

Egersund Wienerberger Production A/S

H.C. Ørsteds Vej 50C, 1879 Frederiksberg

Company reg. no. 82 75 39 15

Annual report

2023

The annual report was submitted and approved by the general meeting on the 28.06.2024

DocuSigned by:

Henrik Dietrichsen

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Henrik Dietrichsen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Egersund Wienerberger Production A/S for the financial year 2023.

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


We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Frederiksberg, 28.06.2024

Managing Director

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Andreas Christensen

Board of directors

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Henrik Dietrichsen

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Johan Van Der Biest

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Henrik Gert Jensen

Independent auditor's report

To the Shareholder of Egersund Wienerberger Production A/S

Opinion

We have audited the financial statements of Egersund Wienerberger Production A/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. 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 financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 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' 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.

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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 28.06.2024

Deloitte

State Authorised Public Accountants
Company reg. no. 33 96 35 56

DocuSigned by:

Flemming Larsen

Flemming Larsen

State Authorised Public Accountant
mne27790

Company information

The company	Egernsund Wienerberger Production A/S H.C. Ørsteds Vej 50C 1879 Frederiksberg
	Company reg. no. 82 75 39 15 Domicile: Frederiksberg Financial year: 1 January - 31 December
Board of directors	Henrik Dietrichsen Johan Van Der Biest Henrik Gert Jensen
Managing Director	Andreas Christensen
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Wiedekampsgade 6 2300 København S
Parent company	Egernsund Wienerberger A/S
Subsidiary	Egernsund Tegl A.m.b.A., Sønderborg

Financial highlights

DKK in thousands.	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Income statement:					
Gross profit	128.755	80.588	70.844	52.172	50.906
Profit from operating activities	-6.922	14.438	7.364	-5.618	24.750
Net financials	-1.899	-1.384	-742	-149	3.187
Net profit or loss for the year	-8.923	10.405	5.216	-4.578	22.966
Statement of financial position:					
Balance sheet total	406.590	185.240	193.646	178.031	123.765
Investments in property, plant and equipment	23.512	44.241	29.921	4.381	1.527
Equity	244.362	149.339	138.934	133.718	94.615
Employees:					
Average number of full-time employees	195	108	106	99	39
Key figures in %:					
Acid test ratio	140,5	247,6	177,0	285,6	344,9
Solvency ratio	60,1	80,6	71,7	75,1	76,4
Return on equity	-4,5	7,2	3,8	-4,0	27,6

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

The years before 2020 are not comparable with later years, because of merger. Also a merger in 2023, means that 2021 and 2022 are not comparable with 2023.

Management's review

The principal activities of the company

Egernsund Wienerberger Production A/S is producing facing bricks and lintels.

Egernsund Wienerberger A/S is parent company for Egernsund Wienerberger Production A/S. Egernsund Wienerberger Production A/S is selling all products to Egernsund Wienerberger A/S which is selling and marketing the products on the market.

Egernsund Wienerberger A/S is a part of Wienerberger AG in Vienna, Austria, and is listed on the Austrian stock exchange. Wienerberger is a leading international provider of smart solutions for the entire building envelope in construction and renovation as well as infrastructure for water and energy management.

Development in activities and financial matters

On 3rd of April 2023 Egernsund Wienerberger Production A/S acquired the 4 companies: Strøjer Ler A/S, Strøjer Tegl A/S, Strøjer Ejendomme A/S og Strøjer Tegl Systems A/S. The newly acquired companies are merged with Egernsund Wienerberger Production A/S with retroactive effect 1 January 2023, with Egernsund Wienerberger Production A/S being the continuing company.

The acquisition of Strøjer Tegl strengthen Wienerberger's customer offering in the Nordics and provide opportunity for growth in sustainable facade solutions and is fully in line with our growth strategy.

Gross profit is 128,7 mio kr. and profit before tax is -7,5 mio. kr. The background for the result is a challenging market, acquisition of Strøjer Tegl and related one-off and integration expenses with an amount of 15 mio. kr.

Capital structure

The company's balance sheet shows total asset of DKK 406.590 t kr. and positive equity of 245.812t kr.

Management's review

Business risk

2023 was a year characterized by uncertainties and challenges. However, the recovery from the consequences of the corona pandemic, the ongoing war in Ukraine and the significant rise in the cost of living affected our business. Overall, compared to the previous year, the world economy stabilized to a certain extent and inflation trended downward but still, 2023 was a volatile year.

