

Egernsund Wienerberger A/S
Rørmosevej 85
Helsingør

Cvr. nr. 10 50 23 06

Annual report 2019

The annual report was presented and
approved at the general meeting of
the Company on 8 September 2020

Chairman

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Management's statement on the annual report

The Board of Directors and the Executive board have today discussed and approved the annual report of Egersund Wienerberger A/S for the financial year 1 January - 31 December 2019.

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

In our opinion, the financial statement gives a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the year 1 January - 31 December 2019.

Further, in our opinion, the Management's review includes a fair review of the development in the Company's activities and financial matters, of the result for the year and the financial position.

We recommend that the annual report be approved at the annual general meeting.

Helsingør, 8 September 2020

Executive Board

Henrik Dietrichsen

Andreas Christensen

Board of Directors

Johan Van Der Biest
Chairman

Wolfgang Rainer

Andreas Christensen

Independent auditor's report

To the Shareholders of Wienerberger A/S

Opinion

We have audited the financial statements of Egersund Wienerberger A/S for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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 the Management's review

Management is responsible for the Management's review.

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

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

Statement on the Management's review

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

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

Copenhagen, 8 September 2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR no. 33 96 35 56

Flemming Larsen

State Authorised

Public Accountant

MNE no. 27790

Management's review

Company details

The Company

Egersund Wienerberger A/S
Rørmosevej 85
Helsinge

Telephone: 70 13 13 22

CVR no.: 10 50 23 06

Financial period: 1 January - 31 December

Registration office: Helsinge

Board of Directors

Johan Van Der Biest, Chairman
Wolfgang Rainer
Andreas Christensen

Executive Board

Henrik Dietrichsen
Andreas Christensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S

Financial statements 1 January - 31 December**Management's review**

	2019	2018	2017	2016	2015
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Key figures					
Gross profit	45,628	51,688	38,780	27,276	18,887
Ordinary operating loss	-24,566	-12,157	-17,370	-23,255	-28,116
Net financials	-5,883	-6,618	-9,670	-7,347	-8,224
Profit/loss for the year	-27,033	-15,620 *	-19,045	-27,198	-47,344
Balance sheet					
Balance sheet total	365,821	210,762 *	183,909	142,372	157,397
Investment in property, plant and equipment for the year	8,070	18,970	28,474	12,423	9,094
Equity	81,496	31,857 *	43,897	-9,590	17,336
Ratios					
Return on assets	-6.7%	-5.9%	-9.4%	-13.9%	-24.9%
Solvency ratio	22.2%	15.1% *	23.7%	-6.7%	11.0%

The change in accounting policies related to recognition of group enterprises has not lead to restatement of key figures in 2015-2017.

* Figures have been restated in 2018 due to change in accounting policies. See note 1 for further information.

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definition, see under accounting policies.

Management's review

Operating review

Principal activities

The Danish part of Egersund Wienerberger A/S activities comprises production and sale of bricks from Danish brick factories in Helsingør and Stenstrup. From 1. January 2020 sales from all daughter companies are included. Egersund Wienerberger A/S owns the subsidiaries in Sweden and Norway and sales are carried out via those subsidiaries.

Development of the year

The market has in general been positive in 2019. Gross profit is lower in 2019 than in 2018 which has been driven by higher production costs and general maintenance of production facilities and this has had a negative effect on the margin.

The loss for 2019 amounted to DKK 27,033 thousand which in 2019 is affected by restructuring of the Danish business. The 4 acquisitions made in November 2019 of Vesterled Teglværk A/S, Helligsø Teglværk A/S, A/S Bachmanns Teglværk and Egersund A.m.b.a has driven significant integration- and acquisition costs. These costs cover among others ERP expenses and consultants.

In 2019 Egersund Wienerberger A/S has changed the accounting policy concerning recognition of group subsidiaries. Previously these group subsidiaries have been recognized under the equity method but is in 2019 changed to being recognized at cost less any impairments. The impairment profit has been DKK 2.799 thousand related to Norway and Sweden.

