

Egersund Wienerberger A/S

H.C. Ørsteds Vej 50C, 1879 Frederiksberg

Company reg. no. 10 50 23 06

Annual report

2023

The annual report was submitted and approved by the general meeting on the 28.06.2024

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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 Egernsund Wienerberger A/S for the financial year 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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, 28.06.2024

Executive board

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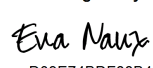
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Henrik Dietrichsen

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Andreas Christensen

Board of directors

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Wolfgang Rainer
chairman

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Eva Naux

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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 2023, 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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (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, 28.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 96 35 56

DocuSigned by:



Flemming Larsen

State Authorised Public Accountant
mne27790

Company information

The company	Egersund Wienerberger A/S H.C. Ørsteds Vej 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 Eva Naux 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 Egersund Wienerberger Production A/S, Danmark Komproment Holding af 2007 ApS, Danmark

Financial highlights

DKK in thousands.	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Income statement:					
Revenue	443.553	538.880	420.394	426.885	128.601
Gross profit	115.350	123.818	96.783	89.963	45.628
Profit from operating activities	32.197	37.859	-866	5.561	-24.566
Net financials	-22.974	-7.820	-7.194	-9.502	-2.467
Net profit or loss for the year	9.223	29.595	-6.813	-1.218	-27.033
Statement of financial position:					
Balance sheet total	838.677	396.398	408.145	442.429	365.821
Equity	389.068	103.062	73.464	80.277	81.495
Investments in property, plant and equipment	4.094	6.407	8.090	14.766	8.070
Employees:					
Average number of full-time employees	101	101	108	113	98
Key figures in %:					
Gross margin ratio	26,0	23,0	23,0	21,1	35,5
Profit margin (EBIT-margin)	7,3	7,0	-0,2	1,3	-19,1
Solvency ratio	46,4	26,0	18,0	18,1	22,3
Return on equity	3,7	33,5	-8,9	-1,5	-47,7
Return on assets	1,4	1,4	1,4	1,4	-6,7

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

Management's review

The principal activities of the company

Egernsund 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.

Egernsund Wienerberger A/S activities comprises sale of bricks and trading goods. Facing bricks comes primarily from the factory in Stenstrup and the subsidiary 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, Helligsø and Assens. Assens is the latest plant in the plant structure because of the acquisition of Strøjer. Furthermore, Egernsund Wienerberger A/S owns the subsidiaries in Sweden and Norway and sales are carried out via those subsidiaries. As of 22 of February 2024 Egernsund Wienerberger A/S acquired the Komproment Group, including Komproment Holding ApS, Komproment ApS and Komproment Danish Building Design ApS.

Development in activities and financial matters

In 2023 Egernsund Wienerberger A/S has made the following acquisitions. Komproment (3 companies) and Strøjer (4 companies) was acquired in the beginning of the year. The Komproment Group consisting of Komproment Holding ApS, Komproment ApS and Komproment Danish Building Design ApS and the Strøjer entities, Strøjer Tegl A/S, Strøjer Systems A/S, Strøjer Ler A/S and Strøjer Ejendomme A/S was acquired. They both strengthen 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. Egernsund Wienerberger A/S will continue to focus on innovative and sustainable solutions that provide benefits in both renovation and new builds. Both acquisitions are financed internally in Wienerberger. Komproment is a stand-alone group and Strøjer is, as mentioned above, merged into Egernsund Wienerberger Production A/S as per 1. January 2023.

Revenue is 18% lower in 2023 than compared to 2022 and ended at 443 mio. kr. The lower revenue is primarily coming from the general slow-down in the marked in 2nd half of 2023. 2023 gave higher interest rates and higher inflation and this has affected the construction sector. Gross margin is on the other hand increased driven by more cost-effective production and tight cost control.

Financial expenses are affected by inter-company interest to finance the two acquisitions which is the driver for increased costs.

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.

Management's review

Capital structure

The company's balance sheet shows total asset of DKK 838.677 t kr. where the development versus 2022 primarily is driven by acquisitions as “investments in subsidiaries”. Equity shows a positive value of DKK 389.068 t. kr.

Business risk

2023 was a year characterized by uncertainties and challenges. However, the recovery from the consequences of the corona pandemic, the ongoing war in Ukraine and the significant rise in the cost of living affected our business. Overall, compared to the previous year, the world economy stabilized to a certain extent and inflation trended downward but still, 2023 was a volatile year.

The cost of energy for the firing of bricks represents a significant percentage of the Group's cost structure. Egernsund Wienerberger A/S is 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 somewhat uncertain European gas situation can potentially have an impact on our business. During 2023 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.

