
DS Gruppen A/S

D S Industrivej 6, DK-9500 Hobro

Annual Report for 1 July 2022 - 31 March 2023

CVR No. 40 68 50 14

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 Consolidated Financial Statements and Parent Company Financial Statements of DS Gruppen 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 March 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022/23.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Hobro, 19 September 2023

Executive Board

Kent Hejn Kristensen
CEO

Anders Brinch Sørensen
Executive Officer

Thomas Rasmussen
Executive Officer

Morten Kaad
Executive Officer

Mike Günther Flörke
Executive Officer

Supervisory Board

Dr. Benedikt Benjamin Krings
Chairman

Hans Jörg Frieauff

Florian Laxander

Independent Auditor's report

To the shareholder of DS Gruppen A/S

Opinion

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of DS Gruppen 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, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 C, 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 Gruppen A/S D S Industrivej 6 DK-9500 Hobro CVR No: 40 68 50 14 Financial period: 1 July 2022 - 31 March 2023 Incorporated: 28 December 1971 Financial year: 52th financial year Municipality of reg. office: Mariagerfjord
Supervisory Board	Dr. Benedikt Benjamin Krings, chairman Hans Jörg Frieauff Florian Laxander
Executive Board	Kent Hejn Kristensen Anders Brinch Sørensen Thomas Rasmussen Morten Kaad Mike Günther Flörke
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 Group is described by the following financial highlights:

	Group				
	2022/23 TDKK 9 months	2021/22 TDKK	2020/21 TDKK	2019/20 TDKK	2018/19 TDKK
Key figures					
Profit/loss					
Revenue	2,006,835	2,628,988	2,130,051	1,821,227	1,657,489
Profit/loss of ordinary primary operations	210,787	265,766	230,485	115,309	114,359
Profit/loss before financial income and expenses	206,830	274,059	233,488	117,084	114,359
Profit/loss of financial income and expenses	-669	-9,032	38,734	-4,303	-3,798
Net profit/loss	160,120	204,441	220,865	87,264	86,019
Balance sheet					
Balance sheet total	1,644,704	1,275,097	1,163,850	878,052	824,746
Investment in property, plant and equipment	19,951	60,477	15,699	29,868	45,616
Equity	721,902	562,745	465,788	285,979	273,088
Cash flows					
Cash flows from:					
- operating activities	270,814	264,961	125,973	152,441	133,278
- investing activities	-17,928	-41,796	4,784	-30,111	-38,231
- financing activities	-239,664	-83,220	-136,242	29,882	-87,383
Change in cash and cash equivalents for the year	13,222	139,945	-5,485	152,212	7,664
Number of employees	621	596	551	563	527
Ratios					
Gross margin	28.8%	29.3%	30.0%	28.5%	31.2%
Profit margin	10.3%	10.4%	11.0%	6.4%	6.9%
Return on assets*	16.6%	21.5%	20.1%	13.3%	13.9%
Solvency ratio	43.9%	44.1%	40.0%	32.6%	33.1%
Return on equity*	34.2%	39.8%	58.8%	31.2%	31.4%

*For the Ratios the Profit/loss statement have been adjusted to a 12 months period, for the financial year 2022/23.

Management's review

Key activities

The Group's activities comprise the production of special steel structures, customised building designs, roof and façade systems and concrete elements.

Development in the year

The income statement of the Group for 2022/23 shows a profit of TDKK 160,120, and at 31 March 2023 the balance sheet of the Group shows positive equity of TDKK 721,902.

Management considers the results for the year satisfactory.

Outlook

The Group has met expectations of a profit for the financial year 2022/23. The Group expects a profit in the coming year at the same level.

Financial risk

The Group's primary business risk is linked to its ability to maintain a strong position in its most important markets. These markets comprise the Nordic countries and Germany.