Outlook

We expect the acquisition to have a positive impact on the result for 2020. The acquisition has given a strong plant network to service the Danish market and export markets which puts Egersund Wienerberger A/S in a significant better market position going forward. Sales and marketing platforms are strengthened and enables Egersund Wienerberger A/S to service the existing market as well as potentially new markets.

Environmental input

Egersund Wienerberger A/S impact the external environment primarily through emissions and energy consumption.

In 2016 Egersund Wienerberger A/S has pledged its commitment to the Danish Energy Agency (Den Danske Energistyrelse) to work with energy optimization, and energy management has been implemented in corporation with the Lime and Brickworks Association, Enviscan Advisors and FORCE as the certification authority.

A project was commenced in 2015 to optimize the energy usage in the production process.

Emissions are measured and together with Ewii a trial regarding scrubbing of the exhaust air has been initiated. Emission are in compliance and it is a standard in Egersund Wienerberger A/S to work with continuous improvements regarding emission and therefore the emissions are controlled.

The wastewater from the production process is cleaned locally at the factories. Solid waste is handled by a certified company.

Management's review

Operating review

Capital structure

The company's balance sheet shows total asset of DKK 365,821 thousand and positive equity of DKK 81,496 thousand. In 2019, the company's capital structure was strengthened by conversion of the loan to equity.

Subsequent events

Egersund Wienerberger A/S is following Corona virus and 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 hasn't until July discovered any impact on sale and production.

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

Financial statements 1 January - 31 December

Income statement

	Note	2019 DKK'000	2018 DKK'000
Gross profit		45,628	51,688
Staff costs	2	-58,088	-55,939
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3-4	-12,106	-7,906
Ordinary operating profit		-24,566	-12,157
Financial income		93	52
Impairment losses on financial assets	5	2,799	3,155
Financial costs	6	-5,359	-6,670
Loss before tax		-27,033	-15,620
Tax on profit/loss for the year		0	0
Loss for the year	7	-27,033	-15,620

Financial statements 1 January - 31 December

Balance sheet

	Note	2019 DKK'000	2018 DKK'000
ASSETS			
Fixed assets			
Software		186	158
Clay rights		1,539	4,671
Intangible assets	3	1,725	4,829
Land & building		9,851	11,526
Plant and machinery		52,368	52,015
Property, plant and equipment in progress		612	637
Other fixtures and fittings, tools and equipment		1,379	1,467
Tangible assets	4	64,210	65,645
Investment in subsidiaries		213,599	52,742
Investments	5	213,599	52,742
Total fixed assets		279,534	123,216
Current assets			
Raw materials and consumables		13,382	17,316
Work in progress		1,866	1,972
Finished goods and goods for resale		50,535	40,288
Inventory		65,783	59,576
Trade receivables		13,091	17,860
Receivables from group enterprises		1,526	3,028
Other receivables		5,887	7,082
Receivables		20,504	27,970
Total current assets		86,287	87,546
TOTAL ASSETS		365,821	210,762

Financial statements 1 January - 31 December

Balance sheet

	Note	2019 DKK'000	2018 DKK'000
EQUITY AND LIABILITIES			
Contributed capital		11,766	10,001
Retained earnings		69,730	21,856
Total equity	8	81,496	31,857
Other provisions		101	551
Total provisions	9	101	551
Payables to group enterprises		195,000	135,000
Other long term payables		26,345	0
Non-current liabilities other than provisions	10	221,345	135,000
Trade payables		16,347	18,059
Payables to group enterprises		35,988	14,510
Leasing obligations		648	790
Other payables		9,896	9,995
Current liabilities other than provisions		62,879	43,354
Total liabilities other than provisions		284,224	178,354
Total equity and liabilities		365,821	210,762
Contractual obligations, contingencies, etc.	9		
Related party disclosures	11		

