Spæncom A/S

Akacievej 1, Fløng, DK-2640 Hedehusene

Annual Report for 1 January - 31 December 2021

CVR No 26 27 10 10

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 29/6 2022

Nils Trier
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Spæncom A/S for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hedehusene, 29 June 2022

Executive Board

Sven Magnus Ström
CEO

Board of Directors

Paul Mikael Stöhr Chairman	Daniel Per Erik Andreas Warnholtz	Emmanuelle Claire Cochard
Niels Erik Holmenlund	Michael Meldgaard Axelsen	

Independent Auditor's Report

To the Shareholder of Spæncom A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Spæncom A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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 misstate-

ment, whether due to fraud or error.

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

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

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

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

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

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

- 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.

Hellerup, 29 June 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Kaare von Cappeln	Thomas Lauritsen
State Authorised Public Accountant	State Authorised Public Accountant
mne11629	mne34342

Company Information

The Company	Spæncom A/S Akacievej 1 Fløng DK-2640 Hedehusene Telephone: + 45 88 88 82 00 Website: www.spaencom.dk CVR No: 26 27 10 10 Financial period: 1 January - 31 December Incorporated: 15 November 1966 Municipality of reg. office: Høje Taastrup
Board of Directors	Paul Mikael Stöhr, Chairman Daniel Per Erik Andreas Warnholtz Emmanuelle Claire Cochard Niels Erik Holmenlund Michael Meldgaard Axelsen
Executive Board	Sven Magnus Ström
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2021	2020	2019	2018	2017
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
Key figures					
Profit/loss					
Revenue	730	696	723	720	747
Gross profit/loss	92	127	112	162	168
Operating profit/loss	-27	2	-22	21	42
Net financials	-4	-9	-6	-7	-10
Net profit/loss for the year	-25	3	-22	10	26
Balance sheet					
Balance sheet total	523	437	512	521	474
Equity	104	129	126	167	157
Investment in property, plant and equipment	6	5	13	6	23
Number of employees	524	533	529	505	530
Ratios					
Gross margin	12,6%	18,2%	15,5%	22,5%	22,5%
Profit margin	-3,7%	0,3%	-3,0%	2,9%	5,6%
Solvency ratio	19,9%	29,5%	24,6%	32,1%	33,1%
Return on equity	-21,5%	2,4%	-15,0%	6,2%	18,4%

Management's Review

Key activities

The core competences of Spæncom A/S are to develop, design and produce concrete elements. It is the vision of Spæncom A/S to be the preferred partner in all construction projects using concrete elements and to be the largest supplier of highly refined industrialized construction systems.

This vision is pursued by focusing on innovation, high quality and consistency of supply, combined with the ability to compete through value adding solutions, high productivity and focus on sustainability.

Development in activities and financial position

2021 was a year challenged by the global COVID-19 pandemic. Low order intake in 2020 have negatively impacted first half of 2021 as we started the year with low loading and also throughout the year have executed projects with lower margins. In addition, the increased raw material cost prices during 2021 have had an unfavorable impact on margins.

We managed to have all three factories and our assembly running throughout the year despite the COVID-19 challenge, which meant that we had no delays effecting our customers.

During 2021 we successfully managed to increase the order intake with significantly higher margins and the order intake end on an all-time high level DKK 1 billion, up 45 % versus 2020.

The income statement of the Company for 2021 shows a loss of DKK 24,877 thousand and at 31 December 2021, the balance sheet of the Company shows equity of DKK 104,320 thousand.

The Company's revenue for the year amounted to DKK 729.8 million, which is an increase compared to last year when revenue amounted to DKK 696.3 million. The Company's revenue for the year is in line with the expected revenue according to the expectations stated in the annual report for 2020.

The production volume for the year was slightly below last year driven by the loading in the first half of the year.