Management's review

Expected developments

For 2024, 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 higher financing costs. With mortgages being more expensive than in the past years, we expect to see an effect on the building activity. High energy prices and focus on more energy efficient housings will again lead to an increasing focus on the renovation of buildings. We therefore expect to see continued lively activity in the renovation segment and generally stable to slightly decreasing market development for housing.

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.

We expect the current unstable geopolitical situation to continue and do not foresee any short-term significant easing of the central banks' interest rate policies.

We expect 2024 to be a challenging year because of the general market situation and result before tax is expected to be in line with result from 2023.

Events occurring after the end of the financial year

After balance sheet day Egersund Wienerberger A/S has in the beginning of 2024 communicated a stop of production at the Petersminde plant. The productions stop in June 2024 because of the market situation and internal optimization of production capacity. The plant is put on hold and Egersund Wienerberger A/S awaits the market development in the coming years.

Management's review

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 with a mission of improving people's quality of life through our smart building material and infrastructure solutions. With our durable and sustainable products for new build, renovation, and infrastructure, we are perfectly positioned to further improve our ecological performance by contributing to the fight against climate change and to shape the future of construction through innovation.

All our entrepreneurial activities are subject to clearly defined and ambitious ESG criteria. Our primary goals are to increase our share of value creation in a building and to become a full-range provider of system solutions for energy and water management. To reach those goals 3 key factors are defined:

- **Innovation** - we steadily improve our product mix and advancing our product offering
- **Operational Excellence** - We focus on growth through the continuation of our efficiency enhancement program focused on manufacturing excellence, commercial excellence, supply chain management, and administration
- **M&A and portfolio optimization** - this is the basis for future value-creation and profitability.

Consequently, we also refer to the latest 2023 Full Year report which can be found on Wienerberger.com.

<https://www.wienerberger.com/content/dam/corp/corporate-website/downloads/investors-downloads/2023/2023-wienerberger-Annual-and-Sustainability-Report.pdf>

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. We continue our product strategy with focus on LESS which provides us energy savings, dematerialization and lighter products with favorable EPD's.

Management's review

Biogas is becoming increasingly important

We have continued the acquiring biogas certificates to be able to offer low-emission products 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 started testing new production methods for further dematerialization of our LESS brick to decrease CO₂ emissions and energy consumption further. This work continues and all our product development is guided by focusing on more energy-efficient products, dematerialization and environment friendly products

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 minimum 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

For Egersund Wienerberger A/S diversity and equal opportunities for both gender is essential and build into our corporate values of Trust, Respect, Passion and Creativity. We, as a company, is convinced this approach will be of benefit for the individual employee as well as Wienerberger as a Danish company and as part of an Austrian Concern.

When looking at opportunities professional qualifications are of course a prerequisite as well as the personal fit into the job position. Gender is a neutral parameter. Egersund Wienerberger's policy is to provide equal rights and opportunities - from recruitment and training to career development - to all employees regardless of gender, race, skin color, religion, political beliefs, sexual orientation, age, disability or national, social or ethnic origin.

In 2023 the total number of employees was 101.

Board of directors

Number of members	4
Underrepresented gender %	25%

Other Management levels

Total number of members	12
Underrepresented gender %	25%
Target future %	40%
Year for meeting target	2027

In 2023 the board of directors comprises 3 males and 1 females, which are line with our diversity strategy.

For other Management covering 12 employees, women were the underrepresenting gender (25%). The ambition is the underrepresenting gender should reach a target of minimum 40%, in accordance with §99b of the Danish Financial Statement Act.

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. 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.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

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 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

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

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>2023</u>	<u>2022</u>
1 Revenue	443.553	538.880
5 Other operating income	25.783	8.806
Costs of raw materials and consumables	-280.256	-342.936
Other external costs	-73.730	-80.932
Gross profit	115.350	123.818
3 Staff costs	-75.588	-79.108
4 Depreciation, amortisation, and impairment	-7.464	-6.851
Other operating expenses	-101	0
Operating profit	32.197	37.859
Other financial income	64	441
6 Other financial costs	-23.038	-8.261
Pre-tax net profit or loss	9.223	30.039
7 Tax on net profit or loss for the year	0	-444
8 Net profit or loss for the year	9.223	29.595

Balance sheet at 31 December

DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Assets		
Non-current assets		
9 Software	143	279
Total intangible assets	143	279
11 Property	13.627	14.742
12 Plant and machinery	24.877	28.444
13 Other fixtures and fittings, tools and equipment	640	942
14 Property, plant, and equipment under construction including pre-payments for property, plant, and equipment	3.340	1.890
Total property, plant, and equipment	42.484	46.018
15 Investments in subsidiaries	627.927	213.599
Total investments	627.927	213.599
Total non-current assets	670.554	259.896
Current assets		
Raw materials and consumables	16.378	15.998
Work in progress	1.244	1.035
Manufactured goods and goods for resale	74.915	58.702
Total inventories	92.537	75.735
Trade receivables	29.515	42.464
Receivables from group enterprises	30.352	7.406
Tax receivables from subsidiaries	0	1.773
Other receivables	15.719	9.124
Total receivables	75.586	60.767
Total current assets	168.123	136.502
Total assets	838.677	396.398

Balance sheet at 31 December

DKK thousand.

