

Egersund Wienerberger A/S

H.C. Ørstedvej 50C, 1879 Frederiksberg

Company reg. no. 10 50 23 06

Annual report

2022

The annual report was submitted and approved by the general meeting on the 28 June 2023.

DocuSigned by:

Henrik Dietrichsen

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Henrik Dietrichsen
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 Executive Board have approved the annual report of Egersund Wienerberger A/S for the financial year 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

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


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

Frederiksberg, 28 June 2023


Executive board

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Henrik Dietrichsen

DocuSigned by:

BD80C1B3B6CA5A...
Andreas Christensen

Board of directors

DocuSigned by:

2E49362631F14D4...
Wolfgang Rainer
chairman

DocuSigned by:

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Gabriele Kam

DocuSigned by:

46B427E7BC04415...
Johan Van Der Biest

Independent auditor's report

To the Shareholder of Egersund Wienerberger A/S

Opinion

We have audited the financial statements of Egersund Wienerberger A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 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 (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Copenhagen, 28 June 2023

Deloitte

Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 96 35 56

DocuSigned by:

Flemming Larsen

Flemming Larsen

State Authorised Public Accountant
mne27790

Company information

The company	Egernsund Wienerberger A/S H.C. Ørstedvej 50C 1879 Frederiksberg
	Phone 70 13 13 22
	Company reg. no. 10 50 23 06
	Domicile: Frederiksberg
	Financial year: 1 January - 31 December
Board of directors	Wolfgang Rainer, chairman Gabriele Ram Johan Van Der Biest
Executive board	Henrik Dietrichsen Andreas Christensen
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab
Parent company	Wienerberger West European Holding GmbH
Subsidiaries	Wienerberger AS, Norway Wienerberger AB, Sweden Egernsund Wienerberger Production A/S, Danmark

Financial highlights

DKK in thousands.	2022	2021	2020	2019	2018
Income statement:					
Revenue	538.880	420.394	426.885	128.601	114.336
Gross profit	123.818	96.783	89.963	45.628	0
Profit from operating activities	37.859	-866	5.561	-24.566	-12.157
Net financials	-7.820	-7.194	-9.502	-2.467	-6.618
Net profit or loss for the year	29.595	-6.813	-1.218	-27.033	-15.620
Statement of financial position:					
Balance sheet total	396.398	408.145	442.429	365.821	210.762
Equity	103.062	73.464	80.277	81.495	31.857
Investments in property, plant and equipment	8.090	8.090	14.766	8.070	18.970
Employees:					
Average number of full-time employees	101	108	113	98	99
Key figures in %:					
Gross margin ratio	23,0	23,0	21,1	35,5	-
Profit margin (EBIT-margin)	7,0	-0,2	1,3	-19,1	-10,6
Solvency ratio	26,0	18,0	18,1	22,3	15,1
Return on equity	33,5	-8,9	-1,5	-47,7	-41,2
Return on assets	1,4	1,4	1,4	-6,7	-5,9

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Because of the acquisitions in 2019 are the financial figures not directly comparable to years before 2019.

Management's review

The principal activities of the company

Egersund Wienerberger A/S is a part of Wienerberger AG in Vienna, Austria and is listed on the Austrian stock exchange. Wienerberger is a leading international provider of smart solutions for the entire building envelope in construction and renovation as well as infrastructure for water and energy management.

Egersund Wienerberger A/S activities comprises sale of bricks and trading goods. Facing bricks comes primarily from the factory in Stenstrup and the entity Egersund Wienerberger Production A/S. Egersund Wienerberger A/S is the parent company of Egersund Wienerberger Production A/S, which has production sites in Egersund and Helligsø. Furthermore, Egersund Wienerberger A/S owns the subsidiaries in Sweden and Norway and sales are carried out via those subsidiaries.

Development in activities and financial matters

2022 was a year of volatility and bottlenecks in the global supply chain causing cost inflation for most raw materials and significant price increases for electricity and gas products. Although exposed to many challenges Egersund Wienerberger A/S has managed to exceed the Gross profit level from last year and show a positive profit after tax of 29,6 mio. kr. When comparing the profit of 2022 with 2021, it has to be taken into consideration the one-time costs in 2021 of 24 mill DKK due the closure Petershvile plant.

