



RSM

RSM Danmark

Statsautoriseret
Revisionspartnerselskab

Ved Vesterport 6, 5. sal
1612 København

T +45 33 93 22 33

CVR nr. 25 49 21 45

kobenhavn@rsm.dk
www.rsm.dk

Steelco Nordic A/S

Herstedøstervej 9, 1., 2600 Glostrup

Company reg. no. 38 17 91 60

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 27 March 2024.

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

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 2023.

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 2023 and of the company's results of activities in the financial year 1 January – 31 December 2023.

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, 27 March 2024

Managing Director

Ole Lundgaard-Mortensen

Board of directors

John Magnus Martin Hansson

Filippo Bisogni

Ole Lundgaard-Mortensen

Independent auditor's report

To the shareholders of Steelco Nordic A/S

Opinion

We have audited the financial statements of Steelco Nordic A/S for the financial year 1 January - 31 December 2023, 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 2023 and of the results of the company's activities for the financial year 1 January - 31 December 2023 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

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

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.

Copenhagen V, 27 March 2024

RSM Danmark

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45

Peter Arent Benkjer

State Authorised Public Accountant
mne35785

Company information

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
Ole Lundgaard-Mortensen

Managing Director

Ole Lundgaard-Mortensen

Auditors

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

Management's review

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 24.223.360 against DKK 19.912.080 last year. Income or loss from ordinary activities after tax totals DKK -1.354.316 against DKK -3.894.309 last year. The management considers the net loss for the year not satisfactory although it is an improvement compared to last year.

Some projects already in our order backlog planned for delivery in 2023 are postponed to 2024 due to various reasons.

Target and expectations for the year

New important projects in the Northern countries are won in 2023 for delivery 2024 and 2025.

The order intake in 2024 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

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 in the balance sheet at 31.12.2023.

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

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

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.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

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.

Accounting policies

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.

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.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

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.

Accounting policies

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.

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

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	24.223.360	19.912.080
1 Staff costs	-21.241.086	-21.427.914
Depreciation and impairment of property, land, and equipment	-270.930	-213.788
Operating profit	2.711.344	-1.729.622
Other financial income	691.863	41.872
2 Other financial costs	-4.318.007	-1.433.514
Pre-tax net profit or loss	-914.800	-3.121.264
Tax on net profit or loss for the year	-439.516	-773.045
Net profit or loss for the year	-1.354.316	-3.894.309
Proposed distribution of net profit:		
Allocated from retained earnings	-1.354.316	-3.894.309
Total allocations and transfers	-1.354.316	-3.894.309

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Assets		
Non-current assets		
3 Other fixtures and fittings, tools and equipment	573.388	605.811
Total property, plant, and equipment	<u>573.388</u>	<u>605.811</u>
4 Deposits	113.938	117.568
Total investments	<u>113.938</u>	<u>117.568</u>
Total non-current assets	<u>687.326</u>	<u>723.379</u>
Current assets		
Raw materials and consumables	12.939.571	8.354.775
Total inventories	<u>12.939.571</u>	<u>8.354.775</u>
Trade receivables	34.444.579	16.527.443
5 Contract work in progress	6.216.998	12.894.903
Deferred tax assets	4.732	0
Receivable corporate tax	0	86.000
Other receivables	97.997	2.184.567
Accrued income and deferred expenses	1.363.961	623.955
Total receivables	<u>42.128.267</u>	<u>32.316.868</u>
Cash on hand and demand deposits	<u>9.562.208</u>	<u>1.399.749</u>
Total current assets	<u>64.630.046</u>	<u>42.071.392</u>
Total assets	<u>65.317.372</u>	<u>42.794.771</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		<u>2023</u>	<u>2022</u>
<u>Note</u>			
Equity			
	Contributed capital	500.000	500.000
	Retained earnings	2.757.223	3.294.978
	Total equity	<u>3.257.223</u>	<u>3.794.978</u>
Provisions			
	Provisions for deferred tax	0	14.639
6	Other provisions	300.881	495.137
	Total provisions	<u>300.881</u>	<u>509.776</u>
Liabilities other than provisions			
	Payables to group enterprises	47.587.758	29.279.251
	Other payables	0	746.053
7	Total long term liabilities other than provisions	<u>47.587.758</u>	<u>30.025.304</u>
	Prepayments received from customers	343.375	156.940
	Trade payables	1.691.002	1.513.475
	Debt to group enterprises	681.764	0
	Income tax payable	458.876	758.406
	Other payables	10.996.493	6.035.892
	Total short term liabilities other than provisions	<u>14.171.510</u>	<u>8.464.713</u>
	Total liabilities other than provisions	<u>61.759.268</u>	<u>38.490.017</u>
	Total equity and liabilities	<u>65.317.372</u>	<u>42.794.771</u>

