Spæncom A/S

c/o Fløng, Akacievej 1, DK-2640 Hedehusene

Annual Report for 2022

CVR No. 26 27 10 10

The Annual Report was presented and adopted at the Annual General Meeting of the company on 31/5 2023

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 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Hedehusene, 31 May 2023

Executive Board

Nils Trier
CEO

Board of Directors

Paul Mikael Stöhr Chairman	Daniel Per E. 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 2022 and of the results of the Company´s operations for the financial year 1 January - 31 December 2022 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 2022, 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 Financial 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 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.

Independent Auditor's report

Auditor’s responsibilities for the audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, 31 May 2023

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
Fløng
Akacievej 1
DK-2640 Hedehusene

Telephone: +45 88 88 82 00

Website: 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 E. Andreas Warnholtz
Emmanuelle Claire Cochard
Niels Erik Holmenlund
Michael Meldgaard Axelsen

Executive board

Nils Trier

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2022	2021	2020	2019	2018
	Mil. DKK	Mil. DKK	Mil. DKK	Mil. DKK	Mil. DKK
Key figures					
Profit/loss					
Revenue	915	730	696	723	720
Gross profit/loss	152	92	127	112	162
Operating profit/loss	-3	-28	2	-22	21
Net financials	-8	-14	-9	-6	-7
Net profit/loss for the year	-9	-35	3	-22	10
Balance sheet					
Balance sheet total	501	523	437	512	521
Equity	122	131	129	126	167
Investment in property, plant and equipment	7	6	5	13	6
Number of employees	560	524	533	529	505
Ratios					
Gross margin	16.7%	12.6%	18.2%	15.5%	22.5%
Profit margin	-0.3%	-3.8%	0.3%	-3.0%	2.9%
Solvency ratio	24.3%	25.0%	29.5%	24.6%	32.1%
Return on equity	-7.2%	-29.8%	2.4%	-15.0%	6.2%

The comparative figures for 2021 has been adjusted due to the merger between the Consolis Denmark A/S and its wholly-owned subsidiary Spæncom A/S with Spæncom A/S as the continuing company with accounting effect from 1 January 2022. The comparative figures and ratios for 2020 and previous years have not been restated.

Management's review

Key activities

The core competences of the Company is to develop, design and produce concrete elements. It is the vision of the Company to be Denmark's leading sustainable concrete element solutions provider.

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.

The Group

The Company and it's parent company, Consolis Denmark A/S, was merged per January 1 2022, and as a consequence the comparative figures for 2021 has been updated.

The Group comprises of the parent company, Spæncom A/S, as well as the subsidiary, Spaencom Betonfertigteile GmbH & Co KG (hereinafter named SBF). SBF is under liquidation, and the liquidation period of SBF will expire mid-2023.

Development in activities and financial position

The year started with high activity, but the Russian invasion of Ukraine had considerable consequences for the market. In the second half of the year, the market slowed down even further due to rising inflation, surging materials costs, and high interest rates.

The Company launched its first Green Spine Line® Hollow Core products with up to 31 percent less CO_2 footprint than the industry standard. Among the Danish manufacturers of concrete elements, the Company is leading with EPDs on most products. At the same time, the Company is setting the standards when it comes to digitizing our EPDs, and offer from 2022, as the only Danish manufacturer of concrete elements, digital EPDs in the pan-European database ECO Platform.

Driven by the strong order intake from 2021 and backlog from the beginning of the year, the production volume was increased by 14% versus 2021.

The surging materials costs and energy prices had a significant negative impact on the Company's result as the Company's commercial terms and the AB rules only allowed these partly to be passed on to our customers.

The surging materials costs and energy prices did also have a negative impact to many of the Company's suppliers, of which, some came into sever financial trouble. Consequently, the Company had to change suppliers and/or renegotiate new agreements with a negative financial impact to the result.

Despite the challenging market situation, the Company improved the Gross Profit from DKK 92.2 million in 2021 to DKK 145.2 million.

The Company's revenue for the year amounted to DKK 914.8 million, which is an increase compared to last year when revenue amounted to DKK 729.8 million. The Company's revenue for the year is favorable impacted by the surging materials costs and energy prices in addition to the increased volume and the revenue is in line with expectations stated in the annual report for 2021.

The Company's EBIT for the year amounted to a loss of DKK 3.1 million, which was below expectations stated in the annual report for 2021 and mainly related to negative impact from the Russia-Ukraine crisis.

