
DS Stålprofil A/S

Andrupvej 9, DK-9500 Hobro

Annual Report for
1 July 2022 - 31 March 2023

CVR No. 25 13 09 44

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 19/9 2023

Simon Bisgaard
Chairman of the
general meeting



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Management's statement

The Executive Board and Supervisory Board have today considered and adopted the Financial Statements of DS Stålprofil A/S for the financial year 1 July 2022 - 31 March 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 March 2023 of the Company and of the results of the Company operations for 2022/23.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hobro, 19 September 2023

Executive Board

Thomas Rasmussen
CEO

Supervisory Board

Dr. Benedikt Benjamin Krings
Chairman

Florian Laxander

Hans Jörg Frieauff

Independent Auditor's report

To the shareholder of DS Stålprofil A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2023 and of the results of the Company's operations for the financial year 1 July 2022 - 31 March 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DS Stålprofil A/S for the financial year 1 July 2022 - 31 March 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

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.

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, in our view, 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 in Management's Review.

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.

Independent Auditor's report

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.

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 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.

Aarhus, 19 September 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jens Weiersøe Jakobsen

State Authorised Public Accountant

mne30152

Thyge Belter

State Authorised Public Accountant

mne30222

Company information

The Company	DS Stålprofil A/S Andrupvej 9 DK-9500 Hobro CVR No: 25 13 09 44 Financial period: 1 July 2022 - 31 March 2023 Incorporated: 22 December 1999 Financial year: 24th financial year Municipality of reg. office: Mariagerfjord
Supervisory Board	Dr. Benedikt Benjamin Krings, chairman Florian Laxander Hans Jörg Frieauff
Executive Board	Thomas Rasmussen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2022/23	2021/22	2020/21	2019/20	2018/19
	TDKK 9 months	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	34,919	81,478	70,966	50,874	49,396
Profit/loss before financial income and expenses	3,456	35,752	29,685	12,289	11,178
Profit/loss of financial income and expenses	-399	-514	-491	-126	-293
Net profit/loss	2,416	27,526	22,795	9,466	8,180
Balance sheet					
Balance sheet total	144,611	183,992	152,266	112,229	119,218
Investment in property, plant and equipment	5,499	10,486	3,700	1,959	5,397
Equity	77,982	75,566	58,040	42,246	39,780
Number of employees	69	70	73	69	69
Ratios					
Return on assets	2.4%	19.4%	19.5%	10.9%	9.4%
Solvency ratio	53.9%	41.1%	38.1%	37.6%	33.4%
Return on equity	3.1%	41.2%	45.5%	23.1%	20.4%

Management's review

Key activities

The Company's activities consist of production and sale of profiled thin plate products.

Change of financial year

The company has chosen to change the financial year-end from 30 June to 31 March.

The reason for the change is the adaption to the new group relationship established.

The change imply that the financial year 2022/2023 has been shortened by 3 months and constitutes the period 1 July 2022 - 31 March 2023 or a total of 9 months, while the comparative figures for 2021/2022 in the annual accounts cover a period of 12 months.

Development in the year

The year's result shows a profit of TDKK 2.416. The company's management considers the year's result to be unsatisfactory and not in line with expectations.

The past year and follow-up on development expectations from last year

The year's result was TDKK 2.416. The reason can primarily be attributed to macroeconomic conditions.

The company expects a profit before interest and tax of DKK 10 - 25 million for 2023/24

Capital resources

DS Stålprofil A/S' primary resources are its employees and processes.

Special risks - operating risks and financial risks

Foreign exchange risks

The Company is exposed to currency risks with respect to day-to-day operations. Currency risks are, however, assessed to be relatively low. Cash and cash equivalents are invested in currency for hedging purposes.

Interest rate risks

As a result of the Company's equity ratio and financial resources, moderate changes in the interest rate level will have no significant direct impact on earnings. Consequently, interest rate risks are not hedged.

Credit risks

The Company's credit risks are primarily related to trade receivables. In accordance with the Company's credit risk assumption policy, all major customers and businesspartners are subject to continuous credit assessment.

