

# **Steelco Nordic A/S**

**Herstedøstervej 9, 1., 2600 Glostrup**

**Company reg. no. 38 17 91 60**

## **Annual report**

**1 January - 31 December 2022**

The annual report was submitted and approved by the general meeting on the 4 July 2023.

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**John Magnus Martin Hansson**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's statement**

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Today, the board of directors and the managing director have presented the annual report of Steelco Nordic A/S for the financial year 1 January - 31 December 2022.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2022 and of the company's results of activities in the financial year 1 January – 31 December 2022.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Glostrup, 4 July 2023

### **Managing Director**

Vegard Oulie

### **Board of directors**

John Magnus Martin Hansson

Filippo Bisogni

Vegard Oulie

## **Independent auditor's report**

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**To the shareholders of Steelco Nordic A/S**

### **Auditor's report on the financial statements**

#### **Opinion**

We have audited the financial statements of Steelco Nordic A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2022 and of the results of the company's activities for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Opinion.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Independent auditor's report

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As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

### Statement on the Management's Review

Management is responsible for the Management's Review.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

## **Independent auditor's report**

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In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that Management's Review is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the Management's Review.

### **Other reporting obligations**

The company has not submitted transfer pricing documentation for 2021 which is a violation of the Danish tax regulation. Management may be held liable.

Copenhagen V, 4 July 2023

### **RSM Danmark**

Statsautoriseret Revisionspartnerselskab  
Company reg. no. 25 49 21 45

**Peter Arent Benkjer**

State Authorised Public Accountant  
mne35785

## Company information

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**The company**

Steelco Nordic A/S  
Herstedøstervej 9, 1.  
2600 Glostrup

Company reg. no. 38 17 91 60  
Financial year: 1 January - 31 December

**Board of directors**

John Magnus Martin Hansson  
Filippo Bisogni  
Vegard Oulie

**Managing Director**

Vegard Oulie

**Auditors**

RSM Danmark Statsautoriseret Revisionspartnerselskab  
Ved Vesterport 6, 5. sal  
1612 København V

## Management's review

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### **The principal activities of the company**

The main activities of the company include sale, installation, validation and service of infection control and infection prevention products within the areas hospitals, research and the pharma industry in Denmark – together with the remaining Northern countries.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 19.912.080 against DKK 21.922.825 last year. Income or loss from ordinary activities after tax totals DKK -3.894.309 against DKK 3.550.935 last year. The management considers the net loss for the year not satisfactory.

We have had many delayed projects postponed to 2023 due to delivery issues in the factory.

### **Target and expectations for the year**

New important projects, including CSSDs and washing and sterilization equipment for the pharma industry are won in 2022 for delivery 2023 and 2024.

The order intake in 2023 is also expected to show a positive development. The reason given for this is that the demand for Steelco's equipment is strongly increasing.

### **Events occurring after the end of the financial year**

No events have occurred after the end of the financial year that could significantly upset the company's financial position



## Accounting policies

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The annual report for Steelco Nordic A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Recognition of Steelco Norway

Steelco Norway is recognized line by line based on the balance sheet at 31.12.2022.

## Income statement

### Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

## Accounting policies

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Contract work in progress concerning construction contracts is recognised in the revenue concurrently with the production process. Thus, the revenue corresponds to the selling price of the total yearly production (the production method). The revenue is recognised when the total income and costs of the contract and the stage of completion on the reporting date can be reliably validated and it is deemed probable that the financial benefits will flow to the company.

When the results of a contract cannot be reliably validated, the revenue is recognised solely on a cost basis to the extent that it seems probable that the costs will be recovered.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, ect.

### **Staff costs**

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

### **Depreciation**

Depreciation comprise depreciation on tangible assets, respectively.

### **Financial income and expenses**

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concern the financial year.

### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

## Statement of financial position

### **Property, plant, and equipment**

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

## Accounting policies

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If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

### Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### Receivables

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### Contract work in progress

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses. Contract work in progress is characterised by the manufactured goods featuring a high level of individualisation in the design. Furthermore, it is a requirement that before work is commenced, a binding contract is to be entered into, implying penalty or damages in case of subsequent cancellation.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is determined on the basis of an evaluation of the work performed, usually determined as the ratio of the costs incurred to the total expected cost of the contract in question.