Currency risk

The Group is exposed to currency risks with respect to day-to-day operations. Currency risks are, however, assessed to be relatively low. Loans as well as investment of cash and cash equivalents in currency are used for hedging.

Interest rate risks

Due to its high equity ratio and financial resources, the Group is exposed to interest rate changes only to a limited extent.

Credit risks

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

Research and development

The Group engages in no particular research and development activities.

External environment

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

Management's review

Statement of corporate social responsibility

Statement of corporate social responsibility The Group's activities comprise the production of special steel structures, customized building designs, roof and façade systems and concrete elements. By focusing particularly on health and safety responsibilities as an integrated part of our awareness and business processes, the Group intends to promote a financially and socially responsible development of its business.

Environmental concern is key to the way we run our businesses. Where financially and technically feasible, we aim at using the most environmentally friendly and rational production and building method. And we introduce environmental considerations already in the design and planning phase. We recognise that the risk is significant in terms of impacting the environment through our activities as a manufacturing business and supplier of materials to the construction industry and as a turnkey contractor. We are in the process of implementing a major project with the settings of strategic goals within the broad sustainability framework of the UN's Sustainable Development Goals, including the environment and climate and ESG.

The Group makes GHG offsets for its fuel consumption by climate compensating for the fuel purchased in public gas stations. Factory based fuel tanks are filled with GTL Fuel, that emits less GHG. There has been established both environmental and energy groups for looking into projects that benefits in terms of less polluting production and construction methods. This financial year the group has commenced climate accounting. A sustainability strategy has been prepared and is being further developed with alignment with the upcoming ESG and is expected to be finished in 2024. As part of taking responsibility, we have strengthened the organisation by establishing a Sustainability Group comprising of different professionals across the companies in the DS Group. We also recognise the risks related to human rights, corruption, and bribery through the activities of our value chain, which risks we strive to mitigate. The Group takes its responsibility for human rights seriously and has a zero-tolerance corruption and bribery policy. Both human rights and corruption are covered and written down in our Code of Conduct.

In 2023, we allocated resources to our Code of Conduct, which was updated and adjusted to the current situation of the world. We are developing a policy on how best to involve our value chain in the above work. We expect to have an action plan in place for the involvement of our value chain by the next financial year. The reporting period's new employees have reviewed the Code of Conduct as part of their onboarding period.

In terms of social and staff matters, we consider ensuring safe and up-to-date working conditions for all our employees to constitute our greatest risk. Employees are in every way our most important resource, and we continuously work to ensure fair working conditions. This work is especially focused on preventing work-related injuries, where comprehensive instructions and introduction ensure that new employees, and especially young employees, become familiar with the safety rules and our procedures from day one.

The Company's procedures are wide-ranging due to its activities in sales, design, production, construction, installation, and administration, which means that the working environment greatly impacts our way of doing business. We focus on safety and job satisfaction for everyone and strongly emphasise topics such as employee retention and development. During the reporting period, it was decided that our endeavour to improve the working environment, safety and job satisfaction should be organised under Occupational health and safety management systems. As part of our ambition to run a responsible business, we will during the next reporting period work on formalising our social responsibility efforts and prepare a more basic report, action plan and policy.

Management's review

Statement on gender composition

Currently, the Group's Supervisory Board consists of three men. The Group's target is that, by 2025, at least one member of the Supervisory Board will be from the underrepresented gender, implying that by then, the Board will consist of two men and one woman, or, alternatively, three men and one woman if the target is most appropriately achieved by expanding the Supervisory Board.

In the previous financial year, DS Gruppen A/S changed owners. In that connection it has been essential to ensure management stability and in connection with the establishment of a new supervisory board. Against this background, the gender composition of the supreme governing body has been less of a focal point during the period.

It is the overall ambition of the Group to increase the representation of the underrepresented gender at the Company's other management levels. Against this background, it is during recruitment emphasised that candidates of both genders are invited to apply, and that both genders are treated equally when they are assessed.

