

**KINGSPAN A/S**


Mercurvej 12 A, 9530 Støvring

**Annual report for 2020**

CVR no. 26 06 52 67

Adopted at the annual general meeting on 5 July 2021

chairman: David Kasik

A handwritten signature in black ink, appearing to be 'DKASIK', written in a cursive style.

## Table of contents

	Page
<b>Statements</b>	
Statement by management on the annual report	1
Independent auditor's report	2
<b>Management's review</b>	
Company details	5
Management's review	6
<b>Financial statements</b>	
Income statement 1 January - 31 December	7
Balance sheet 31 December	8
Statement of changes in equity	10
Notes to the annual report	11
Accounting policies	14

## Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of KINGSPAN A/S for the financial year 1 January - 31 December 2020.

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

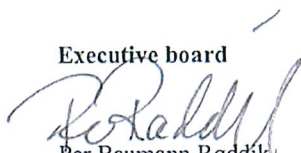
In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

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.

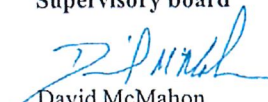
Støvring, 5 July 2021

### Executive board



Per Baumann Røddik  
Director

### Supervisory board



David McMahon  
Chairman



Jitka Nemcova



David Kasik

## Independent auditor's report

## Independent auditor's report

*To the shareholder of KINGSPAN A/S*

### Opinion

We have audited the financial statements of KINGSPAN A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. 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 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

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. 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,

## Independent auditor's report

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

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

## Independent auditor's report

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.

Aalborg, 5 July 2021

EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Hans B. Vistisen  
State Authorised Public Accountant  
Mne23254

## Company details

The company	KINGSPAN A/S Mercurvej 12 A 9530 Støvring
	CVR no.: 26 06 52 67
	Reporting period: 1 January - 31 December 2020
	Domicile: Rebild
Supervisory board	David McMahon, chairman Jitka Nemcova David Kasik
Executive board	Per Baumann Røddik, director
Auditors	EY Godkendt Revisionspartnerselskab Vestre Havnepromenade 1A 9000 Aalborg

## Management's review

### Business review

The company's main activity is insulation designs and insulated panels for industrial buildings.

### Financial review

The company's income statement for the year ended 31 December 2020 shows a profit of DKK 1.286.761, and the balance sheet at 31 December 2020 shows equity of DKK 18.903.927.

The Kingspan brand ended clearly behind 2019 in sales revenue due to one big 58000 m<sup>2</sup> project in 2019 which was missing in 2020.

Paroc Panel System brand ended slightly above 2019 revenue.

The company lost a market share of -3,6 % in the Kingspan brand the period of January to November, but gained 0,2 % in Parac Panel System brand business.

During the COVID-19 pandemic building sites remained open, but there was some delays and postponements in new building decisions. The company have not experienced any significant short term impact.

In the first half year of 2020 the company experienced a major negative impact to operational performance due to losing three persons. They were replaced with new hires in November/December.



## Income statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
Revenue		91.613.692	99.896.867
Raw materials and consumables		-78.504.163	-86.707.477
Other external expenses		<u>-4.409.236</u>	<u>-3.711.632</u>
Gross profit		8.700.293	9.477.758
Staff costs	1	<u>-6.218.231</u>	<u>-6.678.043</u>
Profit/loss before amortisation/depreciation and impairment losses		2.482.062	2.799.715
Depreciation, amortisation and impairment of property, plant and equipment	2	<u>-591.288</u>	<u>-611.621</u>
Profit/loss before net financials		1.890.774	2.188.094
Financial costs		<u>-222.945</u>	<u>-321.050</u>
Profit/loss before tax		1.667.829	1.867.044
Tax on profit for the year	3	<u>-381.068</u>	<u>-430.587</u>
Profit/loss for the year		<u>1.286.761</u>	<u>1.436.457</u>
Retained earnings		<u>1.286.761</u>	<u>1.436.457</u>
		<u>1.286.761</u>	<u>1.436.457</u>

## Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
<b>Assets</b>			
Leased assets		781.073	1.544.645
Other fixtures and fittings, tools and equipment		<u>464.166</u>	<u>667.111</u>
<b>Fixed assets</b>	4	<u><b>1.245.239</b></u>	<u><b>2.211.756</b></u>
<b>Total non-current assets</b>		<u><b>1.245.239</b></u>	<u><b>2.211.756</b></u>
Raw materials and consumables		<u>160.449</u>	<u>354.380</u>
<b>Stocks</b>		<u><b>160.449</b></u>	<u><b>354.380</b></u>
Trade receivables		7.465.084	11.907.960
Receivables from group entities		1.025.486	720.750
Other receivables		47.850	47.850
Deferred tax asset		30.021	0
Joint taxation contributions receivable		806.926	203.282
Prepayments		<u>158.697</u>	<u>159.332</u>
<b>Receivables</b>		<u><b>9.534.064</b></u>	<u><b>13.039.174</b></u>
Cash at bank and in hand		<u>17.044.559</u>	<u>9.127.705</u>
<b>Total current assets</b>		<u><b>26.739.072</b></u>	<u><b>22.521.259</b></u>
<b>Total assets</b>		<u><b>27.984.311</b></u>	<u><b>24.733.015</b></u>

## Balance sheet 31 December

	<u>Note</u>	<u>2020</u> DKK	<u>2019</u> DKK
<b>Equity and liabilities</b>			
Share capital		2.000.000	2.000.000
Retained earnings		<u>16.903.927</u>	<u>15.617.166</u>
<b>Equity</b>		<u>18.903.927</u>	<u>17.617.166</u>
Provision for deferred tax		<u>0</u>	<u>5.323</u>
<b>Total provisions</b>		<u>0</u>	<u>5.323</u>
Lease obligations		528.853	1.170.448
Other payables		<u>488.535</u>	<u>241.759</u>
<b>Total non-current liabilities</b>	5	<u>1.017.388</u>	<u>1.412.207</u>
Other credit institutions	5	3.320.880	1.110.878
Lease obligation	5	260.380	382.145
Trade payables		443.978	324.846
Corporation tax		971.342	443.444
Other payables		<u>3.066.416</u>	<u>3.437.006</u>
<b>Total current liabilities</b>		<u>8.062.996</u>	<u>5.698.319</u>
<b>Total liabilities</b>		<u>9.080.384</u>	<u>7.110.526</u>
<b>Total equity and liabilities</b>		<u>27.984.311</u>	<u>24.733.015</u>
Contingencies, etc.	6		
Related parties and ownership structure	7		

**Statement of changes in equity**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	2.000.000	15.617.166	17.617.166
Net profit/loss for the year	<u>0</u>	<u>1.286.761</u>	<u>1.286.761</u>
Equity at 31 December 2020	<u>2.000.000</u>	<u>16.903.927</u>	<u>18.903.927</u>

## Notes

	<u>2020</u> DKK	<u>2019</u> DKK
<b>1 Staff costs</b>		
Wages and salaries	5.603.513	5.866.740
Pensions	552.153	692.943
Other social security costs	<u>62.565</u>	<u>118.360</u>
	<u>6.218.231</u>	<u>6.678.043</u>
Average number of employees	<u>8</u>	<u>11</u>
<b>2 Depreciation, amortisation and impairment of property, plant and equipment</b>		
Depreciation tangible assets	<u>591.288</u>	<u>611.621</u>
	<u>591.288</u>	<u>611.621</u>
<b>3 Tax on profit for the year</b>		
Current tax for the year	416.416	424.162
Deferred tax for the year	-35.348	6.440
Adjustment of tax concerning previous years	<u>0</u>	<u>-15</u>
	<u>381.068</u>	<u>430.587</u>

## Notes

### 4 Fixed assets

	<u>Leased assets</u>	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2020	1.930.806	2.226.832
Disposals for the year	<u>-630.900</u>	<u>0</u>
Cost at 31 December 2020	<u>1.299.906</u>	<u>2.226.832</u>
Impairment losses and depreciation at 1 January 2020	386.161	1.559.722
Depreciation for the year	260.360	202.944
Impairment and depreciation of sold assets for the year	127.975	0
Reversal of impairment and depreciation of disposed assets	<u>-255.663</u>	<u>0</u>
Impairment losses and depreciation at 31 December 2020	<u>518.833</u>	<u>1.762.666</u>
<b>Carrying amount at 31 December 2020</b>	<u><b>781.073</b></u>	<u><b>464.166</b></u>

