

# **Egersund Wienerberger A/S**

**Rørmosevej 85, 3200 Helsingør**

**Company reg. no. 10 50 23 06**

## **Annual report**

**2021**

The annual report was submitted and approved by the general meeting on the 23 June 2022.



**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**

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Today, the Board of Directors and the Executive Board have approved the annual report of Egersund Wienerberger A/S for the financial year 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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.

Helsinge, 23 June 2022

### **Executive board**



Henrik Dietrichsen

Andreas Christensen

### **Board of directors**

Johan Van Der Biest  
chairman

Andreas Christensen

Wolfgang Rainer

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chairman

  
Andreas Christensen

Wolfgang Rainer

## **Independent auditor's report**

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### **To the Shareholders 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 2021, 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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**

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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**

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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, 23 June 2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
Company reg. no. 33 96 35 56



**Flemming Larsen**

State Authorised Public Accountant  
mne27790

## **Company information**

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<b>The company</b>	Egersund Wienerberger A/S Rørmosevej 85 3200 Helsingør
	Phone 70 13 13 22
	Company reg. no. 10 50 23 06
	Domicile: Helsingør
	Financial year: 1 January - 31 December
<b>Board of directors</b>	Johan Van Der Biest, chairman Andreas Christensen Wolfgang Rainer
<b>Executive board</b>	Henrik Dietrichsen Andreas Christensen
<b>Auditors</b>	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S
<b>Parent company</b>	Wienerberger West European Holding GmbH
<b>Subsidiaries</b>	Wienerberger AS, Norway Wienerberger AB, Sweden Egersund Wienerberger Production A/S, Danmark

## Financial highlights

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DKK in thousands.	2021	2020	2019	2018	2017
<b>Income statement:</b>					
Revenue	420.395	426.885	128.601	114.336	105.720
Gross profit	96.783	89.963	45.628	0	0
Profit from operating activities	-866	5.561	-24.566	-12.157	-17.370
Net financials	-7.194	-9.502	-2.467	-6.618	-9.670
Net profit or loss for the year	-6.813	-1.218	-27.033	-15.620	-19.045
<b>Statement of financial position:</b>					
Balance sheet total	408.145	442.429	365.821	210.762	183.909
Equity	73.464	80.277	81.495	31.857	43.897
Investments in property, plant and equipment	8.090	14.766	8.070	18.970	28.474
<b>Employees:</b>					
Average number of full-time employees	108	113	98	99	95
<b>Key figures in %:</b>					
Gross margin ratio	23,0	21,1	35,5	-	-
Profit margin (EBIT-margin)	-0,2	1,3	-19,1	-10,6	-16,4
Solvency ratio	18,0	18,1	22,3	15,1	23,9
Return on equity	-8,9	-1,5	-47,7	-41,2	-111,0
Return on assets	1,4	1,4	-6,7	-5,9	-9,4

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**

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

Egernsund Wienerberger A/S is a part of by 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.

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

## **Management's review**

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

The market has in general been positive in 2021 and gross profit is showing improvement from 2020. Egersund Wienerberger has gained the expected synergies in 2021 as planned after the acquisitions in 2019 and the integration during 2020. Egersund Wienerberger A/S is showing a minus in 2021 because of closing of a factory.

In 2021 Egersund Wienerberger A/S has taken the decision to close the facing brick production in Helsingør as a part of the optimized Nordic plant structure. This is a part of the strategy for CO2 emission reductions and to continuously improve production costs and secure the future production setup. Production volumes from Helsingør has been allocated to primarily Helligsø, Petersminde and Vesterled plant. To some extent in 2021 the company was able to mitigate the impact of the rising energy prices.

The closing of Pedershvile has caused a write-down of assets of 18 mio kr. and expenses for restructuring of 6,7 mio. kr.

Total staff costs are reduced compared to last year because of internal optimization and efficiencies in all functions and the higher depreciations in 2021 is driven by the closing of Facing brick plant in Helsingør.

Adjusted for these effects the result is in line with expectations and shows the expected improvement in the financial performance year on year.

Financial expenses are reduced compared to 2020 because of lower interest rates in 2021 compared to 2020.

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

Egersund Wienerberger A/S is following Covid-19 closely and the impact on sale and production. We do everything to minimize impact, and we are following instructions from Danish health authorities, the government and WHO. Egersund Wienerberger A/S has so far not discovered any significant impact on sale or production.