Similarly, employees of the underrepresented gender are offered courses and further education on the same terms as employees of the overrepresented gender. Through competence development, employees showing the right potential, regardless of gender, will be considered for management positions in the Company. The gender composition of the Group's other management levels is generally challenged by the industry trend of men making up a large proportion of the workforce. In Management's assessment, the current staff reflects the industry's distribution between men and women, but a targeted effort by the Group would increase the number of women at the other management levels.

Statement on data ethics

Since the Group does not use advanced technologies such as algorithms, AI (artificial intelligence) or machine learning for data analysis, the Group has not prepared a data ethics policy. The Group processes general data in the form of customer data and employee data. Data is processed in accordance with the GDPR and our privacy and information security policies.

Taking the limited data processing into consideration it is the Group's assessment that no data ethics policy is required. The Group will, nevertheless, continuously assess the need for a policy in this area. Subsequent events No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

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	Group		Parent company	
		2022/23	2021/22	2022/23	2021/22
		TDKK 9 months	TDKK 12 months	TDKK 9 months	TDKK 12 months
Revenue	1	2,006,835	2,628,988	5,262	7,170
Other operating income		1,338	9,957	1,962	5,500
Expenses for raw materials and consumables		-1,336,068	-1,754,956	0	0
Other external expenses		-93,607	-113,990	-3,262	-4,643
Gross profit		578,498	769,999	3,962	8,027
Staff expenses	2	-344,565	-468,069	-2,907	-6,113
Earnings Before Interest Taxes Depreciation and Amortization		233,933	301,930	1,055	1,914
Depreciation and impairment losses of property, plant and equipment	3	-21,808	-26,207	-1,726	-1,914
Other operating expenses		-5,295	-1,664	0	-34
Profit/loss before financial income and expenses		206,830	274,059	-671	-34
Income from investments in subsidiaries	4	0	0	161,568	198,572
Income from investments in associates	5	15	-1,365	0	0
Financial income	6	5,370	2,508	160	0
Financial expenses	7	-6,054	-10,175	-731	-305
Profit/loss before tax		206,161	265,027	160,326	198,233
Tax on profit/loss for the year	8	-46,041	-60,586	-263	-1,030
Net profit/loss for the year	9	160,120	204,441	160,063	197,203

Balance sheet 31 March 2023

Assets

	Note	Group		Parent company	
		2022/23 TDKK	2021/22 TDKK	2022/23 TDKK	2021/22 TDKK
Land and buildings		109,084	101,946	30,128	31,743
Plant and machinery		61,069	53,506	0	0
Other fixtures and fittings, tools and equipment		21,411	24,552	86	197
Property, plant and equipment in progress		3,748	20,002	0	0
Property, plant and equipment	10	195,312	200,006	30,214	31,940
Investments in subsidiaries	11	0	0	708,802	548,209
Investments in associates	12	1,123	1,262	0	0
Receivables from group enterprises	13	225,000	0	225,000	0
Deposits	13	0	72	0	72
Fixed asset investments		226,123	1,334	933,802	548,281
Fixed assets		421,435	201,340	964,016	580,221
Inventories	14	114,918	155,045	0	0
Trade receivables		553,838	392,399	0	0
Contract work in progress	15	78,516	68,907	0	0
Receivables from group enterprises		268	0	7,365	1,734
Other receivables		3,276	20,257	356	144
Deferred tax asset	18	0	0	654	1,196
Corporation tax		27,773	0	0	92
Prepayments	16	4,677	10,368	0	0
Receivables		668,348	491,931	8,375	3,166
Cash at bank and in hand	17	440,003	426,781	17,824	21,601
Current assets		1,223,269	1,073,757	26,199	24,767
Assets		1,644,704	1,275,097	990,215	604,988