In 2022 we have further strengthened the Nordic plant structure by finalizing rebuild of Petersminde. New presses have been added and we continue improving our efficiency and minimizing our CO2 emissions. In total this is an investment of 3,5 mio. kr. .

Revenue is growing compared to 2021 driven by a focused strategy and supported by a strong presence in project market.

Staff costs increased by 10 mio. kr compared to 2021. Key driver in this is payout of bonus related to earlier acquisitions.

Financial income and -expenses are in line with 2021.

Profit/loss for the year in relation to expected developments

The profit for the year is in line with expectations and reflects the strategic decisions which has been taken during the years.

Capital structure

The company's balance sheet shows total asset of DKK 396.398 t kr. and positive equity of DKK 103.062 t. kr.

Management's review

Business risk

The cost of energy for the firing of bricks represents a significant percentage of the Group's cost structure.

In 2022 we have seen significant cost inflation among others on raw materials and transport costs, both domestic and international. Egernsund Wienerberger A/S is also exposed to energy supply risk regarding gas and electricity. To some extent the company aim to minimize the risk connected with rising energy prices in liberalized markets by concluding futures contracts or fixed-price agreements with national and international suppliers. Our production is very dependent of gas supplies and the ongoing war in Ukraine and uncertain European gas situation can potentially have an impact on our business. During 2022 we have not been affected by the uncertainty regarding the gas supplies and we have got all needed gas for our production. Even though we have bought Danish biogas this is a European supply crisis, and it can potentially have an impact for us.

Financial risk

The company's current and planned activities do not give rise to any special financial risk and the company's liquidity resources are expected to be adequately secured

Currency risk

The company is exposed for currency risk when trading with foreign entities, but most activities are within the Nordic and the Euro-zone and therefore no material currency risk is expected.

Research and development activities

The company's focus in product development is on the overall target of reducing the CO2 emission by developing sustainable products like the LESS brick.

Expected developments

For 2023, Wienerberger Denmark A/S aligns with the overall Group trends seen in the market. We expect to see persistently higher inflation and a continuation of the previous year's upward trend in financing costs. With mortgages becoming more expensive, we anticipate a further drop in the number of new building permits issued to home builders. High energy prices will again lead to an increasing focus on the renovation of buildings, especially the renewal of roofs. We therefore expect to see continued lively activity in the renovation segment and generally stable market development.

In the challenging year 2023, we will remain true to our value-creating growth strategy and continue to focus on innovation and expanding our portfolio of sustainable system solutions. We are continuing our proven forward buying strategy for energy throughout the Group. For 2023, we already secured 93% of the gas volumes required at Group level.

We expect the current unstable geopolitical situation to continue and do not foresee any short-term easing of the central banks' interest rate policies. Result before tax, acquisition and integration costs regarding the newly acquired companies is expected to be in the same level as 2022, in the range of 10-20 mill DKK.

Management's review

Events occurring after the end of the financial year

As mentioned in our energy section above, our production is very dependent of gas supplies and the ongoing war in Ukraine can, direct or indirect, have impact on our gas supplies. Even though we have bought Danish biogas, this is a European supply crisis, and it can potentially have an impact for us.

After balance sheet day Egersund Wienerberger A/S has made 2 acquisitions. We have acquired Komproment ApS (3 companies) and Strøjer (4 companies). Both acquisitions complement Wienerberger's customer offering in the Nordics and provide opportunity for growth in sustainable facade solutions and is fully in line with our growth strategy. Egersund Wienerberger A/S continues to focus on innovative, sustainable solutions that provide benefits in both renovation and new builds. Both acquisitions are financed internally in Wienerberger.

Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act

Corporate responsibility

Egersund Wienerberger Danmark A/S is as a subsidiary of the Austrian Wienerberger Group, and Wienerberger is a leading international provider of smart solutions with a clear focus on our core segments – new build, renovation and infrastructure.

