating income".

The changed presentation is incorporated in the comparative figures of the consolidated Annual Report for 2021/22 and means that the accounting item "Other operating income" in the income statement has improved by DKK ('000) 3,574, the accounting item "Production costs" has decreased by DKK ('000) 3,574.

The changed presentation has no impact on the results for the 2020/21 financial year. The equity and the balance sheet on 30 June 2021 are not affected by this.

### Change resulting from material misstatement

It has also been found out that there were significant errors in the Annual Reports for 2019/20 and 2020/21, because of the measurement and valuation of Inventories.

The error is incorporated in the comparative figures of the Consolidated Annual Report and causes the accounting items "Production costs" to improve by DKK ('000) 2,271, "Adjustment of deferred tax" is reduced by DKK ('000) 500, thus improving the year's result in 2020/21 by DKK ('000) 1,772. The error also causes the accounting items "Inventories" to improve by DKK ('000) 3,955, "Equity" improves by a total of DKK ('000) 3,085, of which DKK ('000) 1,313 is attributed to improvements in equity at the beginning of 2020/21. "Provision for deferred tax" is reduced by DKK ('000) 870. As a result, the balance sheet improves by DKK ('000) 3,955 as of 30 June 2021.

It has also been found out that there was a significant error in the Annual Report for 2020/21, because of incorrect recognition of deferred tax.

The error is incorporated into the comparative figures of the Consolidated Annual report and causes the accounting item "Tax on the profit for the year" in the income statement to be improved by DKK ('000) 1,300 and "Equity" to be improved by DKK ('000) 1,300 as a result. The error also causes the accounting item "Deferred tax" under provisioned liabilities to be improved by DKK ('000) 1,300. The balance sheet per 30 June 2021 is unchanged as a result.

The impact of the significant errors is recognized directly on the equity at the beginning in the line "Correction of errors".

In the comparison figures for the parent company, the above errors have caused the accounting item "Income from investments in subsidiaries" to improve by DKK ('000) 3,072, "Equity" to improve by a total of DKK ('000) 4,385, of which DKK ('000) 1,313 can be attributed to the improvement of equity at the beginning of 2020/21. "Investments in subsidiaries" improves by DKK ('000) 4,385. The balance sheet for the parent company improves by DKK ('000) 4,385.

### Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company Steel Products A/S and the subsidiaries in which Steel Products A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

## ACCOUNTING POLICIES

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Sold or wound up enterprises are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not adjusted for newly acquired, sold or wound up enterprises.

The date of acquisition is the date at which the Group gains actual control over the acquired enterprises.

Acquired enterprises are recognised in the Consolidated Financial Statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Deferred tax on the taken over reassessments is recognised with the exception of goodwill.

At calculation of the fair value of investment properties, a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, using an overall assessment of the production equipment.

Positive differences (goodwill) between the acquisition value and fair value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life.

Negative differences are recognised in the Income Statement at the date of acquisition. The difference from acquired enterprises is DKK ('000) 0.

Transaction costs, incurred in connection with acquisition of enterprises, are recognised in the Income Statement in the year in which the costs are incurred.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

### Minority interests

The accounting items of the subsidiaries are recognised in full in the Consolidated Financial Statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and equity, respectively.

## INCOME STATEMENT

### Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

## ACCOUNTING POLICIES

### Production costs

Production costs comprise the costs of manufacture and procurement paid to achieve the net revenue for the year, including costs of raw materials and consumables, wages and salaries, energy, maintenance, leasing and depreciation of production plant, and adjusted for changes in inventory of finished goods and work in progress.

### Distribution costs

The costs paid for the distribution of goods sold during the year and for sales campaigns, etc. carried out during the year are recognised in distribution costs. The cost of sales personnel, advertising and exhibition costs and amortisation of distribution and sales related assets are also recognised in distribution costs. Common losses on bad debts are also recognised.

### Administrative expenses

Administrative expenses recognise costs incurred during the year regarding management and administration, inclusive of costs relating to the administrative staff, Executives, office premises, office expenses, etc., and related amortisation.

### Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

### Other operating expenses

Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

### Income from investments in subsidiaries

The proportional share of the results of subsidiaries, stated according to the Parent Company's accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold subsidiaries are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

### Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

**ACCOUNTING POLICIES**

**BALANCE SHEET**

**Tangible fixed assets**

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

|                                          | Useful life | Residual value |
|------------------------------------------|-------------|----------------|
| Buildings.....                           | 15-40 years | 0 %            |
| Production plant and machinery.....      | 3-15 years  | 0-20 %         |
| Other plant, fixtures and equipment..... | 3-5 years   | 0 %            |
| Leasehold improvements.....              | 5-10 years  | 0 %            |

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

**Lease contracts**

Lease contracts relating to tangible fixed assets

for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company’s loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group’s and the Company’s other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

**Financial non-current assets**

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises’ carrying equity value, calculated in accordance with the Parent Company’s accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor’s opinion, based on an overall assessment of the production equipment. The acquisition date is the date on which the Company gains actual control over the acquired entity.

## ACCOUNTING POLICIES

Net revaluation of investments in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

### Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

### Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

### Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

### Cash and cash equivalents

Cash and cash equivalents include cash at bank.

### Other provisions for liabilities

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.



## ACCOUNTING POLICIES

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

### Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

## CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

### Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

### Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

### Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

## ACCOUNTING POLICIES

### Cash and cash equivalents:

Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.