Balance sheet 31 March 2023

Liabilities and equity

	Note	Group		Parent company	
		2022/23	2021/22	2022/23	2021/22
		TDKK	TDKK	TDKK	TDKK
Share capital		4,500	4,500	4,500	4,500
Reserve for net revaluation under the equity method		0	0	503,763	324,806
Reserve for exchange rate conversion		-1,483	-576	0	0
Retained earnings		718,885	558,821	213,639	233,439
Equity		721,902	562,745	721,902	562,745
Provision for deferred tax	18	62,228	31,791	0	0
Other provisions	19	23,708	14,245	0	0
Provisions		85,936	46,036	0	0
Payables to group enterprises		0	0	190,000	0
Other payables		1,305	6,782	0	0
Long-term debt	20	1,305	6,782	190,000	0
Mortgage loans		0	262	0	0
Credit institutions		2,764	16,411	0	0
Trade payables		377,342	265,482	841	430
Contract work in progress	15	364,196	233,486	0	0
Payables to group enterprises		0	303	76,003	40,616
Corporation tax		0	66,358	399	0
Other payables	20	90,782	77,232	1,070	1,197
Deferred income	21	477	0	0	0
Short-term debt		835,561	659,534	78,313	42,243
Debt		836,866	666,316	268,313	42,243
Liabilities and equity		1,644,704	1,275,097	990,215	604,988
Contingent assets, liabilities and other financial obligations	24				
Related parties	25				
Fee to auditors appointed at the general meeting	26				
Accounting Policies	27				

Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	4,500	-576	558,821	562,745
Exchange adjustments relating to foreign entities	0	-907	0	-907
Other equity movements	0	0	-56	-56
Net profit/loss for the year	0	0	160,120	160,120
Equity at 31 March	4,500	-1,483	718,885	721,902

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	4,500	324,806	233,439	562,745
Exchange adjustments relating to foreign entities	0	-907	0	-907
Other equity movements	0	18,295	-18,295	0
Net profit/loss for the year	0	161,569	-1,505	160,064
Equity at 31 March	4,500	503,763	213,639	721,902

Cash flow statement 1 July 2022 - 31 March 2023

	Note	Group	
		2022/23	2021/22
		TDKK	TDKK
Result of the year		160,120	204,441
Adjustments	22	68,829	89,155
Change in working capital	23	118,830	13,437
Cash flow from operations before financial items		347,779	307,033
Financial income		5,370	2,508
Financial expenses		-6,054	-10,172
Cash flows from ordinary activities		347,095	299,369
Corporation tax paid		-76,281	-34,408
Cash flows from operating activities		270,814	264,961
Purchase of property, plant and equipment		-18,084	-60,477
Fixed asset investments made etc		0	-26,820
Sale of property, plant and equipment		84	8,720
Sale of fixed asset investments made etc		72	0
Dividends received from associates		0	36,781
Cash flows from investing activities		-17,928	-41,796
Repayment of mortgage loans		-262	-1,052
Repayment of loans from credit institutions		-13,647	0
Reduction of lease obligations		-452	-762
Repayment of payables to group enterprises		-303	-17,739
Raising of loans from credit institutions		0	16,411
Dividend paid		0	-80,078
Raising of receivables from group enterprises		-225,000	0
Cash flows from financing activities		-239,664	-83,220
Change in cash and cash equivalents		13,222	139,945
Cash and cash equivalents at 1 July		426,781	286,836
Cash and cash equivalents at 31 March		440,003	426,781
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		440,003	426,781
Cash and cash equivalents at 31 March		440,003	426,781

Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK

1. Revenue

Geographical segments

Revenue, Denmark	1,398,209	1,784,399	5,262	7,170
Revenue, other EU/EØS countries	608,625	844,589	0	0
	2,006,835	2,628,988	5,262	7,170

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK

2. Staff Expenses

Wages and salaries	312,739	423,677	2,450	5,347
Pensions	16,424	18,387	191	357
Other social security expenses	2,973	6,964	20	35
Other staff expenses	12,429	19,041	246	374
	344,565	468,069	2,907	6,113

