

Annual report for the period 1 July 2022 to 31 March 2023

Railsafe ApS

Industrivej 11, 4200 Slagelse

CVR no. 34 46 17 16

Adopted at the annual general meeting on 7
June 2023

Vagn Wiis
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Railsafe ApS for the financial year 1 July 2022 - 31 March 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 March 2023 and of the results of the company's operations for the financial year 1 July 2022 - 31 March 2023.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Slagelse, 7 June 2023

Executive board

Vagn Wiis

Independent auditor's report

To the shareholder of Railsafe ApS

Opinion

We have audited the financial statements of Railsafe ApS for the financial year 1 July 2022 - 31 March 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 company's financial position 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.

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 requirements and 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 the 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 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.

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 Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 7 June 2023

Grant Thornton
Statsautoriseret Revisionspartnerselskab
CVR no. 34 20 99 36

Michael Beuchert
Statsautoriseret revisor
MNE no. mne32794

Company details

The company

Railsafe ApS
Industrivej 11
4200 Slagelse

CVR no.: 34 46 17 16

Reporting period: 1 July 2022 - 31 March 2023

Incorporated: 19 March 2012

Financial year: 11st financial year

Domicile: Slagelse

Executive board

Vagn Wiis

Auditors

Grant Thornton
Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 Copenhagen

Management's review

Business review

The purpose of the company is activities related to safety of rail safety.

Financial review

The company's income statement for the year ended 31 March 2023 shows a profit of DKK 98.010, and the balance sheet at 31 March 2023 shows equity of DKK 1.787.898.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Railsafe ApS for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The company has changed the accounting year from 1/7-30/6 to being 1/4 - 31/3. Due to the change this annual report only covers the changing period 1/7 2022 - 31/3 2023. Thus actual figures covers 9 months while comparative figures covers 12 months.

The accounting policies applied are consistent with those of last year.

The annual report for 2022/23 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Accounting policies

Leases

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment 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 that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Accounting policies

Tax on profit/loss for the year

Balance sheet

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %
Leasehold improvements	5 years	0 %

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Impairment of fixed assets

The carrying amount of items of property, plant and equipment is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Accounting policies

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Accounting policies

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Income statement 1 July 2022 - 31 March 2023

	<u>Note</u>	2022/23 (9 months) DKK	2021/22 (12 months) DKK
Gross profit		19.103.412	22.931.925
Staff costs	1	<u>-18.774.195</u>	<u>-22.375.851</u>
Profit/loss before amortisation/depreciation and impairment losses		329.217	556.074
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-128.012	-173.939
Other operating costs		<u>0</u>	<u>-3.186</u>
Profit/loss before net financials		201.205	378.949
Financial income		0	2.305
Financial costs		<u>-58.582</u>	<u>-53.959</u>
Profit/loss before tax		142.623	327.295
Tax on profit/loss for the year	2	<u>-44.613</u>	<u>-90.057</u>
Profit/loss for the year		<u>98.010</u>	<u>237.238</u>
Recommended appropriation of profit/loss			
Proposed dividend for the year		0	1.000.000
Retained earnings		<u>98.010</u>	<u>-762.762</u>
		<u>98.010</u>	<u>237.238</u>

Balance sheet at 31 March 2023

	<u>Note</u>	<u>2022/23</u> DKK	<u>2021/22</u> DKK
Assets			
Other fixtures and fittings, tools and equipment		62.185	280.197
Leasehold improvements		<u>0</u>	<u>0</u>
Tangible assets		<u>62.185</u>	<u>280.197</u>
Total non-current assets		<u>62.185</u>	<u>280.197</u>
Trade receivables		1.109.136	348.164
Contract work in progress		78.000	215.950
Receivables from Group companies		2.816.567	9.798.787
Other receivables		<u>346.440</u>	<u>185.580</u>
Receivables		<u>4.350.143</u>	<u>10.548.481</u>
Cash at bank and in hand		<u>663.415</u>	<u>0</u>
Total current assets		<u>5.013.558</u>	<u>10.548.481</u>
Total assets		<u><u>5.075.743</u></u>	<u><u>10.828.678</u></u>

Balance sheet at 31 March 2023

	<u>Note</u>	<u>2022/23</u> DKK	<u>2021/22</u> DKK
Equity and liabilities			
Share capital		80.000	80.000
Retained earnings		<u>1.707.898</u>	<u>1.609.888</u>
Equity		<u>1.787.898</u>	<u>1.689.888</u>
Provision for deferred tax		<u>47.744</u>	<u>24.779</u>
Total provisions		<u>47.744</u>	<u>24.779</u>
Other payables		<u>263.977</u>	<u>263.977</u>
Total non-current liabilities	3	<u>263.977</u>	<u>263.977</u>
Banks	3	0	563.763
Trade payables		914.826	2.926.050
Payables to subsidiaries		44.275	0
Corporation tax		105.600	83.952
Other payables		<u>1.911.423</u>	<u>5.276.269</u>
Total current liabilities		<u>2.976.124</u>	<u>8.850.034</u>
Total liabilities		<u>3.240.101</u>	<u>9.114.011</u>
Total equity and liabilities		<u>5.075.743</u>	<u>10.828.678</u>
Contingent liabilities	4		
Mortgages and collateral	5		
Related parties and ownership structure	6		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 July 2022	80.000	1.609.888	1.689.888
Net profit/loss for the year	0	98.010	98.010
Equity at 31 March 2023	<u>80.000</u>	<u>1.707.898</u>	<u>1.787.898</u>

Notes

	2022/23 (9 months) DKK	2021/22 (12 months) DKK
1 Staff costs		
Wages and salaries	14.882.875	18.447.512
Pensions	1.722.310	1.280.487
Other social security costs	225.617	252.065
Other staff costs	1.943.393	2.395.787
	<u>18.774.195</u>	<u>22.375.851</u>
Average number of employees	<u>28</u>	<u>25</u>
2 Tax on profit/loss for the year		
Current tax for the year	21.648	83.952
Deferred tax for the year	22.965	6.105
	<u>44.613</u>	<u>90.057</u>
3 Long term debt		
Other payables		
After 5 years	<u>263.977</u>	<u>263.977</u>
Non-current portion	<u>263.977</u>	<u>263.977</u>
Other short-term other debt	<u>1.911.423</u>	<u>5.276.269</u>
Current portion	<u>1.911.423</u>	<u>5.276.269</u>
	<u>2.175.400</u>	<u>5.540.246</u>

Notes

4 Contingent liabilities

Lease obligations

The company has entered into lease agreements on cars with a remaining period of 3-36 month with a total liability of DKK 2,559 thousand.

Further the company has entered into a rental agreement with a total liability of DKK 115 thousand.

5 Mortgages and collateral

The company has placed existing and future purchases of other fixtures and fittings, tools and equipment and trade receivable as security for bank debt in accordance with the rules on company charges (floating charges) with a maximum of DKK 1,000 thousand. The carrying amount of assets covered by the company charge totals DKK 1,171 thousand at 31 March 2023.

6 Related parties and ownership structure

Consolidated financial statements

The company is reflected in the group report as the parent company Swietelsky AG, Kl. Neusiedlerstrasse 24, 2401 Fischamend, Austria