
DS Elcobyg A/S

Hadsundvej 8, DK-9500 Hobro

Annual Report for 1 July 2021 - 30 June 2022

CVR No 35 98 23 10

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
29/11 22

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 Elcobyg 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

Anders Brinch Sørensen

Supervisory Board

Dr. Benedikt Benjamin Krings
Chairman

Florian Laxander

Hans Jörg Frieauff

Independent Auditor's Report

To the Shareholder of DS Elcobyg 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 Elcobyg 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

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DK-9500 Hobro

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E-mail: ds@ds-elcobyg.dk
Website: www.ds-elcobyg.dk

CVR No: 35 98 23 10
Financial period: 1 July - 30 June
Municipality of reg. office: Mariagerfjord

Supervisory Board

Dr. Benedikt Benjamin Krings, Chairman
Florian Laxander
Hans Jörg Frieauff

Executive Board

Anders Brinch Sørensen

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	133.618	117.345	97.232	132.396	101.775
Profit/loss before financial income and expenses	37.162	38.140	25.803	56.914	33.507
Net financials	-493	-306	-479	-62	-60
Net profit/loss for the year	28.640	29.510	19.749	44.322	26.086
Balance sheet					
Balance sheet total	149.056	128.653	128.656	136.371	151.143
Equity	60.173	61.531	61.533	66.272	47.950
Investment in property, plant and equipment	5.192	2.996	7.450	2.050	3.290
Number of employees	149	137	130	133	129
Ratios					
Return on assets	24,9%	29,6%	20,1%	41,7%	22,2%
Solvency ratio	40,4%	47,8%	47,8%	48,6%	31,7%
Return on equity	47,1%	48,0%	30,9%	77,6%	57,1%

Management's Review

Key activities

The company's activities consist of the production and sale of concrete elements.

Development in the year

The income statement of the Company for 2021/22 shows a profit of TDKK 28,640, and at 30 June 2022 the balance sheet of the Company shows equity of TDKK 60,173.

The realised results exceed the earnings expectations for the financial year.

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

In 2022/23, the Company expects to realise a profit in line with the current financial year.

Use of financial instruments

Financial risks

Foreign exchange 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.

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		133.618	117.345
Staff expenses	1	-91.516	-74.524
Profit/loss before depreciation		42.102	42.821
Depreciation and impairment of property, plant and equipment		-4.759	-4.664
Other operating expenses		-181	-17
Profit/loss before financial income and expenses		37.162	38.140
Financial income		351	284
Financial expenses	2	-844	-590
Profit/loss before tax		36.669	37.834
Tax on profit/loss for the year	3	-8.029	-8.324
Net profit/loss for the year		28.640	29.510

Balance Sheet 30 June

Assets

	Note	2021/22 TDKK	2020/21 TDKK
Land and buildings		21.509	23.110
Plant and machinery		15.193	13.377
Other fixtures and fittings, tools and equipment		1.722	1.686
Property, plant and equipment	4	38.424	38.173
Fixed assets		38.424	38.173
Raw materials and consumables		9.751	5.009
Inventories		9.751	5.009
Trade receivables		60.831	31.928
Contract work in progress	6	2.681	2.665
Receivables from group enterprises		6.967	15.868
Other receivables		52	3.599
Prepayments	7	532	516
Receivables		71.063	54.576
Cash at bank and in hand		29.818	30.895
Currents assets		110.632	90.480
Assets		149.056	128.653

Balance Sheet 30 June

Liabilities and equity

	Note	2021/22 TDKK	2020/21 TDKK
Share capital		5.000	5.000
Retained earnings		55.173	26.531
Proposed dividend for the year		0	30.000
Equity		60.173	61.531
Provision for deferred tax	9	11.537	7.309
Other provisions	5	700	700
Provisions		12.237	8.009
Trade payables		19.417	14.476
Contract work in progress	6	32.667	18.161
Payables to group enterprises		459	124
Corporation tax		3.799	7.171
Other payables		20.304	19.181
Short-term debt		76.646	59.113
Debt		76.646	59.113
Liabilities and equity		149.056	128.653
Distribution of profit	8		
Contingent assets, liabilities and other financial obligations	10		
Related parties	11		
Accounting Policies	12		