Including remuneration to the Executive Board and Supervisory Board:

Executive board	15,128	3,692		3,692
Supervisory Board	0	811		811
	15,128	4,503		4,503

Average number of employees	621	596	3	4
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Notes to the Financial Statements

	Group		Parent company	
	<u>2022/23</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK	TDKK	TDKK
3. Depreciation and impairment losses of property, plant and equipment				
Depreciation of property, plant and equipment	21,808	26,207	1,726	1,914
	<u>21,808</u>	<u>26,207</u>	<u>1,726</u>	<u>1,914</u>

	Parent company	
	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
4. Income from investments in subsidiaries		
Share of profits of subsidiaries	161,568	198,572
	<u>161,568</u>	<u>198,572</u>

	Group	
	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
5. Income from investments in associates		
Share of profits of associates	15	0
Share of losses of associates	0	-1,365
	<u>15</u>	<u>-1,365</u>

Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
Interest received from group enterprises	1,006	300	94	0
Other financial income	2,873	834	66	0
Exchange adjustments	198	1,374	0	0
Exchange gains	1,293	0	0	0
	5,370	2,508	160	0

6. Financial income

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK

7. Financial expenses

Interest paid to group enterprises	827	396	569	130
Other financial expenses	2,892	8,067	136	175
Exchange adjustments, expenses	90	127	26	0
Exchange loss	2,245	1,585	0	0
	6,054	10,175	731	305

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK

8. Income tax expense

Current tax for the year	10,504	65,333	-279	-92
Deferred tax for the year	30,048	-5,707	542	162
Adjustment of tax concerning previous years	5,489	960	0	960
	46,041	60,586	263	1,030

Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
Reserve for net revaluation under the equity method	0	-33,824	161,568	198,572
Minority interests' share of net profit/loss of subsidiaries	0	7,238	0	0
Retained earnings	160,120	231,027	-1,505	-1,369
	160,120	204,441	160,063	197,203

9. Profit allocation

10. Property, plant and equipment

Group

	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	250,622	199,305	66,167	20,002
Additions for the year	1,351	5,041	3,257	10,302
Disposals for the year	-535	-166	-3,345	-754
Transfers for the year	13,770	12,032	0	-25,802
Cost at 31 March	265,208	216,212	66,079	3,748
Impairment losses and depreciation at 1 July	148,676	145,799	41,615	0
Depreciation for the year	6,642	9,511	5,655	0
Impairment and depreciation of sold assets for the year	0	0	-1,283	0
Reversal of impairment and depreciation of sold assets	0	-167	-1,305	0
Reversal for the year of previous years impairment losses	806	0	-14	0
Impairment losses and depreciation at 31 March	156,124	155,143	44,668	0
Carrying amount at 31 March	109,084	61,069	21,411	3,748

Notes to the Financial Statements

Parent company

	Land and buildings	Other fixtures and fittings, tools and equipment
	TDKK	TDKK
Cost at 1 July	57,902	2,367
Additions for the year	1,351	0
Disposals for the year	-545	-1,283
Cost at 31 March	<u>58,708</u>	<u>1,084</u>
Impairment losses and depreciation at 1 July	26,159	2,170
Depreciation for the year	1,615	111
Impairment and depreciation of sold assets for the year	0	-1,283
Reversal for the year of previous years impairment losses	806	0
Impairment losses and depreciation at 31 March	<u>28,580</u>	<u>998</u>
Carrying amount at 31 March	<u>30,128</u>	<u>86</u>