8 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
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
	<u>0</u>	<u>7.064.675</u>	<u>7.064.675</u>
Equity 1 January 2023	500.000	3.294.978	3.794.978
Profit or loss for the year brought forward	0	-1.354.316	-1.354.316
Exchange rate reserve	0	816.561	816.561
	<u>500.000</u>	<u>2.757.223</u>	<u>3.257.223</u>

Notes

All amounts in DKK.

	<u>2023</u>	<u>2022</u>
1. Staff costs		
Salaries and wages	19.701.877	20.126.047
Pension costs	1.342.080	1.193.021
Other costs for social security	58.788	48.706
Other staff costs	138.341	60.140
	<u>21.241.086</u>	<u>21.427.914</u>
Average number of employees	<u>24</u>	<u>22</u>
2. Other financial costs		
Financial costs, group enterprises	1.286.440	159.956
Other financial costs	3.031.567	1.273.558
	<u>4.318.007</u>	<u>1.433.514</u>
	<u>31/12 2023</u>	<u>31/12 2022</u>
3. Other fixtures and fittings, tools and equipment		
Cost 1 January 2023	1.337.507	1.136.897
Adjustment of primo	-21.329	-10.907
Additions during the year	253.927	211.517
Cost 31 December 2023	<u>1.570.105</u>	<u>1.337.507</u>
Depreciation and writedown 1 January 2023	-731.696	-521.170
Adjustment of primo	5.909	3.262
Depreciation for the year	-270.930	-213.788
Depreciation and writedown 31 December 2023	<u>-996.717</u>	<u>-731.696</u>
Carrying amount, 31 December 2023	<u>573.388</u>	<u>605.811</u>

Notes

All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
4. Deposits		
Cost 1 January 2023	117.568	3.630
Additions during the year	0	113.938
Disposals during the year	<u>-3.630</u>	<u>0</u>
Cost 31 December 2023	<u>113.938</u>	<u>117.568</u>
Carrying amount, 31 December 2023	<u>113.938</u>	<u>117.568</u>
5. Contract work in progress		
Sales value of the production of the period	52.950.288	56.949.466
Progress billings	<u>-46.733.290</u>	<u>-44.054.563</u>
Contract work in progress, net	<u>6.216.998</u>	<u>12.894.903</u>
The following is recognised:		
Work in progress for the account of others (current assets)	<u>6.216.998</u>	<u>12.894.903</u>
	<u>6.216.998</u>	<u>12.894.903</u>

Notes

All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
6. Other provisions		
Other provisions 1 January 2023	495.137	865.200
Change of the year in other provisions	<u>-194.256</u>	<u>-370.063</u>
	<u>300.881</u>	<u>495.137</u>
Maturity is expected to be:		
0-1 years	200.588	330.091
1-2 year	<u>100.293</u>	<u>165.046</u>
	<u>300.881</u>	<u>495.137</u>

Notes

All amounts in DKK.

7. Liabilities other than provision

	Total payables 31 Dec 2023	Current portion of long term payables	Long term payables 31 Dec 2023	Outstanding payables after 5 years
Payables to group enterprises	<u>47.587.758</u>	<u>0</u>	<u>47.587.758</u>	<u>0</u>
	<u>47.587.758</u>	<u>0</u>	<u>47.587.758</u>	<u>0</u>

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 822 tdkk. The leasing contracts have 1-45 months left to run, and the total remaining leasing payment is 1.635 tdkk.

In addition, the company has entered into rent agreements with a residual maturity of 3-40 months and a total remuneration of 1.007 tdkk.

The company has issued guarantees for a total of 9.232 tddk per December 31, 2023.