### **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

### *Investments*

As part of the optimized Nordic plant structure, the allocation of volume to the factory at Petersminde required optimization in the production facility. The investments had focus on efficiency and CO2 emission and in line with the strategy

## **Management's review**

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### *Capital structure*

The company's balance sheet shows total asset of DKK 408.145 t kr. and positive equity of DKK 73.464 t. kr.

### **Business risk**

Egernsund Wienerberger A/S is following Covid-19 closely. We do everything to minimize impact, and we are following instructions from Danish health authorities, the government and WHO. Egernsund Wienerberger has not discovered any impact on sale and production.

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

We are in a period where prices on raw materials are very volatile, both domestic and international. Egernsund Wienerberger A/S is also exposed to energy supply risk and in particular with respect to the current conflict between Russia and Ukraine. 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 can, direct or indirect, have impact on our gas supplies whether Russia are stopping the gas supplies or EU decides to refuse buying gas from Russia. 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.

### **Credit risk**

The company is not exposed to any major risk from a single customer or business partner.

### **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.

## **Management's review**

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### **Energy-optimization and consolidation**

We have consolidated our factories in the region to optimize our energy efficiency and operate from fewer and larger factories. We are utilizing the ISO 50001 certified Energy Management System (EMS) for effective energy management which allows us to work structurally with processes around energy consumption. Mapping and tracking the processes has allowed us to identify areas where other factories could benefit from implementing a similar process.

### **Switching to biogas**

Producing bricks is an energy-intensive process and we are constantly looking into ways of reducing the amount of energy used to produce a brick. In 2021 we signed a five-year agreement with a Danish biogas producer Nature Energy to switch from natural gas into certified biogas. As of 2022 65% of the energy used at our Danish factories comes from certified biogas, providing savings in CO<sub>2</sub>-emissions of around 30%..

### **Research and development activities**

The company's focus in product development is focusing on the overall target of reducing the CO<sub>2</sub> emission by developing sustainable products like the LESS brick.

We are continuously doing product development to decrease the raw material in our facing bricks and thereby reducing CO<sub>2</sub> emissions and energy consumption. Our LESS brick with 3 holes, which was successfully launched in 2020, was switched to biogas in 2021 and as a result CO<sub>2</sub> emission in production was significantly reduced. Further developments are ongoing with regards to dematerialization of our facing bricks.

### **Expected developments**

Egernsund Wienerberger A/S will in 2022 continue to follow our corporate strategy within sustainability, decarbonization and circular economy.

Because of the ongoing war in Ukraine and the higher interest rates and general macro-economic uncertainty we may expect a decrease in the general activity level in the building industry. Egernsund Wienerberger A/S continue optimizing processes and flows to build a solid business

### **Growth in demand for certified buildings**

In the Nordic region we see an increased demand for having buildings certified according to green certification systems such as DGNB, BREEAM-NOR, Miljöbyggnad and LEED. Assessing the building's sustainability profile becomes increasingly important, which makes product documentation even more critical. We have in 2021 created EPD's (Environmental Product Declarations) for all our facing bricks to be able to deliver the relevant and transparent documentation required by our customers. Furthermore, we have launched a Documentation Package to each of the most common used Building Schemes identifying our product's contribution as well as giving easy and direct access to relevant documentation.

## **Management's review**

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### **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 whether Russia are stopping the gas supplies or EU decides to refuse buying gas from Russia. Even though we have bought danish biogas this is a European supply crisis and it can potentially have an impact for us.

No other events have occurred after the balance sheet date materially affecting the results for the year and Company's expected financial development.

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

Egernsund Wienerberger Danmark A/S is as a subsidiary of the Austrian Wienerberger Group, and Wienerberger is a leading international provider of smart solutions for the entire building envelope in new build and renovation as well as for infrastructure in water and energy management. Through the Wienerberger Group, Egernsund Wienerberger Danmark A/S is actively seeking to enhance its sustainability (corporate social responsibility) and acts in accordance with our Group code of ethics, the Wienerberger Philosophy, which states that all activities are founded on three environment-related pillars: Decarbonization, Biodiversity and Circular Economy. Consequently, we also refer to the latest 2021 Group sustainability report, which can be found at:

<https://www.wienerberger.com/en/investors.html>

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

#### **Diversity**

In 2021, the total number of employees was 108.