The Company's production of concrete elements takes place from production facilities in Aalborg, Kolding and Vemmelev and constitutes the majority of the Company's activities. The headquarter is situated in Hedehusene.

Operating profit amounted to a loss of DKK 27.4 million, which was below expectations driven by the low loading in the first half of the year and the cost price development.

Net financials amounting to a negative DKK 4.4 million.

The net result is not considered satisfactory despite it was a year challenged by the global COVID-19 pandemic.

Management's Review

The Group

The Group comprises the parent company, Spæncom A/S, as well as the subsidiary, Spaencom Betonfertigteile GmbH & Co KG (hereinafter named SBF).

During the financial year, the land, buildings and production plant of SBF have been idle. SBF will be liquidated during 2022.

Particular risks

Considering the Company's activities within production of concrete elements, the Company is inherently and to a great extent dependent on the general development in the construction industry, which is generally considered to be sensitive to market fluctuations.

Operating risks

To a high extent, the Company's costs depend on the development in raw material prices – especially the prices of steel, cement and energy – and to the largest possible extent, the Company attempts to reduce this risk by entering into long-term agreements with its suppliers and to have escalation clauses toward customers on certain cost items like steel.

The Company's production is relatively wage intensive, and consequently, the Company's costs are also influenced by the development in wages and salaries.

The Company's production and products are mainly based on well-known and thoroughly tested techniques, and the majority of the tasks are performed under well-known risks; the Company attempts to minimize the risks through certified quality assurance programs.

Currency risks

The Company's exposure to exchange rate fluctuations is limited as only a limited part of the transactions are denominated in currencies other than DKK. The main part of the transactions in foreigncurrencies is denominated in EUR, which is not hedged due to Denmark's fixed exchange rate policy vis- à-vis the Euro. Transactions in other currencies are hedged if Management finds it appropriate.

Interest rate risks

In relation to its mortgage debt, the Company is subject to an interest rate risk. The interest rate exposure is related to fluctuations in the CIBOR rate.

At year end, there were no outstanding interest rate derivatives.

Management's Review

Credit risks

The Company's customers comprise a wide range of the operators in the Danish construction industry in particular, but with a considerable part of the revenue distributed among the large operators in the industry.

As the Company predominantly contracts and invoices in accordance with AB92/AB18, projects and debts are normally secured by means of guarantees from reputable guarantors and by means of transports. The maximum credit risk that may occur for trade receivables and other receivables corresponds to the value at which they are recognized in the balance sheet. No single receivable constitutes a significant part. For the most debtor balances is insured.

The Company contracts only with reputable financial institutions controlled by respected financial supervisory authorities.

Liquidity risks

The positive development in the liquidity proves that liquidity management should continuously be a focus area for the Company. However, based on budgeted results, Spæncom expects that the current financial resources are adequate and that the short-term liquidity reserves are sufficient. These reserves include the parent company's contribution of working capital if necessary.

Targets and expectations for the year ahead

We expect an increased development of revenue of 20-25 %, highly impacted by price increases. We forecast a positive EBIT in the region of DKK 0-5 million, however the Russia-Ukraine crisis will have a negative impact compared to our original budget for the year. The turnaround activities initiated in 2021 will continue and in addition, we foresee a significantly increased focus on sustainability.

Development and research

It is a continuous effort to develop processes, methods and products which are of use to the Company and its stakeholders. This is done both within the Company and in cooperation with clients and advisors as well as in cooperation with the Consolis Group, which uses significant resources on the development of products and production methods.

Spæncom does not undertake actual research but participates in various development projects together with universities, technological institutes and other operators within the industry.

Management's Review

Human Capital

To ensure the continuing growth of Spæncom A/S, it is essential that the Company continuously attracts and maintains highly educated professionals such as engineers, designers and production staff. To ensure a high and competitive product quality, the Company makes use of state-of-the-art processes in the tender and design phase. Today, the Spæncom A/S possesses the highest expertise within design and project development, in the concrete element industry.