The income statement of the Company for 2022 shows a loss of DKK 9.0 million which is an improvement of 25.9 million versus 2021, however the Russian invasion of Ukraine had considerable consequences on the result.

Per December 31, 2022, the balance sheet of the Company shows an equity of DKK 121.5 million.

Net financials amounting to a negative DKK 7.8 million.

Management's review

The net result is not considered satisfactory and further measures to improve the result going forward have been initiated.

Targets and expectations for the year ahead

The market enters 2023 with a significantly lower backlog compared to last year and we foresee that the year will be challenging with a weaker market environment.

We expect a decreased development in revenue of 20-25 %, due to the market situation and the lower backlog compared to previous year. We forecast a positive EBIT in the region of DKK 0-5 million. The turnaround activities initiated in 2021/22 will continue and in addition, we foresee a continued 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.

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

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 minimize risk on commercial terms towards our customers.

The Company's production is relatively labour intensive, and consequently, the Company's costs are 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 foreign currencies 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.

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 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, The Company 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.

Our business model

The Company designs, produces, and assembles prefabricated concrete solutions for our customers within the residential, non-residential, and infrastructure sectors. Our precast concrete solutions are versatile, efficient, and have a lower environmental impact than traditional cast in-situ solutions.

The Company has the opportunity to optimize processes in each factory and, in addition, scale the effects of R&D, enhance safety, and strengthen our business development across all product segments. In addition, the Company is driving the sustainable transformation of the concrete industry by testing and launching new methods and products, all designed to help our customers solve their environmental challenges. The results of these efforts are offered to our customers through the Green Spine Line® of certified products.

To ensure the continuing growth of the Company, it is essential that the Company continuously attracts and maintains highly educated professionals such as engineers, designers and production staff.

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.

Corporate social responsibility

For the Company, 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:

•Social responsibility

•Environmental impact

•Health & Safety

that covers all relevant aspects of Corporate Social Responsibilities.

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

Social Responsibility

Human rights

The Code of Conduct and related policies set out strict rules and clear governance regarding business ethics. The Company'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, the Company contributes to fair market conditions and through a strict application of the code of Conduct and related policies protect its brand.

The Company 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 the Company, 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.

To make sure that all our employees understand and adhere to our Policy Book and our Code of Conduct, we work with continuous training and awareness – both through in-person training and in the form of e-learning. In 2022 we have carried out three different e-learning related to Code of Conduct, competition & anti-trust, and anti-corruption. The training on the Code of Conduct targets all Consolis employees and is carried out either electronically or on site. The competition & anti-trust and anti-corruption training targets employees who could be particularly exposed to such issues due to their roles and assignments and was carried out electronically. To complement the e-learning, we also carry out ad-hoc in-person training

During 2022 no violations have been identified, and we do not expect any violations going forward. However, the Company, will continuously assess whether further actions are needed.

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

Anti-Corruption

The Company comply with Consolis Group's Anti Money Laundering Policy. Further, white-collar employees have the 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 the Company conducts its business. Therefore, the general risk level is rather low. The Company has a strong belief that the Code of Conduct and Anti Money Laundering Policy have appropriate measures to avoid corrupt behavior among the Company's employees. The Company will continuously assess whether further actions are needed.

During 2022 no violations have been identified, and we do not expect any violations going forward.

People

Our employees are the bearers of the collective experience, competence, and know-how that shape Spæncom as a company. All that we know about design, assembly, sustainability, and precast concrete solutions in general, is known by the people who work here. Our employees are also the bearers of our shared values;

Safe and friendly. We have a safe culture where people can achieve their full potential. We put health and safety first.

Collaborative, where we help each other to become stronger as a Company.

Results oriented culture, where we focus on getting things done

These values are essential in everything we do, and is crucial for the well-being of our employees.

Management's review

Environment Impact

As a major player in the construction industry, the Company has an impact on the society in which we operate. We therefore want to take responsibility for all our activities and contribute to a positive and green development.

As part of the Consolis Group, we believe that precast concrete can become a net-zero material, and that we and the Consolis Group itself can and will become a net-zero company. The Consolis 2022 annual and sustainability report can bee see on the Group website https://www.consolis.com/sustainability/

The Company launched its first Green Spine Line® Hollow Core products with up to 31 percent less CO_2 footprint than the industry standard. Among the Danish manufacturers of concrete elements, the Company is leading with EPDs on most products. At the same time, the Company is setting the standards when it comes to digitizing our EPDs, and offer from 2022, as the only Danish manufacturer of concrete elements, digital EPDs in the pan-European database ECO Platform. The various initiatives can be seen on the Company's website https://spaencom.dk/baeredygtighed/

With a constant focus on the environment and the development of new environmentally friendly production methods, the Company 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.