All our entrepreneurial activities are subject to clearly defined and ambitious ESG criteria. They are founded on 3 pillars:

- **Decarbonization** - energy efficiency and decarbonization are central topics in all Wienerberger's business areas. We share the global vision of a CO₂-neutral economy and are determined to contribute to climate protection with our products
- **Biodiversity** - we feel dutybound to respect nature reserves and to use our resources sparingly. By fostering biodiversity, we will further optimize our land use to contribute toward an increased presence of flora and fauna
- **Circular economy** - one of our ecological targets is to put even greater emphasis on a circular economy. On the one hand, secondary raw materials from internal or external sources are to be reintroduced into the production processes after thorough quality checks. On the other hand, products are to be designed to be reusable at the end of their service life

Consequently, we also refer to the latest 2022 Full Year report which can be found on:

<https://annualreport.wienerberger.com/2022/>

Management's review

Environmental and climate

Climate change has become a central topic in business since the 2015 Paris Agreement. The building sector is particularly targeted since it accounts, alone, for more than one third of worldwide energy consumption and almost 40% of CO₂ emissions.

The Wienerberger Group has been a long-time actor in CO₂ reduction by been leading actions in its business and production plants for numerous years now. The company launched its 2023 ESG Program, setting high decarbonization and energy efficiency targets. In the Nordic region we are working from a target of decreasing our CO₂-emissions by 30% in 2024 compared to 2020 and to be carbon-neutral in 2050. Already now we are ahead of our 2024 goal.

Energy-optimization and consolidation

We are continuing our efforts to optimize energy consumption at all our factories. A big project has been running for our largest production facility, Vesterled, where we for the past 3 years have produced regular bricks as well as our LESS brick. The project has investigated how we can switch production to only producing LESS bricks at Vesterled and thereby fully optimize the energy-savings that LESS provides due to the dematerialization. This switch will take place in 2023 where we expect to see the full effects in 2024.

Biogas is becoming increasingly important

We have continued with biogas as a primary energy source to be able to offer low-emission products to the market. Many of our competitors switched to the less sustainable LPG-gas in 2022 due to the high prices on natural gas. This meant that for a period they have not been able to offer their more sustainable product lines to the market. Our agreement with Danish biogas producer Nature Energy continues and approx. 65% of the energy used at our Danish factories comes from certified biogas, providing savings in CO₂-emissions of around 30%.

Dematerialization and product development

In 2022 we have tested new production methods for further dematerialization of our LESS brick to decrease CO₂ emissions and energy consumption further. We have managed to find a solution where we can reduce clay consumption by 15% and equally lower the energy consumption. The new LESS brick will be launched Q1 2023 and will have 70-90% less CO₂-emissions in production than a regular brick fired on natural gas.

Strengthening of national regulations

The whole Nordic region is experiencing a tightening of national regulations in the building sector when it comes to carbon emissions of buildings and mandatory LCA for all new build. Sweden introduced mandatory LCA's for all new-builds in 2022, Denmark followed in 2023 and Finland will introduce in 2025. In 2022 the Danish Building Regulation was also updated with demands for CO₂-emissions for all new-builds over 1.000m² and for 2025 this will cover all buildings. The min value will decrease every other year to put even greater pressure on building with low carbon emission. Our product specific EPD's plays a vital role in keeping facing bricks relevant as well as our LESS brick with documented CO₂-reduction.

Management's review

Report on gender composition in management according to section 99 b of the Danish Financial Statements Act

Diversity

In 2022 the total number of employees was 101.

As for the gender composition of employees in 2022, there were 78 men and 24 women employed. On managerial level 1 woman is employed. The members of the executive board are both males.

As at June 2023 the Board of Directors comprises 3 males and 1 female. This is in accordance with our diversity strategy.

Management's review

Report on the company's policy on data ethics according to section 99 d of the Danish Financial Statements Act

The Wienerberger Group policy for data ethics is applied in Egersund Wienerberger A/S. This includes among others:

- Wienerberger Code of Conduct
- Prevention of corruption
- Compliance
- Internal Audit
- Privacy, data protection and cybersecurity

For Wienerberger, it is particularly important to ensure compliance with the highest standards of integrity and business ethics and to protect and safeguard the reputation of the company.