As for the gender composition of employees, in 2021, there were 82 men and 26 women employed. On managerial level 1 woman is employed. The Managing Directors are both Male.

As of 2022, the Board of Directors comprises four male members and none female. By the end of 2025 it is the ambition to have minimum 1 female in the Board of Directors.



## **Management's review**

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### **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**

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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**

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### **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. Staff costs are less government reimbursements.

## **Accounting policies**

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### **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

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### 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**

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### **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 enterprises 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 enterprises 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 dividends.

### **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**

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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 of 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**

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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

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DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
1 Revenue	420.395	426.885
Recharge to group companies	9.072	10.363
Costs of raw materials and consumables	-258.629	-267.860
Other external costs	-74.055	-79.425
<b>Gross profit</b>	<b>96.783</b>	<b>89.963</b>
3 Staff costs	-69.177	-74.226
4 Depreciation, amortisation, and impairment	-28.472	-10.176
<b>Operating profit</b>	<b>-866</b>	<b>5.561</b>
Other financial income	268	589
5 Other financial costs	-7.462	-10.091
<b>Pre-tax net profit or loss</b>	<b>-8.060</b>	<b>-3.941</b>
6 Tax on net profit or loss for the year	1.247	2.723
<b>7 Net profit or loss for the year</b>	<b>-6.813</b>	<b>-1.218</b>

## Balance sheet at 31 December

DKK thousand.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Non-current assets</b>		
8 Software	434	369
9 Clay rights	0	1.151
Total intangible assets	<u>434</u>	<u>1.520</u>
10 Property	15.695	14.328
11 Plant and machinery	30.439	50.684
12 Other fixtures and fittings, tools and equipment	1.123	1.465
13 Property, plant, and equipment under construction including pre-payments for property, plant, and equipment	174	2.098
Total property, plant, and equipment	<u>47.431</u>	<u>68.575</u>
14 Investments in subsidiaries	213.599	213.599
Total investments	<u>213.599</u>	<u>213.599</u>
<b>Total non-current assets</b>	<b><u>261.464</u></b>	<b><u>283.694</u></b>
<b>Current assets</b>		
Raw materials and consumables	14.498	15.418
Work in progress	204	1.697
Manufactured goods and goods for resale	77.300	72.637
Total inventories	<u>92.002</u>	<u>89.752</u>
Trade receivables	41.921	32.187
Receivables from group enterprises	1.669	17.289
Tax receivables from subsidiaries	1.256	0
Other receivables	9.833	19.507
Total receivables	<u>54.679</u>	<u>68.983</u>
<b>Total current assets</b>	<b><u>146.681</u></b>	<b><u>158.735</u></b>
<b>Total assets</b>	<b><u>408.145</u></b>	<b><u>442.429</u></b>

## Balance sheet at 31 December

DKK thousand.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2021</u>	<u>2020</u>
<b>Equity</b>			
15	Contributed capital	11.766	11.766
	Retained earnings	61.698	68.511
	<b>Total equity</b>	<b>73.464</b>	<b>80.277</b>
<b>Provisions</b>			
16	Other provisions	6.325	6.288
	<b>Total provisions</b>	<b>6.325</b>	<b>6.288</b>
<b>Liabilities other than provisions</b>			
17	Lease liabilities	186	340
18	Payables to group enterprises	195.000	195.000
19	Other payables	6.095	18.993
	<b>Total long term liabilities other than provisions</b>	<b>201.281</b>	<b>214.333</b>
	Current portion of long term payables	154	154
	Trade payables	27.566	25.088
	Payables to group enterprises	71.404	86.895
	Payables to shareholders and management	0	6.720
	Income tax payable to subsidiaries	9	0
	Other payables	27.942	22.674
	<b>Total short term liabilities other than provisions</b>	<b>127.075</b>	<b>141.531</b>
	<b>Total liabilities other than provisions</b>	<b>328.356</b>	<b>355.864</b>
	<b>Total equity and liabilities</b>	<b>408.145</b>	<b>442.429</b>
<b>2 Fees, auditor</b>			
<b>20 Contingencies</b>			
<b>21 Related parties</b>			

## Statement of changes in equity

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DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	11.766	68.511	80.277
Retained earnings for the year	0	-6.813	-6.813
	<u>11.766</u>	<u>61.698</u>	<u>73.464</u>

## Notes

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DKK thousand.