Corporate social responsibility

For Spæncom, sustainability is about balancing environmental, economic and social impact throughout the whole value chain. When focusing on value creation, we take responsibility and ensure that our business practices meet the highest standards of compliance concerning products, environment, ethics and people. Our CSR policy rest on the pillars:

- Environmental impact
- Health & Safety
- Social responsibility

that covers all relevant aspects of Corporate Social Responsibilities. The different aspects are described below.

All policies are developed to secure full compliance with all applicable laws and regulations.

Environment Impact

With a constant focus on the environment and the development of new environmentally friendly production methods, Spæncom will be an industry leader in sustainability by focusing on minimizing the carbon footprint, reduce the consumption of energy, water and waste, reusing water and scrap concrete elements and focus on optimizing the concrete.
As a company, we have adopted an Environmental Policy with the following principles:

- Operating practices, which seek to minimize impact, prevent pollution and minimize the likelihood of environmental harm through work and management practices, continuous improvement, training and the use of new technology.

- Compliance with all applicable environmental laws and regulations in both existing operations and new developments.

- Ensure suppliers adhere to legislation regarding delivery of raw materials on-site.

- Environmental assessment of existing operations and new projects.

- Plan, review and assess our environmental performance against measurable targets and best practices to drive continuous improvement.

Management's Review

• Report, monitor and analyze our environmental performance.

• Maximize our energy and resource efficiency, lower our carbon intensity and reduce emissions by managing our usage of energy, water consumption and waste generation: 1) Waste management to minimize wastes, develop recycling opportunities, and ensure proper handling and disposal methods. 2) Product development, which seeks to combine commercial viability and efficient use of resources.

We are continously optimizing the entire design process by making use of digital tools and developing new solutions to reduce the use of reinforcement steel and concrete.

To help our customers make the projects as green as possible, so they can achieve the certification that the developer wants, we are using EPDs (Environmental Product Declaration) which are used for verified documentation of environmental impacts, resource consumption and waste generation for a material / product / construction product. We have now EPDs for Hollow core Slabs (EX22 and EX32) and Walls (180mm). We also choose to make demands to our suppliers, so it's the entire value chain that contributes to sustainable production and delivery.

The various initiatives can be seen on the Company's website https://spaencom.dk/baeredygtighed/

The policy regarding environment is integrated in Spæncom A/S certified quality management system.

Spæncom is operating in accordance with the environmental permits given by the municipalities, where the factories are located.

The key environmental risks identified by the authorities are:

• Energy consumption
• Water consumption
• Emission to water
• Emission to air
• Noise
• Disposals

These key areas are measured on a regular basis as a part of Spæncom environmental program and in compliance with authorities' requirements. We reuse process water and rainwater and have made different changes in the production to reduce the energy consumption.

Spæncom does not have any open issues with the authorities in this respect.

Management's Review

Health & Safety

The type of work at the factories and on the assembly sites naturally contains latent risk of injuries, which is the reason that Spæncom is committed to providing a safe and healthy work environment for its employees and to conducting its business in a safe manner.

Our Health and Safety Policy is one of the components of our business compliance, and it is directly linked to quality and operational excellence.

Our H&S management systems reflect our values and require visible and active engagement.

• We protect the health and safety of our employees, sub-contractors and visitors; everyone is expected to behave with a safety mindset.

• No priority or productivity can ever justify putting oneself or anyone else at risk.

• We are committed to compliance with all health, safety and environmental requirements wherever we operate.

• We measure and review our health and safety records, implement corrective actions, monitor our progress and target « zero accidents and zero occupational health problems ».

• Our H&S management systems are based on continuous improvement and are fully integrated into our operational excellence initiatives.

• It is everyone's responsibility to ensure that safety rules are applied. Our leadership team and employees receive regular training on health and safety.