## Accounting policies

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Prepayments from customers are recognised under liabilities.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

### Cash equivalents

Cash equivalents comprise cash at bank.

### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### Provisions

Provisions comprise expected costs for guarantee liabilities, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the company.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-2 years. The provisions are measured at the net realisable value and recognised on the basis of the obtained experience with guarantee work. If provisions have an expected due date later than 1 year from the balance sheet date, they are discounted at the average bond interest.

### Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

## **Accounting policies**

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

## Income statement 1 January - 31 December

All amounts in DKK.

Note	2022	2021
<b>Gross profit</b>	<b>19.912.080</b>	<b>21.922.825</b>
1 Staff costs	-21.427.914	-16.754.008
Depreciation and impairment of property, land, and equipment	-213.788	-238.529
<b>Operating profit</b>	<b>-1.729.622</b>	<b>4.930.288</b>
Other financial income	41.872	667.154
2 Other financial costs	-1.433.514	-637.231
<b>Pre-tax net profit or loss</b>	<b>-3.121.264</b>	<b>4.960.211</b>
Tax on net profit or loss for the year	-773.045	-1.409.276
<b>Net profit or loss for the year</b>	<b>-3.894.309</b>	<b>3.550.935</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	0	3.550.935
Allocated from retained earnings	-3.894.309	0
<b>Total allocations and transfers</b>	<b>-3.894.309</b>	<b>3.550.935</b>

## Balance sheet at 31 December

All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2022</u>	<u>2021</u>
<b>Non-current assets</b>			
3	Other fixtures and fittings, tools and equipment	605.811	615.727
	Total property, plant, and equipment	605.811	615.727
4	Deposits	117.568	3.630
	Total investments	117.568	3.630
	<b>Total non-current assets</b>	<b>723.379</b>	<b>619.357</b>
<b>Current assets</b>			
	Raw materials and consumables	8.354.775	5.300.652
	Total inventories	8.354.775	5.300.652
	Trade receivables	16.527.443	18.405.114
5	Contract work in progress	12.894.903	32.626.723
	Receivable corporate tax	86.000	0
	Other receivables	2.184.567	1.926.990
	Accrued income and deferred expenses	623.955	354.406
	Total receivables	32.316.868	53.313.233
	Cash on hand and demand deposits	1.399.749	5.812.329
	<b>Total current assets</b>	<b>42.071.392</b>	<b>64.426.214</b>
	<b>Total assets</b>	<b>42.794.771</b>	<b>65.045.571</b>

## Balance sheet at 31 December

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2022</u>	<u>2021</u>
<b>Equity</b>			
	Contributed capital	500.000	500.000
	Results brought forward	3.294.978	-237.267
	<b>Total equity</b>	<b>3.794.978</b>	<b>262.733</b>
<b>Provisions</b>			
	Provisions for deferred tax	14.639	0
6	Other provisions	495.137	865.200
	<b>Total provisions</b>	<b>509.776</b>	<b>865.200</b>
<b>Liabilities other than provisions</b>			
	Payables to group enterprises	29.279.251	51.848.402
	Other payables	746.053	789.662
7	<b>Total long term liabilities other than provisions</b>	<b>30.025.304</b>	<b>52.638.064</b>
	Prepayments received from customers	156.940	0
	Trade payables	1.513.475	1.108.068
	Income tax payable	758.406	1.409.276
	Other payables	6.035.892	8.762.230
	<b>Total short term liabilities other than provisions</b>	<b>8.464.713</b>	<b>11.279.574</b>
	<b>Total liabilities other than provisions</b>	<b>38.490.017</b>	<b>63.917.638</b>
	<b>Total equity and liabilities</b>	<b>42.794.771</b>	<b>65.045.571</b>

## 8 Contingencies



## Statement of changes in equity

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All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	500.000	-3.482.162	-2.982.162
Profit or loss for the year brought forward	0	3.550.935	3.550.935
Exchange rate reserve	0	-306.040	-306.040
Equity 1 January 2022	500.000	-237.267	262.733
Profit or loss for the year brought forward	0	-3.894.309	-3.894.309
Exchange rate reserve	0	361.879	361.879
Other capital regulation	0	7.064.675	7.064.675
	<b>500.000</b>	<b>3.294.978</b>	<b>3.794.978</b>

## Notes

All amounts in DKK.