In implementing Code of Conduct, Wienerberger has established a whistleblowing service that is available throughout the entire Wienerberger Group. This service is provided in corporation with an external independent global partner for whistleblowing services.

Egersund Wienerberger A/S is committed to strict principles of good corporate governance and transparency as well as to the continuous further development of an efficient system of corporate controls.

Internal processes, security and verification of compliance is carried out via Internal Audit and a Group Audit plan.

Cybersecurity incidents can have a disruptive effect and cause harm to employees, customers, or the company as a whole. To mitigate cyber risk, we regularly back up our data, protect our devices and networks, encrypt important information and require that passwords are changed on regular basis. To further increase security on-site training, e-learning, information videos and simulation exercises are provided.

Accounting policies

The annual report for Egersund Wienerberger A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

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

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Egersund Wienerberger A/S and its group enterprises are included in the consolidated financial statements for Wienerberger AG, Austria.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Wienerberger AG, Austria.

Recognition and measurement in general

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

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

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

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

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

Accounting policies

Foreign currency translation

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

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

Upon recognition of foreign subsidiaries and associates that are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Income statement

Revenue

Income from the sale of goods for resale and finished goods are recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received. Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Cost of sales

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

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Accounting policies

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and expense, gains and losses on receivables, payables and transactions in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Results from investments in subsidiaries

Dividend from investments in subsidiaries is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

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

Current tax liabilities and current tax assets are recognised as receivables in the balance sheet in the event of overpayment of tax on account, and as liabilities in the event of underpayment of tax on account.

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

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

The Entity is jointly taxed with the Danish affiliated entities. Income tax concerning the jointly taxed entities is distributed proportionally between profit and loss making entities according to their taxable income (full allocation with a refund concerning tax losses). Tax previous year comprises from the Danish affiliated entities.

Accounting policies

Statement of financial position

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over the remaining life, however, not exceeding 25 years.

Rights to clay and sand pits are measured at cost less calculated value of excavated clay and sand. The calculated value dredged clay and sand are amortised in the income statement.

Write-down is made to the recoverable amount if this is lower than the carrying amount.

Property, plant, and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

The basis of depreciation, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

	Useful life
Buildings	10-40 years
Plant and machinery	2-15 years
Other fixtures and fittings, tools and equipment	5-15 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Accounting policies

Property, plant, and equipment under construction

Property, plant, and equipment under construction are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Leases

Leasing obligations concerning financial leases is taken into account in balance as liability and it is measured at the time for the contract signing to NPV of future leasing payments. After first instalment, the leasing obligations are measured to amortized costprice. Egersund Wienerberger A/S has used IAS17 as interpretation of leasing obligations concerning financial leasing.

Impairment loss relating to non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Investments

Investments in subsidiaries

Investments in group enterprices are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Dividends are recognised in the income statement under "Income from investment in group enterprises" when declared.

If group enterprices make extraordinary large payments of dividends that resemble repayments of the invested capital, the recognised value is written down by an amount corresponding to this extraordinary payment of dividens.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs..

Accounting policies

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortized cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired.

Income tax and deferred tax

Current tax payable and receivable is recognised on the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation within the foreseeable future. Any deferred net assets are measured at net realisable value.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

On the acquisition of entities, provisions for restructuring within the acquired entity are included in the acquisition cost, and thereby in the goodwill or the consolidated goodwill, to the extent that they have been recognised in the financial statements of the acquired entity in advance of the acquisition. Provisions for restructuring are included to the extent that they have been decided at the date of acquisition at the latest and that the process have been commenced.

Accounting policies

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other financial liabilities are measured at net realisable value.