The principles associated with Health and Safety are what define us as a company to our customers, our employees and the communities where we conduct business. The high level of importance that we have assigned to these areas is reflected in our everyday actions.

The concrete implementation of the Health and Safety Policy contains a clear requirement of evaluating risks connected to new task and frequent safety inspections on all sites to secure that risks are identified and managed. Further, Spæncom has firm and clear instructions on the use of personal protecting equipment, root cause analysis behind each accident, annual safety weeks, etc. This focus will continue as a top priority towards a zero accident culture.

Management’s Review

During 2021, we have successfully maintained the accident rates on a low level.

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Year	FR 1	FR 2
2016	3.0	19
2017	1.1	16
2018	5.7	20
2019	6.5	22
2020	0.0	2
2021	2.2	3
	FR 1: Accidents with lost time per million working hours	**FR 2:** Accidents (with and without lost time) per million working hours

Social Responsibility

Human rights

The Code of Conduct and related policies set out strict rules and clear governance regarding business ethics. Spæncom’s relationships with business partners are based on high ethical standards and practices that aim to prevent unethical behaviors throughout the value chain. As one of the biggest companies in the concrete element industry, Spæncom contributes to fair market conditions and through a strict application of the code of Conduct and related policies protect its brand.

Spæncom is keen to provide its employee with a safe and friendly environment where people, policies, law and regulations are respected, where any violation of the Code of Conduct and related policies is not tolerated. We are committed to ensure that our business is conducted ethically, based on our values, and in compliance with all laws and regulations. To prevent and tackle ant potential misconduct within Spæncom, we have an alert channel hosted by a third-party service provider to ensure full confidentially for the individual subject to local legislation requirements and integrity around the process. During 2021 no violations have been identified. The Company will continuously assess whether further actions are needed.

Spæncom does not see any specific, material risks to violate human rights.

Statement on gender composition

Currently, the Company's supreme management body, the Board of Directors, consists of five members. One of the members is female. It is the Company's target, to have at least one female member on the Board, which is fulfilled. The goal has been set based on the Group's industry, in which the workforce consists primarily of men. The formal management team of 7 people consists of two persons that are female.

The Company strives to maintain and fulfil the goals set for gender quotation at all management levels but will always employ the best qualified candidate. Both male and female employees are encouraged to apply for internally advertised positions and to develop their competences and careers. At the moment, 7 out 23 on all management levels are women. This is compared to the general gender composition of the Company, where about 10% are women.

Management's Review

Anti-Corruption

Spæncom comply with Consolis Group's Anti Money Laundering Policy. Further, white-collar employees have Spæncom/Consolis Code of Conduct as an integrated document of their employment contract. The Code of Conduct covers among others anti-corruption and fair trade.

In general, corruption is – according to Transparency International – very low in Denmark, where Spæncom conducts its business. Therefore, the general risk level is rather low. During 2021 no violations have been identified. Spæncom has a strong belief that the Code of Conduct and Anti Money Laundering Policy are appropriate measures to avoid corrupt behavior among the Company's employees. The Company will continously assess whether further actions are needed.

Statement on Data Ethics

Spæncom does not use advanced technologies such as artificial intelligence or machine learning. The Company handles general data in the form of customer data and employee data.Data is processed in accordance with the GDPR and our privacy and information security policies. With the limited processing of data, it is the Company's assessment that there is no need for a policy on data ethics. The Company will continuously assess whether a policy is necessary.

Events after the balance sheet date

No events have occurred after the balance sheet date that materially affects the Company's financial position.

Dividends and the annual general meeting

The Board of Directors will recommend to the annual general meeting that no dividend should be distributed.

The annual general meeting will be held on June 29th 2022 at the Company's premises in Hedehusene (Akacievej 1).