The cost of energy for the firing of bricks represents a significant percentage of the Group's cost structure. Egernsund Wienerberger Production A/S is exposed to energy supply risk regarding gas and electricity. To some extent the company aim to minimize the risk connected with rising energy prices in liberalized markets by concluding futures contracts or fixed-price agreements with national and international suppliers. Our production is very dependent of gas supplies and the ongoing war in Ukraine and somewhat uncertain European gas situation can potentially have an impact on our business. During 2023 we have not been affected by the uncertainty regarding the gas supplies and we have got all needed gas for our production. Even though we have bought Danish biogas this is a European supply crisis, and it can potentially have an impact for us.

Financial risk

The company's current and planned activities do not give rise to any special financial risk and the company's liquidity resources are expected to be adequately secured.

Currency risk

The company is exposed for currency risk when trading with foreign entities, but most activities are within the Nordic and the Euro-zone and therefore no material currency risk is expected.

Credit risk

The company is 100% owned by Egernsund Wienerberger A/S and in the connection, there are no credit risks.

Management's review

The expected development

For 2024, we aligns with the overall trends seen in the market. We expect to see persistently higher inflation and a continuation of the previous year's higher financing costs. With mortgages being more expensive than in the past years, we expect to see an effect on the building activity. High energy prices and focus on more energy efficient housings will again lead to an increasing focus on the renovation of buildings. We therefore expect to see continued lively activity in the renovation segment and generally stable to slightly decreasing market development for housing.

We will remain true to our value-creating growth strategy and continue to focus on innovation and expanding our portfolio of sustainable system solutions. We are continuing our proven forward buying strategy for energy throughout the Group.

We expect the current unstable geopolitical situation to continue and do not foresee any short-term significant easing of the central banks' interest rate policies.

We expect 2024 to be a challenging year because of the general market situation and result before tax is expected to be in line with result from 2023.

We expect the current unstable geopolitical situation to continue and do not foresee any short-term easing of the central banks' interest rate policies. Result is expected to be in the range of 5-10 mio. DKK

Events occurring after the end of the Financial year

After the end of the financial year, there have been no events of material significance to the company's financial position and result.

Management's review

Corporate responsibility

Egernsund Wienerberger Production Danmark A/S is as a subsidiary of the Austrian Wienerberger Group with a mission of improving people's quality of life through our smart building material and infrastructure solutions. With our durable and sustainable products for new build, renovation, and infrastructure, we are perfectly positioned to further improve our ecological performance by contributing to the fight against climate change and to shape the future of construction through innovation.

All our entrepreneurial activities are subject to clearly defined and ambitious ESG criteria. Our primary goals are to increase our share of value creation in a building and to become a full-range provider of system solutions for energy and water management. To reach those goals 3 key factors are defined:

- **Innovation** – we steadily improve our product mix and advancing our product offering
- **Operational Excellence** - We focus on growth through the continuation of our efficiency enhancement program focused on manufacturing excellence, commercial excellence, supply chain management, and administration
- **M&A and portfolio optimization** – this is the basis for future value-creation and profitability.

Consequently, we also refer to the latest 2023 Full Year report which can be found on [Wienerberger.com. 2023-wienerberger-Annual-and-Sustainability-Report.pdf](https://www.wienerberger.com/2023-wienerberger-Annual-and-Sustainability-Report.pdf)

Environmental and climate

Climate change has become a central topic in business since the 2015 Paris Agreement. The building sector is particularly targeted since it accounts, alone, for more than one third of worldwide energy consumption and almost 40% of CO2 emissions.

The Wienerberger Group has been a long-time actor in CO2 reduction by been leading actions in its business and production plants for numerous years now. The company launched its 2023 ESG Program, setting high decarbonization and energy efficiency targets. In the Nordic region we are working from a target of decreasing our CO2-emissions by 50 % in 2024 compared to 2020 and to be carbon-neutral in 2050. Already now we are ahead of our 2024 goal.

Energy-optimization and consolidation

We are continuing our efforts to optimize energy consumption at all our factories. We continue our product strategy with focus on LESS which provides us energy savings, dematerialization and lighter products with favorable EPD's.

Management's review

Biogas is becoming increasingly important

We have continued the acquiring biogas certificates to be able to offer low-emission products to the market. Our agreement with Danish biogas producer Nature Energy continues and approx. 70% of the energy used at our Danish factories comes from certified biogas, providing savings in CO₂-emissions of around 46%.