Equity and liabilities			
<u>Note</u>		<u>2023</u>	<u>2022</u>
Equity			
16	Contributed capital	11.766	11.766
	Retained earnings	377.302	91.296
	Total equity	389.068	103.062
Provisions			
17	Provisions for deferred tax	0	0
18	Other provisions	5.924	6.215
	Total provisions	5.924	6.215
Liabilities other than provisions			
19	Payables to group enterprises	300.000	195.000
20	Other payables	6.376	6.160
	Total long term liabilities other than provisions	306.376	201.160
	Trade payables	15.178	28.606
	Payables to group enterprises	109.580	38.729
	Income tax payable	0	2.203
	Income tax payable to subsidiaries	0	13
	Other payables	12.551	16.410
	Total short term liabilities other than provisions	137.309	85.961
	Total liabilities other than provisions	443.685	287.121
	Total equity and liabilities	838.677	396.398
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 2023	11.766	91.296	103.062
Retained earnings for the year	0	9.223	9.223
Conversion of debt	0	276.783	276.783
	<u>11.766</u>	<u>377.302</u>	<u>389.068</u>

Notes

DKK thousand.

	<u>2023</u>	<u>2022</u>
1. Revenue		
Revenue	443.553	538.880
	<u>443.553</u>	<u>538.880</u>

Segmental statement

	<u>Denmark</u>	<u>Rest Nordics</u>	<u>Other Europe</u>	<u>Total</u>
Activities – primary segment:	356.076	39.265	48.212	443.553
				<u>Total</u>
Activities - primary segment (2022)	<u>444.153</u>	<u>42.683</u>	<u>52.044</u>	<u>538.880</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 AG, to which reference is made.

	<u>2023</u>	<u>2022</u>
3. Staff costs		
Salaries and wages	66.698	70.556
Pension costs	5.707	5.266
Other costs for social security	1.135	1.317
Other staff costs	2.048	1.969
	<u>75.588</u>	<u>79.108</u>
Executive board	<u>5.573</u>	<u>11.959</u>
Average number of employees	<u>101</u>	<u>101</u>

Notes

DKK thousand.

	<u>2023</u>	<u>2022</u>
4. Depreciation, amortisation, and impairment		
Amortisation of clay rights and software	136	153
Depreciation of buildings	1.115	980
Depreciation of plant and machinery	5.846	5.146
Depreciation of other fixtures and fittings, tools and equipment	367	572
	<u>7.464</u>	<u>6.851</u>
5. Other operating income		
Group Income - invoiced costs	25.582	7.757
Other income	201	1.049
	<u>25.783</u>	<u>8.806</u>
6. Other financial costs		
Financial costs, group enterprises	22.350	7.643
Other financial costs	688	618
	<u>23.038</u>	<u>8.261</u>
7. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	0	444
	<u>0</u>	<u>444</u>
8. Proposed distribution of net profit		
Transferred to retained earnings	9.223	29.595
Total allocations and transfers	<u>9.223</u>	<u>29.595</u>

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
9. Software		
Cost 1 January 2023	1.269	1.319
Disposals during the year	<u>0</u>	<u>-50</u>
Cost 31 December 2023	<u>1.269</u>	<u>1.269</u>
Amortisation and writedown 1 January 2023	-990	-885
Amortisation and depreciation for the year	-136	-153
Reversal of depreciation, amortisation, and impairment loss, assets disposed of	<u>0</u>	<u>48</u>
Amortisation and writedown 31 December 2023	<u>-1.126</u>	<u>-990</u>
Carrying amount, 31 December 2023	<u>143</u>	<u>279</u>
10. Clay rights		
Cost 1 January 2023	<u>14.423</u>	<u>14.423</u>
Cost 31 December 2023	<u>14.423</u>	<u>14.423</u>
Amortisation and writedown 1 January 2023	<u>-14.423</u>	<u>-14.423</u>
Amortisation and writedown 31 December 2023	<u>-14.423</u>	<u>-14.423</u>
Carrying amount, 31 December 2023	<u>0</u>	<u>0</u>