	2022	2021
<b>1. Staff costs</b>		
Salaries and wages	20.126.047	15.583.925
Pension costs	1.193.021	1.047.709
Other costs for social security	48.706	47.429
Other staff costs	60.140	74.945
	<b>21.427.914</b>	<b>16.754.008</b>
 Average number of employees	 22	 21
<b>2. Other financial costs</b>		
Financial costs, group enterprises	159.956	131.971
Other financial costs	1.273.558	505.260
	<b>1.433.514</b>	<b>637.231</b>
	31/12 2022	31/12 2021
<b>3. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2022	1.136.897	756.340
Adjustment of primo	-10.907	-60
Additions during the year	211.517	380.617
<b>Cost 31 December 2022</b>	<b>1.337.507</b>	<b>1.136.897</b>
Depreciation and writedown 1 January 2022	-521.170	-284.172
Adjustment of primo	3.262	1.531
Depreciation for the year	-213.788	-238.529
<b>Depreciation and writedown 31 December 2022</b>	<b>-731.696</b>	<b>-521.170</b>
 <b>Carrying amount, 31 December 2022</b>	 <b>605.811</b>	 <b>615.727</b>

## Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>4. Deposits</b>		
Cost 1 January 2022	3.630	3.630
Additions during the year	<u>113.938</u>	<u>0</u>
<b>Cost 31 December 2022</b>	<u><b>117.568</b></u>	<u><b>3.630</b></u>
 <b>Carrying amount, 31 December 2022</b>	 <u><b>117.568</b></u>	 <u><b>3.630</b></u>
 <b>5. Contract work in progress</b>		
Sales value of the production of the period	56.949.466	52.157.394
Progress billings	<u>-44.054.563</u>	<u>-19.530.671</u>
<b>Contract work in progress, net</b>	<u><b>12.894.903</b></u>	<u><b>32.626.723</b></u>
 The following is recognised:		
Work in progress for the account of others (current assets)	<u>12.894.903</u>	<u>32.626.723</u>
	<u><b>12.894.903</b></u>	<u><b>32.626.723</b></u>

## Notes

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All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>6. Other provisions</b>		
Other provisions 1 January 2022	865.200	368.200
Change of the year in other provisions	<u>-370.063</u>	<u>497.000</u>
	<b><u>495.137</u></b>	<b><u>865.200</u></b>
 Maturity is expected to be:		
0-1 years	330.091	576.800
1-2 year	<u>165.046</u>	<u>288.400</u>
	<b><u>495.137</u></b>	<b><u>865.200</u></b>

## Notes

All amounts in DKK.

### 7. Liabilities other than provision

	<b>Total payables 31 Dec 2022</b>	<b>Current portion of long term payables</b>	<b>Long term payables 31 Dec 2022</b>	<b>Outstanding payables after 5 years</b>
Payables to group enterprises	29.279.251	0	29.279.251	0
Other payables	746.053	0	746.053	0
	<b>30.025.304</b>	<b>0</b>	<b>30.025.304</b>	<b>0</b>

### 8. Contingencies

#### Contingent liabilities

In addition to financial leasing contracts, the company has entered into operational leasing contracts with an average annual lease payment of 626 tdkk. The leasing contracts have 1-45 months left to run, and the total outstanding leasing payment is 1.075 tdkk.

In addition, the company has entered into rent agreements with a residual maturity of 3-52 months and a total remuneration of 1.344 tdkk.

Instead of paying the deposit, the company has provided a bank guarantee of 227 tdkk.

Furthermore, the company has issued guarantees for a total of 8.534 tddk per. December 31, 2022.