
DS Stålprofil A/S

Andrupvej 9A, DK-9500 Hobro

Annual Report for 1 July 2021 - 30 June 2022

CVR No 25 13 09 44

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
29/11 2022

Ole Kjærsgaard
Chairman of the General
Meeting



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Management's Statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of DS Stålprofil A/S for the financial year 1 July 2021 - 30 June 2022.

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 30 June 2022 of the Company and of the results of the Company operations for 2021/22.

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

Hobro, 29 November 2022

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 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 - 30 June 2022 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 2021 - 30 June 2022, 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 Financials 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.

Independent Auditor's Report

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.

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.

Independent Auditor's Report

- 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, 29 November 2022

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 9A
DK-9500 Hobro

CVR No: 25 13 09 44

Financial period: 1 July - 30 June

Incorporated: 22 December 1999

Financial year: 23rd 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
Nobelparken
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Financial Highlights

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

	2021/22	2020/21	2019/20	2018/19	2017/18
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	81.478	70.966	50.874	49.396	50.516
Profit/loss before financial income and expenses	35.752	29.685	12.289	11.178	12.317
Net financials	-514	-491	-126	-293	-468
Net profit/loss for the year	27.526	22.795	9.466	8.180	9.219
Balance sheet					
Balance sheet total	183.992	152.266	112.229	119.218	126.394
Equity	75.566	58.040	42.246	39.780	40.600
Investment in property, plant and equipment	10.486	3.700	1.959	5.397	2.356
Number of employees	70	73	69	69	71
Ratios					
Return on assets	19,4%	19,5%	10,9%	9,4%	9,7%
Solvency ratio	41,1%	38,1%	37,6%	33,4%	32,1%
Return on equity	41,2%	45,5%	23,1%	20,4%	22,2%

Management's Review

Key activities

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

Development in the year

The income statement of the Company for 2021/22 shows a profit of TDKK 27,526, and at 30 June 2022 the balance sheet of the Company shows equity of TDKK 75,566.

The realised results exceed the earnings expectations according to the budget for the financial year 1 July 2021 - 30 June 2022.

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

Results for the year increased by DKK 4.731 thousand compared to 2020/21. The increase is primarily a result of better capacity utilisation through a changed product mix. The revenue increase is based on rising commodity prices.

The Company expects to realise a profit for 2022/2023.

Capital resources

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

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 business partners are subject to continuous credit assessment.

Management's Review

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 - 30 June

	Note	2021/22 TDKK	2020/21 TDKK
Gross profit/loss		81.478	70.966
Staff expenses	1	-40.913	-36.477
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-4.670	-4.804
Other operating expenses		-143	0
Profit/loss before financial income and expenses		35.752	29.685
Financial expenses	2	-514	-491
Profit/loss before tax		35.238	29.194
Tax on profit/loss for the year	3	-7.712	-6.399
Net profit/loss for the year		27.526	22.795

Balance Sheet 30 June

Assets

	Note	2021/22 TDKK	2020/21 TDKK
Land and buildings		9.541	10.573
Plant and machinery		18.514	15.191
Other fixtures and fittings, tools and equipment		1.797	2.386
Property, plant and equipment in progress		4.288	222
Property, plant and equipment	4	34.140	28.372
Fixed assets		34.140	28.372
Raw materials and consumables		76.991	49.882
Work in progress		1.369	2.484
Inventories		78.360	52.366
Trade receivables		61.404	60.161
Receivables from group enterprises		749	340
Other receivables		7.142	3.556
Prepayments		161	303
Receivables		69.456	64.360
Cash at bank and in hand		2.036	7.168
Currents assets		149.852	123.894
Assets		183.992	152.266

Balance Sheet 30 June

Liabilities and equity

	Note	2021/22 TDKK	2020/21 TDKK
Share capital		5.000	5.000
Retained earnings		70.566	43.040
Proposed dividend for the year		0	10.000
Equity		75.566	58.040
Provision for deferred tax	6	1.347	1.336
Provisions		1.347	1.336
Credit institutions		2.469	567
Trade payables		60.947	52.260
Payables to group enterprises		18.385	18.619
Corporation tax		7.701	6.323
Other payables		17.577	15.121
Short-term debt		107.079	92.890
Debt		107.079	92.890
Liabilities and equity		183.992	152.266
Distribution of profit	5		
Contingent assets, liabilities and other financial obligations	7		
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Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	5.000	43.040	10.000	58.040
Ordinary dividend paid	0	0	-10.000	-10.000
Net profit/loss for the year	0	27.526	0	27.526
Equity at 30 June	5.000	70.566	0	75.566

Notes to the Financial Statements

	<u>2021/22</u>	<u>2020/21</u>
	TDKK	TDKK
1 Staff expenses		
Wages and salaries	36.578	32.652
Pensions	2.614	2.430
Other social security expenses	405	423
Other staff expenses	1.316	972
	<u>40.913</u>	<u>36.477</u>
Average number of employees	<u>70</u>	<u>73</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
2 Financial expenses		
Interest paid to group enterprises	266	270
Other financial expenses	122	107
Exchange adjustments, expenses	126	114
	<u>514</u>	<u>491</u>
3 Tax on profit/loss for the year		
Current tax for the year	7.701	6.323
Deferred tax for the year	11	76
	<u>7.712</u>	<u>6.399</u>

Notes to the Financial Statements

4 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	66.185	9.980	222
Additions for the year	0	6.461	55	4.066
Disposals for the year	0	-4.867	-3.337	0
Cost at 30 June	<u>33.950</u>	<u>67.779</u>	<u>6.698</u>	<u>4.288</u>
Impairment losses and depreciation at 1 July	23.377	50.994	7.594	0
Depreciation for the year	1.032	2.995	644	0
Reversal of impairment and depreciation of sold assets	0	-4.724	-3.337	0
Impairment losses and depreciation at 30 June	<u>24.409</u>	<u>49.265</u>	<u>4.901</u>	<u>0</u>
Carrying amount at 30 June	<u>9.541</u>	<u>18.514</u>	<u>1.797</u>	<u>4.288</u>

5 Distribution of profit

	2021/22 TDKK	2020/21 TDKK
Proposed dividend for the year	0	10.000
Retained earnings	<u>27.526</u>	<u>12.795</u>
	<u>27.526</u>	<u>22.795</u>

6 Provision for deferred tax

Provision for deferred tax at 1 July	1.336	1.260
Amounts recognised in the income statement for the year	<u>11</u>	<u>76</u>
Provision for deferred tax at 30 June	<u>1.347</u>	<u>1.336</u>

Notes to the Financial Statements

7 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	215	72
Between 1 and 5 years	236	0
	<u>451</u>	<u>72</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 un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

8 Related parties

Basis

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:

Name

Place of registered office

DS Gruppen A/S

Mariagerfjord

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of DS Stålprofil A/S for 2021/22 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 2021/22 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 DS Gruppen A/S, 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

Notes to the Financial Statements

9 Accounting Policies (continued)

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.

Income Statement

Revenue

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 and distribution as well as office expenses, etc.

Gross profit/loss

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.

Notes to the Financial Statements

9 Accounting Policies (continued)

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, 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.

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 raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Notes to the Financial Statements

9 Accounting Policies (continued)

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

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and 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 goods for resale, 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.

Notes to the Financial Statements

9 Accounting Policies (continued)

Prepayments

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

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity 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 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 liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

Notes to the Financial Statements

9 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

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