• 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 continuously optimizing the entire design process by making use of digital tools and developing new solutions to reduce the use of reinforcement steel and cement.

The policy regarding environment is integrated in the certified quality management system.

The Company 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 the Company's 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.

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

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, the Company 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.

During 2022, we unfortunately have had an increase versus 2021.

Year	FR 1	FR 2
2018	6	20
2019	7	22
2020	0	2
2021	2	3
2022	4	5
	FR 1: Accidents with lost time per million working hours	**FR 2:** Accidents (with and without lost time) per million working hours

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 who are females.

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, about 26% on all management levels are women, and for the general gender composition of the Company, about 9% are women.

Statement on Data Ethics

The Company 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 May 31st 2023 at the Company's premises in Hedehusene (Akacievej 1).

Income statement 1 January - 31 December

	Note	2022	2021
		TDKK	TDKK
Revenue	1	914,813	729,798
Production expenses	2	-762,439	-637,599
Gross profit		**152,374**	**92,199**
Distribution expenses	2	-79,575	-53,944
Administrative expenses	2	-75,776	-65,855
Operating profit/loss		**-2,977**	**-27,600**
Other operating income		120	132
Other operating expenses		-192	-109
Profit/loss before financial income and expenses		**-3,049**	**-27,577**
Income from investments in subsidiaries		-650	0
Financial income	3	1,068	1,203
Financial expenses	4	-8,879	-15,468
Profit/loss before tax		**-11,510**	**-41,842**
Tax on profit/loss for the year	5	2,462	6,898
Net profit/loss for the year	6	**-9,048**	**-34,944**

Balance sheet 31 December

Assets

	Note	2022	2021
		TDKK	TDKK
Acquired licenses		1,305	2,379
Intangible assets	7	**1,305**	**2,379**
Land and buildings		73,847	78,059
Plant and machinery		37,870	39,698
Other fixtures and fittings, tools and equipment		756	890
Property, plant and equipment	8	**112,473**	**118,647**
Investments in subsidiaries	9	1,600	2,250
Deposits	10	874	1,158
Fixed asset investments		**2,474**	**3,408**
Fixed assets		**116,252**	**124,434**
Raw materials and consumables		43,392	45,416
Finished goods and goods for resale		1,709	2,707
Inventories		**45,101**	**48,123**
Trade receivables		151,213	145,396
Contract work in progress	11	10,689	15,312
Receivables from group enterprises		160,591	167,684
Other receivables		71	230
Deferred tax asset	12	7,812	5,350
Corporation tax		64	83
Prepayments	13	5,262	4,161
Receivables		**335,702**	**338,216**
Current asset investment		**28**	**1,130**
Cash at bank and in hand		**4,048**	**11,185**
Current assets		**384,879**	**398,654**
Assets		**501,131**	**523,088**

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		TDKK	TDKK
Share capital	14	41,126	41,126
Retained earnings		80,377	89,427
Equity		**121,503**	**130,553**
Other provisions	15	3,215	3,215
Provisions		**3,215**	**3,215**
Mortgage loans		24,307	28,600
Other payables		26,945	26,420
Long-term debt	16	**51,252**	**55,020**
Mortgage loans	16	4,347	4,627
Credit institutions		127,677	129,680
Trade payables		58,710	70,129
Contract work in progress	11	70,587	73,163
Payables to group enterprises		6,030	1,760
Other payables	16	57,810	54,941
Short-term debt		**325,161**	**334,300**
Debt		**376,413**	**389,320**
Liabilities and equity		**501,131**	**523,088**

Contingent assets, liabilities and other financial obligations	17
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	41,126	63,192	104,318
Net effect from merger and acquisition under the uniting of interests method	0	26,233	26,233
Adjusted equity at 1 January	41,126	89,425	130,551
Net profit/loss for the year	0	-9,048	-9,048
Equity at 31 December	**41,126**	**80,377**	**121,503**

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK

1. Revenue

	2022	2021
Geographical segments		
Revenue, Denmark	914,813	729,798
	914,813	**729,798**
Business Segments		
Own production	677,577	512,330
Assembly, freight and external deliveries	237,236	217,468
	914,813	**729,798**