Income Statement 1 January - 31 December

	Note	2021 TDKK	2020 TDKK
Revenue	1	**729.798**	**696.338**
Production costs	2	-637.599	-569.251
Gross profit/loss		**92.199**	**127.087**
Distribution expenses	2	-53.944	-69.268
Administrative expenses	2	-65.698	-55.812
Operating profit/loss		**-27.443**	**2.007**
Other operating income		132	86
Other operating expenses		-109	-42
Profit/loss before financial income and expenses		**-27.420**	**2.051**
Income from investments in subsidiaries		0	-2.750
Financial income	3	1.097	197
Financial expenses	4	-5.452	-6.802
Profit/loss before tax		**-31.775**	**-7.304**
Tax on profit/loss for the year	5	6.898	10.619
Net profit/loss for the year		**-24.877**	**3.315**

Balance Sheet 31 December

Assets

	Note	2021	2020
		TDKK	TDKK
Acquired licenses		2.379	1.824
Intangible assets	6	**2.379**	**1.824**
Land and buildings		78.059	82.583
Plant and machinery		39.698	41.576
Other fixtures and fittings, tools and equipment		890	1.054
Property, plant and equipment in progress		0	1.802
Property, plant and equipment	7	**118.647**	**127.015**
Investments in subsidiaries	8	2.250	2.250
Deposits	9	1.158	866
Fixed asset investments		**3.408**	**3.116**
Fixed assets		**124.434**	**131.955**
Raw materials and consumables		45.416	25.632
Finished goods and goods for resale		2.707	2.525
Inventories		**48.123**	**28.157**
Trade receivables		145.396	108.698
Contract work in progress	10	15.312	6.029
Receivables from group enterprises		167.684	157.704
Other receivables		230	21
Deferred tax asset	15	5.350	0
Corporation tax		42	46
Prepayments	11	4.161	3.003
Receivables		**338.175**	**275.501**
Securities and equity investments		**1.130**	**752**
Cash at bank and in hand		**10.740**	**159**
Currents assets		**398.168**	**304.569**
Assets		**522.602**	**436.524**

Balance Sheet 31 December

Liabilities and equity

	Note	2021	2020
		TDKK	TDKK
Share capital	13	41.126	41.126
Retained earnings		63.194	88.071
Equity		**104.320**	**129.197**
Provision for deferred tax	15	0	1.548
Other provisions	16	3.215	1.215
Provisions		**3.215**	**2.763**
Mortgage loans		28.600	33.108
Long-term debt	17	**28.600**	**33.108**
Mortgage loans	17	4.627	4.748
Credit institutions		129.680	66.392
Trade payables		70.129	49.693
Contract work in progress, liabilities	10	73.163	44.935
Payables to group enterprises		27.706	26.405
Other payables		81.162	79.283
Short-term debt		**386.467**	**271.456**
Debt		**415.067**	**304.564**
Liabilities and equity		**522.602**	**436.524**

Distribution of profit	14
Contingent assets, liabilities and other financial obligations	18
Related parties	19
Fee to auditors appointed at the general meeting	20
Accounting Policies	21

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	41.126	88.071	129.197
Net profit/loss for the year	0	-24.877	-24.877
Equity at 31 December	**41.126**	**63.194**	**104.320**

Notes to the Financial Statements

		2021	2020
		TDKK	TDKK
1	**Revenue**		
	Geographical segments		
	Revenue, Denmark	729.798	696.338
		729.798	**696.338**
	Business segments		
	Own production	512.330	505.608
	Assembly, freight and external deliveries	217.468	190.730
		729.798	**696.338**
2	**Staff**		
	Wages and Salaries	248.815	247.621
	Pensions	21.338	21.009
	Other social security expenses	2.143	1.955
		272.296	**270.585**
	Wages and Salaries, pensions and other social security expenses are recognised in the following items:		
	Production costs	238.483	235.278
	Distribution expenses	9.157	10.683
	Administrative expenses	24.656	24.624
		272.296	**270.585**
	Including remuneration to the Executive and Supervisory Boards	**2.323**	**2.800**
	Average number of employees	**524**	**533**