Notes to the Financial Statements

	<u>Parent company</u>	
	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
11. Investments in subsidiaries		
Cost at 1 July	223,403	197,363
Additions for the year	34,000	26,040
Disposals for the year	-52,363	0
Cost at 31 March	<u>205,040</u>	<u>223,403</u>
Value adjustments at 1 July	324,806	202,807
Exchange adjustment	-907	-589
Net profit/loss for the year	161,568	198,572
Dividend to the Parent Company	0	-75,557
Other adjustments	18,295	-427
Value adjustments at 31 March	<u>503,762</u>	<u>324,806</u>
Carrying amount at 31 March	<u>708,802</u>	<u>548,209</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership	Equity	Net profit/loss for the year
DS Stålkonstruktion A/S	Mariagerfjord	100%	211,377	58,387
DS Flexhal A/S	Mariagerfjord	100%	321,704	70,950
DS Stålprofil A/S	Mariagerfjord	100%	77,983	2,416
DS Elcobyg A/S	Mariagerfjord	100%	86,275	26,102
DS Stahl GmbH	Germany	100%	11,463	3,713
			<u>708,802</u>	<u>161,568</u>

Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
12. Investments in associated companies				
Cost at 1 July	5,549	6,000	0	0
Disposals for the year	0	-451	0	0
Cost at 31 March	5,549	5,549	0	0
Value adjustments at 1 July	-4,287	33,826	0	0
Exchange adjustment	-154	-418	0	0
Net profit/loss for the year	15	-1,365	0	0
Dividends received	0	-36,781	0	0
Other adjustments	0	451	0	0
Value adjustments at 31 March	-4,426	-4,287	0	0
Carrying amount at 31 March	1,123	1,262	0	0

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes	Equity	Net profit/loss for the year
Køge Logistics Center AS	Køge	653	25%	6,163	59

Notes to the Financial Statements

13. Other fixed asset investments

Group

	Receivables from group enterprises
	TDKK
Cost at 1 July	0
Additions for the year	225,000
Cost at 31 March	225,000
Carrying amount at 31 March	225,000

Parent company

	Receivables from group enterprises	Deposits
	TDKK	TDKK
Cost at 1 July	0	72
Additions for the year	225,000	0
Disposals for the year	0	-72
Cost at 31 March	225,000	0
Carrying amount at 31 March	225,000	0

Group		Parent company	
2022/23	2021/22	2022/23	2021/22
TDKK	TDKK	TDKK	TDKK

14. Inventories

Raw materials and consumables	112,769	153,676	0	0
Work in progress	2,149	1,369	0	0
	114,918	155,045	0	0

Notes to the Financial Statements

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
15. Contract work in progress				
Selling price of work in progress	1,599,493	2,005,453	0	0
Payments received on account	-1,885,173	-2,170,032	0	0
	-285,680	-164,579	0	0
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	78,516	68,907	0	0
Contract work in progress received recognised in debt	-364,196	-233,486	0	0
	-285,680	-164,579	0	0

16. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

	Group		Parent company	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK
17. Cash at bank and in hand				
Deposited	50,000	50,000	0	0
Other cash at bank and in hand	390,003	376,781	17,824	21,601
	440,003	426,781	17,824	21,601

Notes to the Financial Statements

	Group		Parent company	
	<u>2022/23</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK	TDKK	TDKK
18. Provision for deferred tax				
Deferred tax liabilities at 1 July	31,791	37,579	-1,196	-1,358
Amounts recognised in the income statement for the year	30,437	-5,788	542	162
Deferred tax liabilities at 31 March	62,228	31,791	-654	-1,196

The recognised tax asset comprises tax loss carry-forwards expected to be utilised within the next three to four years.

19. Other provisions

Other provisions includes warranty provisions related to completed contracts.