### 5 Long term debt

	<u>2020</u> DKK	<u>2019</u> DKK
<b>Lease obligations</b>		
Between 1 and 5 years	<u>528.853</u>	<u>1.170.448</u>
Non-current portion	528.853	1.170.448
Within 1 year	<u>260.380</u>	<u>382.145</u>
	<u><b>789.233</b></u>	<u><b>1.552.593</b></u>
<b>Other payables</b>		
Between 1 and 5 years	<u>488.535</u>	<u>241.759</u>
Non-current portion	<u>488.535</u>	<u>241.759</u>
Other short-term other debt	<u>3.066.416</u>	<u>3.437.006</u>
Current portion	<u>3.066.416</u>	<u>3.437.006</u>
	<u><b>3.554.951</b></u>	<u><b>3.678.765</b></u>

### 6 Contingencies, etc.

The Company is jointly taxed with its Danish group entities. As administration company, the Company has unlimited joint and several liability for payment of Danish corporation taxes. The jointly taxed entities' total known net liability in respect of corporation taxes payable amounted to DKK 971 thousand at 31 December 2020. Any subsequent corrections of the income subject to joint taxation may entail that the Company's liability will increase.

## Notes

### 7 Related parties and ownership structure

#### Consolidated financial statements

Kingspan A/S is part of consolidated financial statements of Kingspan GmbH, Wesel, Germany, which is the smallest group the Company is included as a subsidiary.

## Accounting policies

The annual report of KINGSPAN A/S for 2020 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 2020 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

#### Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.



## Accounting policies

### Staff costs

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

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of 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 for the year

The company is subject to the Danish rules on compulsory joint taxation.

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

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.

## Balance sheet

### Fixed assets

Items of land and buildings, 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. Land is not depreciated.

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.

## Accounting policies

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

	Useful life	Residual value
Other buildings	5 years	0 %
Other fixtures and fittings, tools and equipment	3-7 years	0 %

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

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

### Leases

When entering into a contract, the Company assesses whether the contract is a lease or contains a lease component. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When assessing whether a contract contains a lease component, it must be considered whether, during the period of use, the lessee has the right to substantially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

The Company recognises a right-of-use asset and a lease liability at the commencement date.

The Company leases cars including a service component in the payments to the lessor. This service is separated from the lease payment when measuring the lease liability. If the Company is unable to reliably separate lease components and non-lease components, it is considered a single lease component.

Lease liabilities recognised as "Credit institutions and interest-bearing liabilities" are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease payments consist of fixed and variable lease payments that depend on an index or a rate, guaranteed residual values, purchase options and extension options if the Company is reasonably certain to exercise the option and termination penalties if the lease term reflects the Company exercising an option to terminate the lease. The lease liability is subsequently adjusted as follows if:

## Accounting policies

- The value of the index or rate on which the lease payments are based is changed.
- The exercise of options is changed in order to extend or terminate the lease due to significant events or a significant change in circumstances within the Company's control.
- The lease term is changed if the option is exercised in order to extend or terminate the lease.
- Estimated residual value guarantee is changed.- The contract is renegotiated or modified.

Any subsequent adjustment of the future lease liability is recognised as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is DKK 0, a negative adjustment to the right-of-use asset is, however, recognised in the income statement.

The right-of-use asset is initially measured at cost comprising amount of initial measurement of the lease liability plus any initial direct costs and any estimated costs of dismantling and removal of the asset at the end of the lease term which the Company is under an obligation to incur and any prepaid lease payments and less any lease incentives received.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the right-of-use asset.

Short-term leases with a maximum lease term of 12 months and leases for low-value assets are not recognised in the balance sheet.

### Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

### Receivables

Receivables are measured at amortised cost.

## Accounting policies

### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

### Equity

#### Dividends

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

#### Income tax and deferred tax

As management company, KINGSPAN A/S is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

#### 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.

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.

## Accounting policies

The compensated absence commitment which the company's employees earn during the transitional period from 1 September 2019 to 31 August 2020, is administered by the company and is paid in to the Danish Holiday Fund before the employee reaches the pensionable age. Other debt is measured at amortised cost, which usually corresponds to the 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.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