Financial statements 1 January - 31 December

Statement of changes in equity

	<u>Share capital</u>	<u>Retained</u> <u>earnings</u>	<u>Total</u>
	DKK'000	DKK'000	DKK'000
Share capital at 1 January 2019	10,001	16,613	26,614
Changes in accounting principles	0	5,150	5,150
Adjusted equity at 1 January 2019	10,001	21,763	31,764
Share capital addition	1,765	0	1,765
Group contributions etc.	0	75,000	75,000
Net profit/loss for the year	0	-27,033	-27,033
Equity at 31 December 2019	11,766	69,730	81,496

Notes

1 Financial statements 1 January - 31 December

Accounting policies

The annual report of Egersund Wienerberger A/S for 2019 has been prepared in accordance with the provisions applying to reporting class C entities under the Danish Financial Statements Act.

In 2019, the Company has changed its accounting policy in the financial statements concerning the recognition of group enterprises so that they are recognised at cost less any impairment. Dividends received is recognised as income from group enterprises. Previously, group enterprises were recognised under the equity method. The policy change is made in order to present the direct return on investment in group enterprises in the form of dividends received. The policy change has affected net profit and balance sheet total in 2018:

	<u>2019</u>	<u>2018</u>	<u>Deviation</u>
	DKK'000	DKK'000	DKK'000
Loss for the year 2018	-15,620	-15,090	- 530
Total equity 2018	31,857	26,614	5,243
Balance sheet 2018	210,762	205.519	5,243

Comparative figures have been restated.

Apart from the above-mentioned, accounting policies remain unchanged compared to prior years.

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

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Wienerberger AG, Austria.

Recognition and measurement

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.

Notes

1 Financial statements 1 January - 31 December

Accounting policies (continued)

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

Gross profit

The Company uses the regulations in the Danish Financial Statements Act §32, after which the company's revenue is not stated.

Gross profit comprise revenue, other external expenses and cost of sales.

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.

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.

Notes

1 Financial statements 1 January - 31 December

Accounting policies (continued)

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

Tax on profit/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).

Balance Sheet

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.

Notes

1 Financial statements 1 January - 31 December

Accounting policies (continued)

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:

Land & 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.

Investments in group enterprises

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.

Notes

1 Financial statements 1 January - 31 December

Accounting policies (continued)

Impairment of 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.

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.

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.

Corporation 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.

Notes

1 Financial statements 1 January - 31 December

Accounting policies (continued)

Corporation tax and deferred tax (continued)

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.

Liabilities

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.

Leasing obligations

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. Egernsund Wienerberger A/S has used IAS17 as interpretation of leasing obligations concerning financial leasing.

Financial Highlights overview

Explained key figures.

Solvency ratio	$\frac{\text{Equity at year end X 100}}{\text{Total assets}}$
Return on assets	$\frac{\text{Profit before financials X 100}}{\text{Total assets}}$

Financial statements 1 January - 31 December

Notes

	2019	2018
	Dkk'000	Dkk'000
2 Staff costs		
Wages and salaries	52,392	50,495
Pension	4,027	3,950
Other social security costs	739	379
Other staff costs	930	1,115
	58,088	55,939
Average number of employees	98	99

Total salaries to Executive board in 2019: DKK 2,532 thousand (2018: DKK 2,579 thousand)
The salaries does not include salaries re-charged to other group entities.