	Group		Parent company	
	<u>2022/23</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK	TDKK	TDKK
Other provisions	23,708	14,245	0	0
	23,708	14,245	0	0

Notes to the Financial Statements

20. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent company	
	2022/23 TDKK	2021/22 TDKK	2022/23 TDKK	2021/22 TDKK
Payables to group enterprises				
After 5 years	0	0	0	0
Between 1 and 5 years	0	0	190,000	0
Long-term part	0	0	190,000	0
Within 1 year	0	0	0	0
Other short-term debt to group enterprises	0	303	76,003	40,616
Short-term part	0	303	76,003	40,616
	0	303	266,003	40,616
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	1,305	6,782	0	0
Long-term part	1,305	6,782	0	0
Other short-term payables	90,782	77,232	1,070	1,197
	92,087	84,014	1,070	1,197

21. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

Notes to the Financial Statements

	Group	
	2022/23	2021/22
	TDKK	TDKK
22. Cash flow statement - Adjustments		
Financial income	-5,370	-2,508
Financial expenses	6,054	10,175
Depreciation, amortisation and impairment losses, including losses and gains on sales	21,724	21,712
Income from investments in associates	-15	1,365
Tax on profit/loss for the year	46,041	60,586
Exchange adjustments	-768	0
Other adjustments	1,163	-2,175
	68,829	89,155

	Group	
	2022/23	2021/22
	TDKK	TDKK
23. Cash flow statement - Change in working capital		
Change in inventories	40,127	-57,183
Change in receivables	-181,784	80,094
Change in other provisions	9,463	8,553
Change in trade payables, etc	251,024	-18,027
	118,830	13,437

Notes to the Financial Statements

Group		Parent company	
2022/23	2021/22	2022/23	2021/22
TDKK	TDKK	TDKK	TDKK

24. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

Land and buildings with a carrying amount of	39,340	28,128	0	0
Plant and machinery with a carrying amount of	26,480	19,651	0	0

The following assets have been placed as security with bankers:

The Group has issued mortgage deeds with a total of TDKK 5.000, which gives security in land and buildings with a total value of TDKK 26.000.	0	262	0	0
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TDKK 50.000 have been deposited as security

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	5,459	2,830	0	0
Between 1 and 5 years	8,230	6,403	0	0
After 5 years	0	559	0	0
	13,689	9,792	0	0

Guarantee obligations

There are the normal warranty obligations for the industry. Complaint costs are recognized in the income statement on an ongoing basis. The Group has provided guarantees for a total of TDKK 993.030 (2021/22: TDKK 791.165).

Other contingent liabilities

The Group is involved in individual disputes, the outcome of which is currently uncertain. It is the management's opinion that the outcome of these cases will not have significant impact in the company's financial position.

Parent

The company is liable as self-debtor surety for guarantees provided by the Group's companies. The total of the guarantees are TDKK 0 (2021/22: TDKK 87.112).

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. 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.

Notes to the Financial Statements

25. Related parties

	<u>Basis</u>
Controlling interest	
Ortwin Goldbeck Holding SE	Ultimate parent

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.

	<u>Group</u>	
	<u>2022/23</u>	<u>2021/22</u>
	TDKK	TDKK
26. Fee to auditors appointed at the general meeting		
PwC		
Audit fee	809	809
Non-audit services	762	270
	<u>1,571</u>	<u>1,079</u>

Notes to the Financial Statements

27. Accounting policies

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

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2022/23 are presented in TDKK.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, DS Gruppen A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Leases

Leases in terms of which the Group 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 Group.

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.

Notes to the Financial Statements

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

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 Group.

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 Group. 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 the consolidated revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

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 Group, including gains and losses on the sale of property, plant and equipment.

Income from investments in associates

The item "Income from investments in associates" in the income statement includes the proportionate share of the profit for the year.

Notes to the Financial Statements

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 deferred tax for the year. The tax attributable to the profit for 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 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:

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 and investments 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.

Investments in associates

Investments in associates are recognised and measured under the equity method.

The item "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

Notes to the Financial Statements

The total net revaluation of investments in associates is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the associates.

Associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits.

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.

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.

Notes to the Financial Statements

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group 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, 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 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

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Notes to the Financial Statements

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit before financials} \times 100 / \text{Revenue}$
Return on assets*	
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity*	