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
11. Property		
Cost 1 January 2023	51.430	52.059
Additions during the year	0	27
Disposals during the year	0	-656
Transfers	10.608	0
Cost 31 December 2023	<u>62.038</u>	<u>51.430</u>
Depreciation and writedown 1 January 2023	-36.688	-36.364
Amortisation and depreciation for the year	-1.115	-980
Reversal of depreciation, amortisation and impairment loss, assets disposed of	0	656
Transfers	-10.608	0
Depreciation and writedown 31 December 2023	<u>-48.411</u>	<u>-36.688</u>
Carrying amount, 31 December 2023	<u>13.627</u>	<u>14.742</u>
12. Plant and machinery		
Cost 1 January 2023	178.397	177.354
Additions during the year	2.331	4.114
Disposals during the year	-520	-3.071
Cost 31 December 2023	<u>180.208</u>	<u>178.397</u>
Depreciation and writedown 1 January 2023	-149.953	-146.915
Amortisation and depreciation for the year	-5.846	-5.146
Reversal of depreciation, amortisation and impairment loss, assets disposed of	468	2.108
Depreciation and writedown 31 December 2023	<u>-155.331</u>	<u>-149.953</u>
Carrying amount, 31 December 2023	<u>24.877</u>	<u>28.444</u>

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
13. Other fixtures and fittings, tools and equipment		
Cost 1 January 2023	5.004	4.613
Additions during the year	105	391
Transfers	-526	0
Cost 31 December 2023	<u>4.583</u>	<u>5.004</u>
Amortisation and writedown 1 January 2023	-4.062	-3.490
Amortisation and depreciation for the year	-367	-572
Transfers	486	0
Amortisation and writedown 31 December 2023	<u>-3.943</u>	<u>-4.062</u>
Carrying amount, 31 December 2023	<u>640</u>	<u>942</u>
14. Property, plant, and equipment under construction including pre-payments for property, plant, and equipment		
Cost 1 January 2023	1.890	174
Additions during the year	1.658	1.875
Disposals during the year	-208	-159
Cost 31 December 2023	<u>3.340</u>	<u>1.890</u>
Carrying amount, 31 December 2023	<u>3.340</u>	<u>1.890</u>

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
15. Investments in subsidiaries		
Cost 1 January 2023	278.317	278.317
Additions during the year	<u>414.328</u>	<u>0</u>
Cost 31 December 2023	<u>692.645</u>	<u>278.317</u>
Revaluations, opening balance 1 January 2023	<u>-64.718</u>	<u>-64.718</u>
Writedown 31 December 2023	<u>-64.718</u>	<u>-64.718</u>
Carrying amount, 31 December 2023	<u>627.927</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 %	33.642	3.504
Wienerberger AB, Sweden	100 %	12.237	5.898
Egersund Wienerberger Production A/S, Danmark	100 %	242.774	10.511
Komproment Holding af 2007 ApS, Danmark	100 %	21.159	444

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
16. Contributed capital		
Contributed capital 1 January 2023	11.766	11.766
	<u>11.766</u>	<u>11.766</u>

There has been no changes in share capital in 2020-2023. In 2019 the share capital were increased by nominal DKK 1,765 thousand.

17. Provisions for deferred tax

Provisions for deferred tax 1 January 2023	-257.690	-299.921
Change in deffered tax	<u>22.626</u>	<u>42.231</u>
	-235.064	-257.690
Valuation allowance	<u>235.064</u>	<u>257.690</u>
	<u>0</u>	<u>0</u>

The following items are subject to deferred tax:

Property, plant, and equipment	-26.679	-36.166
Provisions	-18.324	-16.600
Tax loss carry forward	-190.061	-204.924
Valuation allowance	<u>235.064</u>	<u>257.690</u>
	<u>0</u>	<u>0</u>

No deferred tax asset has been recognized in the annual report as Management has assessed that the utilization within a reasonable period of time af such tax asset is uncertain.

Not recognized deferred tax amounts to DKK 235,1 million at 31 December 2023 (DKK 257,7 million at 31 December 2022)

18. Other provisions

Other provisions 1 January 2023	6.215	6.325
Change in other provisions for the year	<u>-291</u>	<u>-110</u>
	<u>5.924</u>	<u>6.215</u>

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

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
19. Payables to group enterprises		
Total payables to group enterprises	<u>300.000</u>	<u>195.000</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
20. Other payables		
Total other payables	<u>6.376</u>	<u>6.160</u>
Share of liabilities due after 5 years	<u>5.898</u>	<u>5.735</u>

21. Contingencies

Contingent liabilities

The company has entered into leasing agreements with minimum lease payments of DKK 7,504 thousand (2022: 7,940 thousand)

Bank guarantees have been used to secure liabilities toward third parties of DKK 1,975 thousand. (2022: DKK 1,575 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.

Notes

DKK thousand.

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. Egernsund 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.

Consolidated financial statements

The consolidated financial statement can be obtained at:

<https://annualreport.wienerberger.com/2023/>