Notes to the Financial Statements

		2021	2020
		TDKK	TDKK
3	**Financial income**		
	Interest received from group enterprises	98	31
	Other financial income	482	166
	Exchange adjustments	517	0
		1.097	**197**
4	**Financial expenses**		
	Interest expense	1.220	1.350
	Guarantee commission	4.138	3.715
	Other financial expenses	94	120
	Exchange loss	0	1.617
		5.452	**6.802**
5	**Tax on profit/loss for the year**		
	Current tax for the year	0	3.413
	Deferred tax for the year	-6.898	-14.032
		-6.898	**-10.619**

6 Intangible assets

	Acquired licenses
	TDKK
Cost at 1 January	9.139
Disposals for the year	-1.104
Transfers for the year	1.802
Cost at 31 December	9.837
Impairment losses and amortisation at 1 January	7.315
Amortisation for the year	1.247
Reversal of amortisation of disposals for the year	-1.104
Impairment losses and amortisation at 31 December	7.458
Carrying amount at 31 December	**2.379**

Notes to the Financial Statements

7 Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	253.331	182.761	17.948	1.802
Additions for the year	128	5.340	199	0
Disposals for the year	0	-630	-136	0
Transfers for the year	0	0	0	-1.802
Cost at 31 December	253.459	187.471	18.011	0
Impairment losses and depreciation at 1 January	170.748	141.185	16.894	0
Depreciation for the year	4.652	7.110	363	0
Reversal of impairment and depreciation of sold assets	0	-522	-136	0
Impairment losses and depreciation at 31 December	175.400	147.773	17.121	0
Carrying amount at 31 December	**78.059**	**39.698**	**890**	**0**

8 Investments in subsidiaries

	2021	2020
	TDKK	TDKK
Cost at 1 January	92.316	92.316
Cost at 31 December	92.316	92.316
Value adjustments at 1 January	-90.066	-87.316
Revaluations for the year, net	0	-2.750
Value adjustments at 31 December	-90.066	-90.066
Carrying amount at 31 December	**2.250**	**2.250**

Notes to the Financial Statements

8 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Spæncom Betonfertigteile GmbH & Co.KG	Alteno, Germany	100%	2.250	-3.278

Information regarding equity and profit/loss for the year is for the financial year 2020, which is the latest available information.

9 Other fixed asset investments

	Deposits
	TDKK
Cost at 1 January	866
Additions for the year	292
Cost at 31 December	1.158
Carrying amount at 31 December	**1.158**

	2021	2020
	TDKK	TDKK

10 Contract work in progress

	2021	2020
Selling price of work in progress	999.305	954.739
Payments received on account	-1.057.156	-993.645
	-57.851	**-38.906**
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	15.312	6.029
Prepayments received recognised in debt	-73.163	-44.935
	-57.851	**-38.906**

11 Prepayments

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

Notes to the Financial Statements

12 Investments at fair value

	Value adjustment, income statement	Fair value at 31 December
	TDKK	TDKK
Shares	378	1.130

13 Share capital

The share capital is broken down as follow:

	Number	Nominal value
		TDKK
A-shares	110.655	11.065
B-shares	330.308	30.061
		41.126

There have been no changes in the share capital during the last 5 years.

	2021	2020
	TDKK	TDKK

14 Distribution of profit

Retained earnings	-24.877	3.315
	-24.877	**3.315**

15 Deferred tax asset

Deferred tax asset at 1 January	-1.548	-15.579
Amounts recognised in the income statement for the year	6.898	14.031
Deferred tax asset at 31 December	**5.350**	**-1.548**

Notes to the Financial Statements

16 Other provisions

	2021	2020
	TDKK	TDKK
Provision for clean up of contamination	1.215	1.215
Provisions for claims, etc.	2.000	0
	3.215	**1.215**

17 Long-term debt

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

The debt falls due for payment as specified below:

Mortgage loans

	2021	2020
After 5 years	10.233	14.819
Between 1 and 5 years	18.367	18.289
Long-term part	28.600	33.108
Within 1 year	4.627	4.748
	33.227	**37.856**

18 Contingent assets, liabilities and other financial obligations

Charges and security

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

	2021	2020
Land and building at net book value of	78.059	82.583

The following properties have been provided as collateral for mortgage debt of DKK 76,762 thousand:
- Borgergade 102, title no. 0009a, Tjæreby By, Tårnborg
- Letvadvej 37, title no. 0003df, Sofiendal By, Skalborg
- Letvadvej 37, title no. 0002gz, Sofiendal By, Skalborg
- Soneberg 7, title no. 0002d, Rådvad By, Harte

Notes to the Financial Statements

18 Contingent assets, liabilities and other financial obligations (continued)

	2021	2020
	TDKK	TDKK

Rental and lease obligations

	2021	2020
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	7.194	7.420
Between 1 and 5 years	9.950	10.494
After 5 years	5.238	5.119
	22.382	**23.033**

Guarantee obligations

	2021	2020
Performance guarentees amount to	133.036	137.015

Other contingent liabilities

The Company has provided a letter of support to the subsidiary Spaencom Betonfertigteile GmbH. The maximum risk is estimated in the level of DKK 5 million.

Spæncom A/S is party to ongoing litigations. Management believes that the outcome of these lawsuits will not affect the Company's financial position beyond the receivables and obligations recognised in the balance sheet at 31 December 2021.

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 Consolis Denmark A/S, which is the management company of the joint taxation purposes. Moreover, the 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.

19 Related parties

	Basis
Controlling interest	
Bain Capital Holdings LP	Ultimate beneficial owner
Concolis Denmark A/S, Hedehusene	Immediate parent company

Notes to the Financial Statements

19 Related parties (continued)

Other related parties

Sven Magnus Ström	Executive Management
Paul Mikael Stöhr	Board of Directors
Daniel Per Erik Andreas Warnholtz	Board of Directors
Emmanuelle Claire Cochard	Board of Directors
Niels Erik Holmenlund	Board of Directors
Michael Meldgaard Axelsen	Board of Directors
Spaencom Betonfertigteile GmbH	Subsidiary
Spaencom Verwaltungs GmbH	Subsidiary

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The company is included in the consolidated report for the parent company:

Name	Place of registered office
Consolis S.A.S.	France

The Group Annual Report of Consolis S.A.S. may be obtained at the following address:

Akacievej 1, 2640 Hedehusene

Notes to the Financial Statements

20 Fee to auditors appointed at the general meeting

	2021	2020
	TDKK	TDKK
PricewaterhouseCoopers		
Audit fee	225	0
	225	**0**
KPMG		
Audit fee	0	243
Tax advisory services	0	50
Andre ydelser	0	53
	0	**346**
	225	**346**

Notes to the Financial Statements

21 Accounting Policies

The Annual Report of Spæncom A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Consolis Group S.A.S., the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Consolis S.A.S., the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

21 Accounting Policies (continued)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue

Information on business segments and geographical segments based on the Companys risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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

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

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Production costs

Production costs comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Notes to the Financial Statements

21 Accounting Policies (continued)

Production costs also includes research and development costs that do not qualify for capitalisation as well as amortisation of capitalised development costs. Finally, provisions for losses on contract work are recognised.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with the Group's Danish enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

21 Accounting Policies (continued)

Balance Sheet

Intangible assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 2-10 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	20-50	years
Plant and machinery	3-25	years
Other fixtures and fittings, tools and equipment	3-10	years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Notes to the Financial Statements

21 Accounting Policies (continued)

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Contract work in progress

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

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

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

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

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

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

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the de-

Notes to the Financial Statements

21 Accounting Policies (continued)

ferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

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

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

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$