External environment

The Company's activities are relatively energy intensive. Therefore, Management makes continuous investments in various types of environmental and energy-saving measures. Besides the above, the Company's activities do not impact the external environment to any significant extent.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 July 2022 - 31 March 2023

	Note	2022/23 TDKK 9 months	2021/22 TDKK 12 months
Gross profit		34,919	81,478
Staff expenses	1	-27,599	-40,913
Earnings Before Interest Taxes Depreciation and Amortization		7,320	40,565
Depreciation and impairment losses of property, plant and equipment		-3,864	-4,670
Other operating expenses		0	-143
Profit/loss before financial income and expenses		3,456	35,752
Financial income	2	2	0
Financial expenses	3	-401	-514
Profit/loss before tax		3,057	35,238
Tax on profit/loss for the year	4	-641	-7,712
Net profit/loss for the year	5	2,416	27,526

Balance sheet 31 March 2023

Assets

	Note	2022/23 TDKK	2021/22 TDKK
Land and buildings		8,801	9,541
Plant and machinery		19,971	18,514
Other fixtures and fittings, tools and equipment		2,674	1,797
Property, plant and equipment in progress		2,340	4,288
Property, plant and equipment	6	<u>33,786</u>	<u>34,140</u>
Fixed assets		<u>33,786</u>	<u>34,140</u>
Raw materials and consumables		57,698	76,991
Work in progress		2,149	1,369
Inventories		<u>59,847</u>	<u>78,360</u>
Trade receivables		45,979	61,404
Receivables from group enterprises		1,171	749
Other receivables		268	7,142
Corporation tax		647	0
Prepayments		67	161
Receivables		<u>48,132</u>	<u>69,456</u>
Cash at bank and in hand		<u>2,846</u>	<u>2,036</u>
Current assets		<u>110,825</u>	<u>149,852</u>
Assets		<u>144,611</u>	<u>183,992</u>

Balance sheet 31 March 2023

Liabilities and equity

	Note	2022/23 TDKK	2021/22 TDKK
Share capital		5,000	5,000
Retained earnings		72,982	70,566
Equity		77,982	75,566
Provision for deferred tax	7	1,457	1,347
Provisions		1,457	1,347
Credit institutions		2,764	2,469
Trade payables		26,061	60,947
Payables to group enterprises		25,461	18,385
Corporation tax		0	7,701
Other payables		10,886	17,577
Short-term debt		65,172	107,079
Debt		65,172	107,079
Liabilities and equity		144,611	183,992
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 July	5,000	70,566	75,566
Net profit/loss for the year	0	2,416	2,416
Equity at 31 March	5,000	72,982	77,982

Notes to the Financial Statements

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
1. Staff Expenses		
Wages and salaries	24,499	36,578
Pensions	1,795	2,614
Other social security expenses	322	405
Other staff expenses	983	1,316
	<u>27,599</u>	<u>40,913</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	<u>69</u>	<u>70</u>
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	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
2. Financial income		
Other financial income	<u>2</u>	<u>0</u>
	<u>2</u>	<u>0</u>

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
3. Financial expenses		
Interest paid to group enterprises	258	266
Other financial expenses	79	122
Exchange adjustments, expenses	64	126
	<u>401</u>	<u>514</u>

	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
4. Income tax expense		
Current tax for the year	532	7,701
Deferred tax for the year	109	11
	<u>641</u>	<u>7,712</u>

Notes to the Financial Statements

	2022/23	2021/22
	TDKK	TDKK
5. Profit allocation		
Retained earnings	2,416	27,526
	<u>2,416</u>	<u>27,526</u>

6. Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 July	33,950	67,779	6,698	4,288
Additions for the year	0	0	1,483	2,068
Disposals for the year	0	0	-55	0
Transfers for the year	0	4,016	0	-4,016
Cost at 31 March	<u>33,950</u>	<u>71,795</u>	<u>8,126</u>	<u>2,340</u>
Impairment losses and depreciation at 1 July	24,409	49,265	4,901	0
Depreciation for the year	740	2,559	565	0
Reversal for the year of previous years impairment losses	0	0	-14	0
Impairment losses and depreciation at 31 March	<u>25,149</u>	<u>51,824</u>	<u>5,452</u>	<u>0</u>
Carrying amount at 31 March	<u>8,801</u>	<u>19,971</u>	<u>2,674</u>	<u>2,340</u>

	2022/23	2021/22
	TDKK	TDKK
7. Provision for deferred tax		
Deferred tax liabilities at 1 July	1,347	1,336
Amounts recognised in the income statement for the year	110	11
Deferred tax liabilities at 31 March	<u>1,457</u>	<u>1,347</u>

Notes to the Financial Statements

	2022/23	2021/22
	TDKK	TDKK

8. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	326	215
Between 1 and 5 years	234	236
	<u>560</u>	<u>451</u>

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of DS Gruppen A/S, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

9. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
DS Gruppen A/S, Mariagerfjord	Parent company
Ortwin Goldbeck Holding SE	Ultimate parent company in the group

Transactions

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

Consolidated Financial Statements

The entity is included in the consolidated Financial Statements of:

<u>Name</u>	<u>Place of registered office</u>
DS Gruppen A/S	Mariagerfjord

Notes to the Financial Statements

10. Accounting policies

The Annual Report of DS Stålprofil A/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022/23 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of , the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings	10-20 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-8 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$