Dematerialization and product development

In 2022 we started testing new production methods for further dematerialization of our LESS brick to decrease CO₂ emissions and energy consumption further. This work continues and all our product development is guided by focusing on more energy-efficient products, dematerialization and environment friendly products

Strengthening of national regulations

The whole Nordic region is experiencing a tightening of national regulations in the building sector when it comes to carbon emissions of buildings and mandatory LCA for all new build. Sweden introduced mandatory LCA's for all new-builds in 2022, Denmark followed in 2023 and Finland will introduce in 2025. In 2022 the Danish Building Regulation was also updated with demands for CO₂-emissions for all new-builds over 1.000m² and for 2025 this will cover all buildings. The minimum value will decrease every other year to put even greater pressure on building with low carbon emission. Our product specific EPD's plays a vital role in keeping facing bricks relevant as well as out LESS brick with documented CO₂-reduction.

Accounting policies

The annual report for Egersund Wienerberger Production A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK thousand.

No consolidated financial statements have been prepared pursuant to section 112 (1) of the Danish Financial Statements Act. The financial statements of Egersund Wienerberger Production A/S and its group enterprises are included in the consolidated financial statements for Wienerberger AG, Østrig.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Wienerberger AG, Østrig.

By decision of 9 November 2023, a merger between the entities Egersund Wienerberger Productions A/S, Strøjer Tegl A/S, Strøjer Systems A/S, Strøjer Ler A/S og Strøjer Ejendomme A/S, with Egersund Wienerberger Production A/S as the surviving company and for accounting purposes effect from 1 January 2023. The merger have been incorporated by using the acquisition method, and all assets and liabilities from the non-surviving companies have been transferred unchanged into Egersund Wienerberger Production A/S. The comparative figures have not been adjusted, and therefore only contains Egersund Wienerberger Production A/S.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concern matters existing on the balance sheet date.

Accounting policies

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

The Company uses the regulations in the Danish Financial Statements Act §32, after which the company's revenue is not stated.

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, costs of sales, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Accounting policies

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries

Dividend from investments in subsidiaries is recognised in the financial year in which the dividend is declared.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Accounting policies

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

The depreciable amount is cost plus revaluations at fair value less expected residual value after the end of the useful life of the asset. The depreciation period is fixed at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the depreciation period or the residual value is changed, the effect on depreciation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	16-50 years
Plant and machinery	5-20 years
Other fixtures and fittings, tools and equipment	3-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Property, plant, and equipment under construction

Property, plant, and equipment under construction are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is depreciated from the date of entry into service.

Accounting policies

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Financial fixed assets

Investments in subsidiaries

Investments in subsidiaries are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Accounting policies

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. To counter expected losses, writedown is performed to net realisable value. The enterprise will be applying IAS 39 as the basis of interpretation for the recognition of impairment of financial assets, meaning that a loss must be recognised if there are objective indications of accounts receivable being unable to comply with payment obligations.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

Current tax payable and receivable is recognised on the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation within the foreseeable future. Any deferred net assets are measured at net realisable value.

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Guarantee liabilities comprise liabilities for repairs within the guarantee period of 1-5 years. Provisions for warranty commitments are measured on basis of the obtained experience with guarantee work. Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

On the acquisition of entities, provisions for restructuring within the acquired entity are included in the acquisition cost, and thereby in the goodwill or the consolidated goodwill, to the extent that they have been recognised in the financial statements of the acquired entity in advance of the acquisition. Provisions for restructuring are included to the extent that they have been decided at the date of acquisition at the latest and that the process have been commenced.

Accounting policies

When it is likely that the total costs will exceed the total income of contract work in progress, the total expected loss on the contract work in progress will be recognised as provisions for liabilities. The provision is recognised under production costs.

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	128.755	80.588
1 Staff costs	-107.452	-55.407
2 Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-28.225	-10.743
Profit before net financials	-6.922	14.438
Other financial income	2.800	14
3 Other financial expenses	-4.699	-1.398
Pre-tax net profit or loss	-8.821	13.054
4 Tax on ordinary results	-102	-2.649
5 Net profit or loss for the year	-8.923	10.405

Balance sheet at 31 December

DKK thousand.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
6 Acquired concessions, patents, licenses, trademarks, and similar rights	1.706	29
Total intangible assets	1.706	29
7 Property	106.388	43.161
8 Plant and machinery	88.299	51.255
9 Other fixtures and fittings, tools and equipment	7.832	554
10 Property, plant, and equipment under construction and prepayments for property, plant, and equipment	5.801	5.005
Total property, plant, and equipment	208.320	99.975
11 Investments in subsidiaries	20.532	20.485
Total investments	20.532	20.485
Total non-current assets	230.558	120.489
Current assets		
Raw materials and consumables	46.663	29.374
Work in progress	2.673	2.200
Manufactured goods and trade goods	48.343	0
Total inventories	97.679	31.574
Trade debtors	15.075	0
Receivables from subsidiaries	56.948	31.878
Other debtors	3.654	1.269
Total receivables	75.677	33.147
Cash and cash equivalents	2.676	30
Total current assets	176.032	64.751
Total assets	406.590	185.240

Balance sheet at 31 December

DKK thousand.