Income statement 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2022</u>	<u>2021</u>
1 Revenue	538.880	420.394
5 Other operating income	8.806	9.072
Costs of raw materials and consumables	-342.936	-258.629
Other external costs	-80.932	-74.054
Gross profit	123.818	96.783
3 Staff costs	-79.108	-69.177
4 Depreciation, amortisation, and impairment	-6.851	-28.472
Operating profit	37.859	-866
Other financial income	441	268
6 Other financial costs	-8.261	-7.462
Pre-tax net profit or loss	30.039	-8.060
7 Tax on net profit or loss for the year	-444	1.247
8 Net profit or loss for the year	29.595	-6.813

Balance sheet at 31 December

DKK thousand.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Non-current assets		
9 Software	279	434
Total intangible assets	<u>279</u>	<u>434</u>
11 Property	14.742	15.695
12 Plant and machinery	28.444	30.439
13 Other fixtures and fittings, tools and equipment	942	1.123
14 Property, plant, and equipment under construction including pre-payments for property, plant, and equipment	1.890	174
Total property, plant, and equipment	<u>46.018</u>	<u>47.431</u>
15 Investments in subsidiaries	213.599	213.599
Total investments	<u>213.599</u>	<u>213.599</u>
Total non-current assets	<u>259.896</u>	<u>261.464</u>
Current assets		
Raw materials and consumables	15.998	14.498
Work in progress	1.035	204
Manufactured goods and goods for resale	58.702	77.300
Total inventories	<u>75.735</u>	<u>92.002</u>
Trade receivables	42.464	41.921
Receivables from group enterprises	7.406	1.669
Tax receivables from subsidiaries	1.773	1.256
Other receivables	9.124	9.833
Total receivables	<u>60.767</u>	<u>54.679</u>
Total current assets	<u>136.502</u>	<u>146.681</u>
Total assets	<u>396.398</u>	<u>408.145</u>

Balance sheet at 31 December

DKK thousand.

Equity and liabilities		<u>2022</u>	<u>2021</u>
<u>Note</u>			
	Equity		
16	Contributed capital	11.766	11.766
	Retained earnings	91.296	61.698
	Total equity	<u>103.062</u>	<u>73.464</u>
	Provisions		
17	Other provisions	6.215	6.325
	Total provisions	<u>6.215</u>	<u>6.325</u>
	Liabilities other than provisions		
18	Lease liabilities	0	186
19	Payables to group enterprises	195.000	195.000
20	Other payables	6.160	6.095
	Total long term liabilities other than provisions	<u>201.160</u>	<u>201.281</u>
	Current portion of long term payables	0	154
	Trade payables	28.606	27.566
	Payables to group enterprises	38.729	71.404
	Income tax payable	2.203	0
	Income tax payable to subsidiaries	13	9
	Other payables	16.410	27.942
	Total short term liabilities other than provisions	<u>85.961</u>	<u>127.075</u>
	Total liabilities other than provisions	<u>287.121</u>	<u>328.356</u>
	Total equity and liabilities	<u>396.398</u>	<u>408.145</u>

2 Fees, auditor

21 Contingencies

22 Related parties

Statement of changes in equity

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2022	11.766	61.701	73.467
Retained earnings for the year	<u>0</u>	<u>29.595</u>	<u>29.595</u>
	<u>11.766</u>	<u>91.296</u>	<u>103.062</u>

Notes

DKK thousand.

	<u>2022</u>	<u>2021</u>
1. Revenue		
Revenue	538.880	420.394
	538.880	420.394

Segmental statement

	<u>Denmark</u>	<u>Rest Nordics</u>	<u>Other Europe</u>	<u>Total</u>
Activities – primary segment:	444.153	42.683	52.044	538.880
				Total
Activities - primary segment (2021)	321.161	47.550	51.683	420.394

The company only operates within the business area buildingsolutions.

2. Fees, auditor

The company has chosen not to disclose auditor fees in accordance with section 96 (3) of the Danish Financial Act, as the fee is included in the consolidated financial statement for Wienerberger AG, to which reference is made.

3. Staff costs

Salaries and wages	70.556	61.449
Pension costs	5.266	5.221
Other costs for social security	1.317	912
Other staff costs	1.969	1.595
	79.108	69.177
Executive board	11.959	4.115
Average number of employees	101	108

Notes

DKK thousand.