	2021	2020
<b>1. Revenue</b>		
Revenue	420.395	426.885
	<u>420.395</u>	<u>426.885</u>

### Segmental statement

	Denmark	Rest Nordics	Other Europe	Total
Activities – primary segment:	<u>321.161</u>	<u>47.550</u>	<u>51.684</u>	<u>420.395</u>

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 West European Holding GmbH, to which reference is made.

### 3. Staff costs

Salaries and wages	61.449	67.833
Pension costs	5.221	5.136
Other costs for social security	912	599
Other staff costs	1.595	658
	<u>69.177</u>	<u>74.226</u>
Executive board	<u>1.155</u>	<u>1.081</u>
Average number of employees	<u>108</u>	<u>113</u>

The salaries to the executive board does not include salaries re-charged to other group entities.

## Notes

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DKK thousand.

	<u>2021</u>	<u>2020</u>
<b>4. Depreciation, amortisation, and impairment</b>		
Amortisation of clay rights and software	1.273	488
Depreciation of buildings	1.937	1.790
Depreciation of plant and machinery	24.620	7.373
Depreciation of other fixtures and fittings, tools and equipment	642	525
	<u>28.472</u>	<u>10.176</u>
<b>5. Other financial costs</b>		
Financial costs, group enterprises	7.187	9.669
Other financial costs	275	422
	<u>7.462</u>	<u>10.091</u>
<b>6. Tax on net profit or loss for the year</b>		
Tax on net profit or loss for the year	-1.247	0
Adjustment of tax for previous years	0	-2.723
	<u>-1.247</u>	<u>-2.723</u>

## Notes

DKK thousand.

	<u>2021</u>	<u>2020</u>
<b>7. Proposed appropriation of net profit</b>		
Allocated from retained earnings	-6.813	-1.218
<b>Total allocations and transfers</b>	<u>-6.813</u>	<u>-1.218</u>
	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>8. Software</b>		
Cost 1 January 2021	1.132	850
Additions during the year	187	282
<b>Cost 31 December 2021</b>	<u>1.319</u>	<u>1.132</u>
Amortisation and writedown 1 January 2021	-763	-664
Amortisation and depreciation for the year	-122	-99
<b>Amortisation and writedown 31 December 2021</b>	<u>-885</u>	<u>-763</u>
<b>Carrying amount, 31 December 2021</b>	<u>434</u>	<u>369</u>
<b>9. Clay rights</b>		
Cost 1 January 2021	14.423	14.423
<b>Cost 31 December 2021</b>	<u>14.423</u>	<u>14.423</u>
Amortisation and writedown 1 January 2021	-13.272	-12.884
Amortisation and depreciation for the year	-1.151	-388
<b>Amortisation and writedown 31 December 2021</b>	<u>-14.423</u>	<u>-13.272</u>
<b>Carrying amount, 31 December 2021</b>	<u>0</u>	<u>1.151</u>

## Notes

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DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>10. Property</b>		
Cost 1 January 2021	48.754	42.555
Additions during the year	3.305	6.281
Disposals during the year	0	-82
<b>Cost 31 December 2021</b>	<u><b>52.059</b></u>	<u><b>48.754</b></u>
Depreciation and writedown 1 January 2021	-34.426	-32.704
Amortisation and depreciation for the year	-1.938	-1.790
Reversal of depreciation, amortisation and impairment loss, assets disposed of	0	68
<b>Depreciation and writedown 31 December 2021</b>	<u><b>-36.364</b></u>	<u><b>-34.426</b></u>
<b>Carrying amount, 31 December 2021</b>	<u><b>15.695</b></u>	<u><b>14.328</b></u>
<b>11. Plant and machinery</b>		
Cost 1 January 2021	172.979	168.927
Additions during the year	4.375	5.777
Disposals during the year	0	-1.725
<b>Cost 31 December 2021</b>	<u><b>177.354</b></u>	<u><b>172.979</b></u>
Depreciation and writedown 1 January 2021	-122.295	-116.559
Amortisation and depreciation for the year	-24.620	-7.373
Reversal of depreciation, amortisation and impairment loss, assets disposed of	0	1.637
<b>Depreciation and writedown 31 December 2021</b>	<u><b>-146.915</b></u>	<u><b>-122.295</b></u>
<b>Carrying amount, 31 December 2021</b>	<u><b>30.439</b></u>	<u><b>50.684</b></u>