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	26.533	30.000	61.533
Ordinary dividend paid	0	0	-30.000	-30.000
Net profit/loss for the year	0	28.640	0	28.640
Equity at 30 June	5.000	55.173	0	60.173

Notes to the Financial Statements

	<u>2021/22</u>	<u>2020/21</u>
	TDKK	TDKK
1 Staff expenses		
Wages and salaries	82.447	67.206
Pensions	5.743	4.688
Other social security expenses	1.615	1.421
Other staff expenses	1.711	1.209
	<u>91.516</u>	<u>74.524</u>
Average number of employees	<u>149</u>	<u>137</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		
Other financial expenses	831	590
Exchange loss	13	0
	<u>844</u>	<u>590</u>
3 Tax on profit/loss for the year		
Current tax for the year	3.799	7.171
Deferred tax for the year	4.230	1.153
	<u>8.029</u>	<u>8.324</u>

Notes to the Financial Statements

4 Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	TDKK	TDKK	TDKK
Cost at 1 July	56.607	51.446	3.584
Additions for the year	0	4.380	814
Disposals for the year	0	-1.101	-393
Cost at 30 June	<u>56.607</u>	<u>54.725</u>	<u>4.005</u>
Impairment losses and depreciation at 1 July	33.497	38.069	1.898
Depreciation for the year	1.601	2.564	596
Reversal of impairment and depreciation of sold assets	0	-1.101	-211
Impairment losses and depreciation at 30 June	<u>35.098</u>	<u>39.532</u>	<u>2.283</u>
Carrying amount at 30 June	<u>21.509</u>	<u>15.193</u>	<u>1.722</u>

5 Other provisions

Other provisions includes warranty provisions related to completed contracts.

Other provisions	<u>700</u>	<u>700</u>
	<u>700</u>	<u>700</u>

6 Contract work in progress

	2021/22 TDKK	2020/21 TDKK
Selling price of work in progress	260.044	88.210
Payments received on account	<u>-290.030</u>	<u>-103.706</u>
	<u>-29.986</u>	<u>-15.496</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	2.681	2.665
Contract work in progress received recognised in debt	<u>-32.667</u>	<u>-18.161</u>
	<u>-29.986</u>	<u>-15.496</u>

Notes to the Financial Statements

7 Prepayments

Prepayments consist of prepaid expenses concerning insurance premiums and subscriptions.

	<u>2021/22</u> TDKK	<u>2020/21</u> TDKK
8 Distribution of profit		
Proposed dividend for the year	0	30.000
Retained earnings	<u>28.640</u>	<u>-490</u>
	<u>28.640</u>	<u>29.510</u>

9 Provision for deferred tax

Provision for deferred tax at 1 July	7.309	6.156
Amounts recognised in the income statement for the year	<u>4.230</u>	<u>1.153</u>
Provision for deferred tax at 30 June	<u>11.537</u>	<u>7.309</u>

Notes to the Financial Statements

	<u>2021/22</u> TDKK	<u>2020/21</u> TDKK
10 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	231	195
Between 1 and 5 years	<u>168</u>	<u>113</u>
	<u>399</u>	<u>308</u>

Guarantee obligations

The industry has normal warranty obligations. Complaint costs are recognized in the income statement on an ongoing basis.

The company has provided guarantees for a total of TDKK 75.383.

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

11 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

12 Accounting Policies

The Annual Report of DS Elcobyg 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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

All 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.

Notes to the Financial Statements

12 Accounting Policies (continued)

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.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

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.

Notes to the Financial Statements

12 Accounting Policies (continued)

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.

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 intangible assets and 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

Notes to the Financial Statements

12 Accounting Policies (continued)

when the asset is ready for use.

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 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. 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.

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

12 Accounting Policies (continued)

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

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.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

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 elimi-

Notes to the Financial Statements

12 Accounting Policies (continued)

nation 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.

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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$