	<u>2022</u>	<u>2021</u>
4. Depreciation, amortisation, and impairment		
Amortisation of clay rights and software	153	1.273
Depreciation of buildings	980	1.937
Depreciation of plant and machinery	5.146	24.620
Depreciation of other fixtures and fittings, tools and equipment	<u>572</u>	<u>642</u>
	<u>6.851</u>	<u>28.472</u>
5. Other operating income		
Group Income - invoiced costs	7.757	9.138
Other income	<u>1.049</u>	<u>-66</u>
	<u>8.806</u>	<u>9.072</u>
6. Other financial costs		
Financial costs, group enterprises	7.643	7.187
Other financial costs	<u>618</u>	<u>275</u>
	<u>8.261</u>	<u>7.462</u>
7. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	<u>444</u>	<u>-1.247</u>
	<u>444</u>	<u>-1.247</u>
8. Proposed distribution of net profit		
Transferred to retained earnings	29.595	0
Allocated from retained earnings	<u>0</u>	<u>-6.813</u>
Total allocations and transfers	<u>29.595</u>	<u>-6.813</u>

Notes

DKK thousand.

	<u>31/12 2022</u>	<u>31/12 2021</u>
9. Software		
Cost 1 January 2022	1.319	1.132
Additions during the year	0	187
Disposals during the year	<u>-50</u>	<u>0</u>
Cost 31 December 2022	<u>1.269</u>	<u>1.319</u>
Amortisation and writedown 1 January 2022	-885	-763
Amortisation and depreciation for the year	-153	-122
Reversal of depreciation, amortisation, and impairment loss, assets disposed of	<u>48</u>	<u>0</u>
Amortisation and writedown 31 December 2022	<u>-990</u>	<u>-885</u>
Carrying amount, 31 December 2022	<u>279</u>	<u>434</u>
10. Clay rights		
Cost 1 January 2022	<u>14.423</u>	<u>14.423</u>
Cost 31 December 2022	<u>14.423</u>	<u>14.423</u>
Amortisation and writedown 1 January 2022	-14.423	-13.272
Amortisation and depreciation for the year	<u>0</u>	<u>-1.151</u>
Amortisation and writedown 31 December 2022	<u>-14.423</u>	<u>-14.423</u>
Carrying amount, 31 December 2022	<u>0</u>	<u>0</u>

Notes

DKK thousand.

	<u>31/12 2022</u>	<u>31/12 2021</u>
11. Property		
Cost 1 January 2022	52.059	48.754
Additions during the year	27	3.305
Disposals during the year	<u>-656</u>	<u>0</u>
Cost 31 December 2022	<u>51.430</u>	<u>52.059</u>
Depreciation and writedown 1 January 2022	-36.364	-34.426
Amortisation and depreciation for the year	-980	-1.938
Reversal of depreciation, amortisation and impairment loss, assets disposed of	<u>656</u>	<u>0</u>
Depreciation and writedown 31 December 2022	<u>-36.688</u>	<u>-36.364</u>
Carrying amount, 31 December 2022	<u>14.742</u>	<u>15.695</u>
12. Plant and machinery		
Cost 1 January 2022	177.354	172.979
Additions during the year	4.114	4.375
Disposals during the year	<u>-3.071</u>	<u>0</u>
Cost 31 December 2022	<u>178.397</u>	<u>177.354</u>
Depreciation and writedown 1 January 2022	-146.915	-122.295
Amortisation and depreciation for the year	-5.146	-24.620
Reversal of depreciation, amortisation and impairment loss, assets disposed of	<u>2.108</u>	<u>0</u>
Depreciation and writedown 31 December 2022	<u>-149.953</u>	<u>-146.915</u>
Carrying amount, 31 December 2022	<u>28.444</u>	<u>30.439</u>

Notes

DKK thousand.