Equity and liabilities		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity		
Contributed capital	1.606	1.602
Results brought forward	242.756	147.737
Total equity	244.362	149.339
Provisions		
12 Provisions for deferred tax	10.774	4.969
13 Other provisions	16.738	0
Total provisions	27.512	4.969
Liabilities other than provisions		
14 Other payables	9.400	4.784
Total long term liabilities other than provisions	9.400	4.784
Bank debts	2.901	0
Trade creditors	21.506	11.377
Payables to subsidiaries	95.828	384
Income tax payable to subsidiaries	813	1.773
Other debts	4.268	12.614
Total short term liabilities other than provisions	125.316	26.148
Total liabilities other than provisions	134.716	30.932
Total equity and liabilities	406.590	185.240

15 Contingencies

16 Related parties

Statement of changes in equity

DKK thousand.

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	1.602	147.737	149.339
Increase by merger	4	103.942	103.946
Profit or loss for the year brought forward	0	-8.923	-8.923
	1.606	242.756	244.362

Notes

DKK thousand.

	<u>2023</u>	<u>2022</u>
1. Staff costs		
Salaries and wages	93.899	48.819
Pension costs	4.153	3.876
Other costs for social security	5.107	759
Other staff costs	4.293	1.953
	<u>107.452</u>	<u>55.407</u>
Average number of employees	<u>195</u>	<u>108</u>
<p>With regard to the danish Financial Statements Act § 98 B part 3, the remuneration of the Exexutive board is not stated.</p>		
2. Depreciation, amortisation and writedown relating to tangible and intangible fixed assets		
Amortisation of concessions, patents and licences	129	50
Depreciation on buildings	8.376	3.511
Depreciation on production plants and machinery	16.849	6.740
Depreciation on plants, operating assets, fixtures and furniture	2.871	442
	<u>28.225</u>	<u>10.743</u>
3. Other financial expenses		
Financial costs, group enterprises	840	1.071
Other financial costs	3.859	327
	<u>4.699</u>	<u>1.398</u>
4. Tax on ordinary results		
Tax of the results for the year	837	1.773
Adjustment for the year of deferred tax	-735	876
	<u>102</u>	<u>2.649</u>

Notes

DKK thousand.

	<u>2023</u>	<u>2022</u>
5. Proposed distribution of net profit		
Transferred to retained earnings	0	10.405
Allocated from retained earnings	-8.923	0
Total allocations and transfers	<u>-8.923</u>	<u>10.405</u>
	<u>31/12 2023</u>	<u>31/12 2022</u>
6. Acquired concessions, patents, licenses, trademarks, and similar rights		
Cost 1 January 2023	507	507
Additions concerning company transfer	2.431	0
Cost 31 December 2023	<u>2.938</u>	<u>507</u>
Amortisation and writedown 1 January 2023	-478	-428
Amortisation/writedown of additions concerning company transfer	-625	0
Writedown for the year	-129	-50
Amortisation and writedown 31 December 2023	<u>-1.232</u>	<u>-478</u>
Carrying amount, 31 December 2023	<u>1.706</u>	<u>29</u>

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
7. Property		
Cost 1 January 2023	141.748	134.107
Additions concerning company transfer	155.257	0
Additions during the year	1.814	7.641
Disposals during the year	-12.165	0
Cost 31 December 2023	<u>286.654</u>	<u>141.748</u>
Revaluation 1 January 2023	11.173	11.173
Revaluation 31 December 2023	<u>11.173</u>	<u>11.173</u>
Depreciation and writedown 1 January 2023	-109.760	-106.249
Depreciation on and writedown of additions concerning company transfer	-75.731	0
Depreciation for the year	-8.376	-3.511
Reversal of depreciation, amortisation and writedown, assets disposed of	2.428	0
Depreciation and writedown 31 December 2023	<u>-191.439</u>	<u>-109.760</u>
Carrying amount, 31 December 2023	<u>106.388</u>	<u>43.161</u>