Notes

	Clay rights	Software	Total
	Dkk'000	Dkk'000	Dkk'000
Cost at 1 January 2019	14,423	707	15,130
Additions for the year	0	143	143
Disposals for the year	0	0	0
Cost at 31 December 2019	14,423	850	15,273
Depreciation at 1 January 2019	-9,752	-549	-10,301
Depreciation for the year	-3,132	-115	-3,247
Reversed depreciation	0	0	0
Depreciation at 31 December 2019	-12,884	-664	-13,548
Carrying amount at 31 December 2019	1,539	186	1,725

Financial statements 1 January - 31 December

Notes

4 Tangible assets

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Asset under construc- tion	Total
	Dkk'000	Dkk'000	Dkk'000	Dkk'000	Dkk'000
Cost at 1 January 2019	43,431	177,901	3,821	637	225,790
Additions for the year	179	6,938	341	612	8,070
Disposals for the year	-1,055	-15,912	-461	-637	-18,065
Cost at 31 December 2019	<u>42,555</u>	<u>168,927</u>	<u>3,701</u>	<u>612</u>	<u>215,795</u>
Depreciation at 1 January 2019	-31,905	-125,886	-2,354	0	-160,145
Depreciation for the year	-1,854	-6,585	-420	0	-8,859
Reversed depreciation	1,055	15,912	452	0	17,419
Depreciation at 31 December 2019	<u>-32,704</u>	<u>-116,559</u>	<u>-2,322</u>	<u>0</u>	<u>-151,585</u>
Carrying amount at 31 December 2019	<u>9,851</u>	<u>52,368</u>	<u>1,379</u>	<u>612</u>	<u>64,210</u>

Financial statements 1 January - 31 December

Notes

	2019	2018
	Dkk'000	Dkk'000
5 Investment in subsidiaries		
Cost at 1 January 2019	120,258	120,258
Additions for the year	158,058	0
Cost at 1 December 2019	278,316	120,258
Revaluations at 1 January 2019	-67,516	-70,671
Exchange adjustment	0	0
Impairment profit on financial assets	2,799	3,155
Net profit/loss for the year	0	0
Revaluations at 31 December 2019	-64,717	-67,516
Carrying amount at 31 December 2019	213,599	52,742

Investments in subsidiaries are specified as follows in 2019:

Name	Registered in	Equity interest - %	Equity	Profit/loss
			Dkk'000	Dkk'000
Wienerberger AS	Norway	100%	24,503	1,255
Wienerberger AB	Sweden	100%	23,365	-651
Vesterled Teglværk A/S	Denmark	100%	94,615	22,965 *
Helligsø Teglværk A/S	Denmark	100%	39,244	15,305 *
Bachmanns Teglværker A/S	Denmark	100%	8,974	2,520 *

* The profit and loss is for the year 2019, but Egersund Wienerberger has acquired the companies per 7/11-2019.

	2019	2018
	Dkk'000	Dkk'000
6 Financial costs		
Financial expences from group enterprises	4,499	6,007
Financial expences	860	663
	5,359	6,670

Financial statements 1 January - 31 December

Notes

	2019	2018
	Dkk'000	Dkk'000
7 Profit appropriation/distribution of loss		
Retained earnings	-27,033	-15,620
	<u>-27,033</u>	<u>-15,620</u>

8 Share capital

There has been changes in share capital 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.

9 Contractual obligations, contingencies, etc.

The company has entered into leasing agreements with minimum lease payments of DKK 3,123 thousand (2018: 4,439 thousand)

Bank guarantees have been used to secure liabilities toward third parties of DKK 1,125 thousand. (2018: DKK 825 thousand).

The company is from 07.11.2019 jointly taxed with the acquired danish companies and are therefore jointly liable.

10 Non-current liabilities other than provisions

Of the Non-current liabilities other than provisions, DKK 221,345 thousand, the amount is due:

Due next 12 months:	DKK	0 thousand
Due 1-5 years	DKK	221,345 thousand
Due after 5 years	DKK	0 thousand

11 Related party disclosures

Wienerberger West European Holding GmbH, Wienerbergerplatz 1, Vienna, Austria owns 85 % of the Company's share capital and Vesten Holding A/S, Vandmøllevvej 1, Sønderborg owns 15% 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. The consolidated financial statement can be obtained

<https://www.wienerberger.com/content/dam/corp/corporate-website/downloads/investors-downloads/2019/Annual%20Report%202019.pdf>

Related party transactions

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