Annual report for the period 1 April 2023 to 31 March 2024

Railsafe ApS

Industrivej 11, 4200 Slagelse

CVR no. 34 46 17 16

Adopted at the annual general meeting on 18 June 2024

Harald Gindl
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Railsafe ApS for the financial year 1 April 2023 - 31 March 2024.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 March 2024 and of the results of the company's operations for the financial year 1 April 2023 - 31 March 2024.

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

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

Slagelse, 29 May 2024

Executive board

Vagn Wiis	Philipp Sorgo	Peter Kritsch

Independent auditor's report

To the shareholder of Railsafe ApS

Opinion

We have audited the financial statements of Railsafe ApS for the financial year 1 April 2023 - 31 March 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 March 2024 and of the results of the company's operations for the financial year 1 April 2023 - 31 March 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Ringsted, 29 May 2024

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Kasper Green Jensen
Statsautoriseret revisor
mne33213

Company details

The company	Railsafe ApS Industrivej 11 4200 Slagelse	
	CVR no.:	34 46 17 16
	Reporting period:	1 April 2023 - 31 March 2024
	Incorporated:	19 March 2012
	Financial year:	12nd financial year
	Domicile:	Slagelse
Executive board	Vagn Wiis Philipp Sorgo Peter Kritsch	
Auditors	Beierholm Statsautoriseret Revisionspartnerselskab Søndervang 2 4100 Ringsted	

Management's review

Business review

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

Financial review

The company's income statement for the year ended 31 March 2024 shows a profit of DKK 381,743, and the balance sheet at 31 March 2024 shows equity of DKK 2,169,641.

Significant events occurring after the end of the financial year

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

Accounting policies

The annual report of Railsafe ApS for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

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

The annual report for 2023/24 is presented in DKK

Basis of recognition and measurement

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

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

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

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

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

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

Income statement

Gross profit

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

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

Accounting policies

Revenue

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Raw materials and consumables

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

Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of items of property, plant and equipment as well as payroll refunds.

Other external expenses

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

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Tangible assets

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

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

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

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

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

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

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Leases

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

Impairment of fixed assets

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

Receivables

Receivables are measured at amortised cost.

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

Accounting policies

Contract work in progress

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

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

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

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

Liabilities

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

Accounting policies

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

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

Foreign currency translation

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

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement 1 April 2023 - 31 March 2024

	Note	2023/24 DKK	2022/23 DKK (9 months)
Gross profit		**24,283,305**	**19,103,412**
Staff costs	1	-23,599,769	-18,774,195
Profit/loss before amortisation/depreciation and impairment losses		**683,536**	**329,217**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-138,963	-128,012
Profit/loss before net financials		**544,573**	**201,205**
Financial income		1,352	0
Financial costs		-36,943	-58,582
Profit/loss before tax		**508,982**	**142,623**
Tax on profit/loss for the year		-127,239	-44,613
Profit/loss for the year		**381,743**	**98,010**
Recommended appropriation of profit/loss			
Retained earnings		381,743	98,010
		381,743	**98,010**

Balance sheet at 31 March 2024

	Note	2023/24	2022/23
		DKK	DKK
Assets			
Other fixtures and fittings, tools and equipment	2	673,487	62,185
Leasehold improvements	2	0	0
Tangible assets		**673,487**	**62,185**
Total non-current assets		**673,487**	**62,185**
Trade receivables		1,417,141	1,109,136
Contract work in progress	3	14,500	78,000
Receivables from Group companies		2,445,704	2,816,567
Other receivables		15,000	346,440
Deferred tax asset		21,355	0
Corporation tax		340,736	0
Receivables		**4,254,436**	**4,350,143**
Cash at bank and in hand		**1,055,159**	**663,415**
Total current assets		**5,309,595**	**5,013,558**
Total assets		**5,983,082**	**5,075,743**

Balance sheet at 31 March 2024

	Note	2023/24	2022/23
		DKK	DKK
Equity and liabilities			
Share capital		80,000	80,000
Retained earnings		2,089,641	1,707,898
Equity		**2,169,641**	**1,787,898**
Provision for deferred tax		0	47,744
Total provisions		**0**	**47,744**
Corporation tax		196,338	0
Other payables		168,075	263,977
Total non-current liabilities	4	**364,413**	**263,977**
Trade payables		755,303	914,826
Payables to subsidiaries		167,571	44,275
Corporation tax		0	105,600
Other payables		2,526,154	1,911,423
Total current liabilities		**3,449,028**	**2,976,124**
Total liabilities		**3,813,441**	**3,240,101**
Total equity and liabilities		**5,983,082**	**5,075,743**
Contingent liabilities	5		
Mortgages and collateral	6		
Related parties and ownership structure	7		

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 April 2023	80,000	1,707,898	1,787,898
Net profit/loss for the year	0	381,743	381,743
Equity at 31 March 2024	**80,000**	**2,089,641**	**2,169,641**

	Share capital	Retained earnings	Total
Equity at 1 April 2022	80,000	1,609,888	1,689,888
Net profit/loss for the year	0	98,010	98,010
Equity at 31 March 2023	**80,000**	**1,707,898**	**1,787,898**

Notes

		2023/24 DKK	2022/23 DKK (9 months)
1	**Staff costs**		
	Wages and salaries	18,335,552	14,882,875
	Pensions	2,064,066	1,722,310
	Other social security costs	289,287	225,617
	Other staff costs	2,910,864	1,943,393
		23,599,769	**18,774,195**
	Number of fulltime employees on average	26	28

2 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 April 2023	746,849	28,805
Additions for the year	756,306	0
Disposals for the year	-50,000	0
Cost at 31 March 2024	1,453,155	28,805
Revaluations at 1 April 2023	0	0
Revaluations at 31 March 2024	0	0
Impairment losses and depreciation at 1 April 2023	684,664	28,805
Depreciation for the year	138,963	0
Reversal of impairment and depreciation of sold assets	-43,959	0
Impairment losses and depreciation at 31 March 2024	779,668	28,805
Carrying amount at 31 March 2024	**673,487**	**0**

Notes

		2023/24	2022/23
		DKK	DKK
3	**Contract work in progress**		
	Work in progress, selling price	14,500	78,000
		14,500	**78,000**
	Recognised in the balance sheet as follows:		
	Contract work in progress under assets	14,500	78,000
	Prepayments received under liabilities	0	0
		14,500	**78,000**
4	**Long term debt**		
	Corporation tax		
	Between 1 and 5 years	196,338	0
	Non-current portion	196,338	0
	Other short-term tax debt	0	105,600
	Current portion	0	105,600
		196,338	**105,600**
	Other payables		
	After 5 years	168,075	263,977
	Non-current portion	168,075	263,977
	Other short-term other debt	2,526,154	1,911,423
	Current portion	2,526,154	1,911,423
		2,694,229	**2,175,400**

Notes

5 Contingent liabilities

Lease obligations
The company has entered into lease agreements on cars with a remaining period of 3-12 month with a total liability of TDKK 215 thousand.

Further the company has entered into a rental agreement with a total liability of DKK 38.4 thousand.

The company is part in an ongoing trial. The expected outcome of the trial are not known on the balance sheet date.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Swietelsky Rail Danmark ApS, which is the management company of the joint taxation purposes.

Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

6 Mortgages and collateral

The company has placed existing and future purchases of other fixtures and fittings, tools and equiment and trade receivable as security for bank debt in accordance with the rules on company charges (floating charges) with a maximum of DKK 1,000 thousand. The carrying amount of assets covered by the company charge totals DKK 4,537 thousand at 31 March 2024.

7 Related parties and ownership structure

Consolidated financial statements

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