	<u>31/12 2022</u>	<u>31/12 2021</u>
13. Other fixtures and fittings, tools and equipment		
Cost 1 January 2022	4.613	4.312
Additions during the year	391	301
Cost 31 December 2022	<u>5.004</u>	<u>4.613</u>
Amortisation and writedown 1 January 2022	-3.490	-2.865
Amortisation and depreciation for the year	-572	-625
Amortisation and writedown 31 December 2022	<u>-4.062</u>	<u>-3.490</u>
Carrying amount, 31 December 2022	<u>942</u>	<u>1.123</u>
14. Property, plant, and equipment under construction including pre-payments for property, plant, and equipment		
Cost 1 January 2022	174	2.098
Additions during the year	1.875	109
Disposals during the year	-159	-2.033
Cost 31 December 2022	<u>1.890</u>	<u>174</u>
Carrying amount, 31 December 2022	<u>1.890</u>	<u>174</u>

Notes

DKK thousand.

	<u>31/12 2022</u>	<u>31/12 2021</u>
15. Investments in subsidiaries		
Cost 1 January 2022	<u>278.317</u>	<u>278.317</u>
Cost 31 December 2022	<u>278.317</u>	<u>278.317</u>
Revaluations, opening balance 1 January 2022	<u>-64.718</u>	<u>-64.718</u>
Writedown 31 December 2022	<u>-64.718</u>	<u>-64.718</u>
Carrying amount, 31 December 2022	<u>213.599</u>	<u>213.599</u>

Financial highlights for the enterprises according to the latest approved annual reports

DKK in thousands	Equity interest	Equity	Results for the year
Wienerberger AS, Norway	100 %	2.327	32.150
Wienerberger AB, Sweden	100 %	-1.427	6.309
Egersund Wienerberger Production A/S, Danmark	100 %	149.339	10.405

Notes

DKK thousand.

	<u>31/12 2022</u>	<u>31/12 2021</u>
16. Contributed capital		
Contributed capital 1 January 2022	11.766	11.766
	11.766	11.766

There has been no changes in share capital in 2020-2022. In 2019 the share capital were increased by nominel DKK 1,765 thousand.

17. Other provisions		
Other provisions 1 January 2022	6.325	6.288
Change in other provisions for the year	-110	37
	6.215	6.325

Other provisions comprises warranty and guarantee provisions. These provisions are based on estimates that are subject to some uncertainty.

18. Lease liabilities		
Total lease liabilities	0	340
Share of amount due within 1 year	0	-154
	0	186
Share of liabilities due after 5 years	0	0

19. Payables to group enterprises		
Total payables to group enterprises	195.000	195.000
Share of liabilities due after 5 years	0	0

20. Other payables		
Total other payables	6.160	6.095
Share of liabilities due after 5 years	5.735	5.617

Notes

DKK thousand.

21. Contingencies

Contingent liabilities

The company has entered into leasing agreements with minimum lease payments of DKK 7,940 thousand (2021: 8,857 thousand)

Bank guarantees have been used to secure liabilities toward third parties of DKK 1,575 thousand. (2021: DKK 1,775 thousand).

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

22. Related parties

Controlling interest

Wienerberger AG , Wienerbergerplatz 1 , 1100 Wien, Austria	ultimate holder	majority
Wienerberger Anteilsverwaltung GmbH , Wienerbergerplatz 1 , 1100 Wien, Austria	immediate company	holding
Wienerberger Industriebeteiligungsverwaltung GmbH, Wienerbergerplatz 1 , 1100 Wien, Austria	immediate company	holding
Wienerberger West European Holding GmbH, Wienerbergerplatz 1 , 1100 Wien, Austria	immediate company	holding

Wienerberger West European Holding GmbH, Wienerbergerplatz 1, Vienna, Austria owns 100 % of the Company's share capital. Egersund Wienerberger A/S (immediate and ultimate parent company) is included in consolidated financial statements of Wienerberger AG, Wienerbergerplatz 1, Vienna, Austria.

Notes

DKK thousand.

Transactions

The company has chosen only to disclose transactions that are not carried out on arm's length basis in accordance with section 98c(7) of the Danish Financial Statement Act.

Consolidated financial statements

The consolidated financial statement can be obtained at:

<https://annualreport.wienerberger.com/2022/>