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
8. Plant and machinery		
Cost 1 January 2023	197.508	164.739
Additions concerning company transfer	157.375	0
Additions during the year	13.965	33.113
Disposals during the year	-27	-344
Cost 31 December 2023	<u>368.821</u>	<u>197.508</u>
Revaluation 1 January 2023	10.261	10.261
Revaluation 31 December 2023	<u>10.261</u>	<u>10.261</u>
Depreciation and writedown 1 January 2023	-156.514	-150.042
Depreciation on and writedown of additions concerning company transfer	-117.446	0
Depreciation for the year	-16.850	-6.740
Reversal of depreciation, amortisation and writedown, assets disposed of	27	268
Depreciation and writedown 31 December 2023	<u>-290.783</u>	<u>-156.514</u>
Carrying amount, 31 December 2023	<u>88.299</u>	<u>51.255</u>
9. Other fixtures and fittings, tools and equipment		
Cost 1 January 2023	6.929	6.978
Additions concerning company transfer	95.773	0
Additions during the year	1.932	0
Disposals during the year	-2.543	-49
Cost 31 December 2023	<u>102.091</u>	<u>6.929</u>
Amortisation and writedown 1 January 2023	-6.375	-5.982
Depreciation on and writedown of additions concerning company transfer	-87.347	0
Depreciation for the year	-2.871	-442
Reversal of depreciation, amortisation and writedown, assets disposed of	2.334	49
Amortisation and writedown 31 December 2023	<u>-94.259</u>	<u>-6.375</u>
Carrying amount, 31 December 2023	<u>7.832</u>	<u>554</u>

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
10. Property, plant, and equipment under construction and prepayments for property, plant, and equipment		
Cost 1 January 2023	5.005	26.334
Disposals concerning company transfer	-5.005	0
Additions during the year	5.801	3.488
Transfers	0	-24.817
Cost 31 December 2023	<u>5.801</u>	<u>5.005</u>
 Carrying amount, 31 December 2023	 <u>5.801</u>	 <u>5.005</u>
 11. Investments in subsidiaries		
Acquisition sum, opening balance 1 January 2023	21.148	21.148
Cost 31 December 2023	<u>21.148</u>	<u>21.148</u>
Revaluations, opening balance 1 January 2023	-663	-617
Adjustment of previous revaluations	47	-46
Writedown 31 December 2023	<u>-616</u>	<u>-663</u>
 Carrying amount, 31 December 2023	 <u>20.532</u>	 <u>20.485</u>

Financial highlights for the enterprises according to the latest approved annual reports

DKK in thousands	Equity interest	Equity	Results for the year
Egersund Tegl A.m.b.A., Sønderborg	100 %	20.445	-41

12. Provisions for deferred tax

Provisions for deferred tax 1 January 2023	4.969	4.093
Deferred tax of the results for the year	-735	876
Deferred tax from merger	6.540	0
	<u>10.774</u>	<u>4.969</u>

Notes

DKK thousand.

	<u>31/12 2023</u>	<u>31/12 2022</u>
13. Other provisions		
Provisions from merger	16.738	0
Change of the year in other provisions	<u>0</u>	<u>0</u>
	<u>16.738</u>	<u>0</u>

14. Other payables

Total other payables	<u>9.400</u>	<u>4.784</u>
Share of liabilities due after 5 years	<u>8.397</u>	<u>4.377</u>

15. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into operational leases with an average annual lease payment of tDKK 972. The leases have 3-30 months to maturity and total outstanding lease payments total tDKK 1.064.

Warranty commitments and other contingent liabilities:

The company is liable for bank guarantee tDKK 2.252 for re-establishment of clay areas.

Of the company's liquid assets are in escrow accounts tDKK 1.268.

Joint taxation

With Egersund Wienerberger A/S, company reg. no 10 50 23 06 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Notes

DKK thousand.

16. Related parties

Controlling interest

Wienerberger AG, Wienerbergerplatz 1, 1100 Wien, Austria	Ultimate holder	majority
Wienerberger Anteilsverwaltung GmbH, Wienerbergerplatz 1, 1100 Wien, Austria	immediate company	holding
Wienerberger Industriebeteiligungsverwaltung GmbH, Wienerbergerplatz 1, 1100 Wien, Austria	immediate company	holding
Wienerberger West European Holding GmbH Wienerbergerplatz 1, 1100 Wien, Austria	immediate company	holding
Egernsund Wienerberger A/S, H.C.Ørstedsvvej 50C, 1879 Frederiksberg	immediate company	holding

The Company's ultimate parent Wienerberger West European Holding GmbH, Wienerbergerplatz 1, Vienna, Austria owns 100% of the share capital in Egernsund Wienerberger A/S. Egernsund Wienerberger A/S (immediate and ultimate parent company) is included in consolidated financial statements of Wienerberger AG, Wienerbergerplatz 1, Vienna, Austria.

Transactions

The company has chosen only to disclose transactions that are not carried out on arm's length basis in accordance with section 98c(7) of the Danish Financial Statement Act.

Consolidated financial statements

The consolidated financial statement can be obtained at:

<https://annualreport.wienerberger.com/2023/>