## Notes

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DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>12. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2021	4.312	3.702
Additions during the year	301	610
<b>Cost 31 December 2021</b>	<u><b>4.613</b></u>	<u><b>4.312</b></u>
Amortisation and writedown 1 January 2021	-2.865	-2.322
Amortisation and depreciation for the year	-625	-525
<b>Amortisation and writedown 31 December 2021</b>	<u><b>-3.490</b></u>	<u><b>-2.847</b></u>
<b>Carrying amount, 31 December 2021</b>	<u><b>1.123</b></u>	<u><b>1.465</b></u>
<b>13. Property, plant, and equipment under construction including pre-payments for property, plant, and equipment</b>		
Cost 1 January 2021	2.098	612
Additions during the year	109	2.098
Disposals during the year	-2.033	-612
<b>Cost 31 December 2021</b>	<u><b>174</b></u>	<u><b>2.098</b></u>
<b>Carrying amount, 31 December 2021</b>	<u><b>174</b></u>	<u><b>2.098</b></u>

## Notes

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DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>14. Investments in subsidiaries</b>		
Cost 1 January 2021	278.317	278.315
<b>Cost 31 December 2021</b>	<u><b>278.317</b></u>	<u><b>278.315</b></u>
Revaluations, opening balance 1 January 2021	-64.718	-64.716
<b>Writedown 31 December 2021</b>	<u><b>-64.718</b></u>	<u><b>-64.716</b></u>
<b>Carrying amount, 31 December 2021</b>	<u><b>213.599</b></u>	<u><b>213.599</b></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 %	8.401	251
Wienerberger AB, Sweden	100 %	31.450	6.643
Egersund Wienerberger Production A/S, Danmark	100 %	138.934	5.216

## Notes

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DKK thousand.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>15. Contributed capital</b>		
Contributed capital 1 January 2021	11.766	11.766
	<u>11.766</u>	<u>11.766</u>

There has been no changes in share capital in 2020. In 2019 the share capital were increased by nominal DKK 1,765 thousand. In 2017 the share capital was increased by nominal DKK 1,000 and in 2015 the share capital was increased by nominal DKK 1,000. There has been no changes in the share capital during 2013-2014 and 2016

<b>16. Other provisions</b>		
Other provisions 1 January 2021	6.288	101
Change in other provisions for the year	37	6.187
	<u>6.325</u>	<u>6.288</u>

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

<b>17. Lease liabilities</b>		
Total lease liabilities	340	494
Share of amount due within 1 year	-154	-154
	<u>186</u>	<u>340</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

<b>18. Payables to group enterprises</b>		
Total payables to group enterprises	195.000	195.000
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

<b>19. Other payables</b>		
Total other payables	6.095	18.993
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

## Notes

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DKK thousand.

### 20. Contingencies

#### Contingent liabilities

The company has entered into leasing agreements with minimum lease payments of DKK 8.857 thousand (2020: 4,990 thousand)

Bank guarantees have been used to secure liabilities toward third parties of DKK 1,775 thousand. (2020: 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.

### 21. Related parties

#### Controlling interest

Wienerberger West European Holding GmbH, Wienerbergerplatz , Vienna, Austria	Majority shareholder
Wienerberger AG, Wienerbergerplatz 1, Vienna	Ultimate majority shareholder

Wienerberger West European Holding GmbH, Wienerbergerplatz 1, Vienna, Austria owns 85 % of the Company's share capital and Vesten Holding A/S, Vandmøllevej 1, Sønderborg owns 15% 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.

#### 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.

## Notes

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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://www.wienerberger.com/content/dam/corp/corporate-website/downloads/investors-downloads/2021/2021-Wienerberger-Annual-and-Sustainability\\_Report\\_EN.pdf](https://www.wienerberger.com/content/dam/corp/corporate-website/downloads/investors-downloads/2021/2021-Wienerberger-Annual-and-Sustainability_Report_EN.pdf)