	2022	2021
	TDKK	TDKK

2. Staff

	2022	2021
Wages and salaries	272,038	250,680
Pensions	23,289	21,338
Other social security expenses	2,278	2,143
Other staff expenses	30	28
	297,635	**274,189**

Wages and salaries, pensions, other social security expenses and other staff expenses are recognised in the following items:

	2022	2021
Production expenses	261,487	242,090
Distribution expenses	10,024	9,711
Administrative expenses	26,124	22,388
	297,635	**274,189**
Including remuneration to the Executive Board and Board of Directors	**2,553**	**2,324**
Average number of employees	**560**	**524**

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
3. Financial income		
Interest received from group enterprises	70	98
Other financial income	773	484
Exchange adjustments	225	621
	1,068	**1,203**

	2022	2021
	TDKK	TDKK
4. Financial expenses		
Interest paid to group enterprises	25	9,543
Interest expense	2,035	1,220
Guarantee commission	5,365	4,138
Other financial expenses	990	567
Exchange loss	464	0
	8,879	**15,468**

	2022	2021
	TDKK	TDKK
5. Income tax expense		
Deferred tax for the year	-2,462	-6,898
	-2,462	**-6,898**

	2022	2021
	TDKK	TDKK
6. Profit allocation		
Retained earnings	-9,048	-34,944
	-9,048	**-34,944**

Notes to the Financial Statements

7. Intangible fixed assets

	Acquired licenses
	TDKK
Cost at 1 January	9,837
Disposals for the year	-70
Cost at 31 December	9,767
Impairment losses and amortisation at 1 January	7,458
Amortisation for the year	1,074
Reversal of amortisation of disposals for the year	-70
Impairment losses and amortisation at 31 December	8,462
Carrying amount at 31 December	**1,305**

8. Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment
	TDKK	TDKK	TDKK
Cost at 1 January	253,459	187,471	18,011
Additions for the year	412	5,969	174
Disposals for the year	0	-11,193	-28
Cost at 31 December	253,871	182,247	18,157
Impairment losses and depreciation at 1 January	175,400	147,773	17,121
Depreciation for the year	4,624	7,603	308
Reversal of impairment and depreciation of sold assets	0	-10,999	-28
Impairment losses and depreciation at 31 December	180,024	144,377	17,401
Carrying amount at 31 December	**73,847**	**37,870**	**756**

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
9. Investments in subsidiaries		
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	-650	-2,750
Value adjustments at 31 December	-90,716	-90,066
Carrying amount at 31 December	**1,600**	**2,250**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes	Ownership	Equity	Net profit/loss for the year
Spæncom Betonfertigteile GmbH & Co.KG	Alteno, Germany	100%	100%	1,313	207
				1,313	**207**

Information regarding equity and profit/loss for the year is for the financial year 2021, which is the latest available information.

10. Other fixed asset investments

	Deposits
	TDKK
Cost at 1 January	1,159
Disposals for the year	-285
Cost at 31 December	874
Carrying amount at 31 December	**874**

Notes to the Financial Statements

11. Contract work in progress

	2022 TDKK	2021 TDKK
Selling price of work in progress	1,214,839	999,305
Payments received on account	-1,274,737	-1,057,156
	-59,898	**-57,851**
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	10,689	15,312
Prepayments received recognised in debt	-70,587	-73,163
	-59,898	**-57,851**

12. Deferred tax asset

	2022 TDKK	2021 TDKK
Deferred tax asset at 1 January	5,350	-15,579
Amounts recognised in the income statement for the year	2,462	6,898
Deferred tax asset at 31 December	**7,812**	**5,350**

At 31 December 2022, the Company has a total deferred tax asset basis of DKK 163.7 million, including tax losses from the former parent company Consolis Denmark A/S, which has been merged with the Company with accounting effect from 1 January 2022. The basis corresponds to a deferred tax asset of DKK 36.0 million if utilised at 22%.

The total tax losses carried forward amounts to DKK 148.5 million, corresponding to a deferred tax asset of DKK 32.7 million.

Due to uncertainties of future income and the time of utilizing the tax asset, the deferred tax asset has only been partly recognised in the Financial Statements based on expectation of utilising of deferred tax asset within the next 3-5 years, where Management expects positive results.

Consequently, deferred tax assets has been written down to DKK 7.8 million in the Financial Statement.

13. Prepayments

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

14. Share capital

	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.

15. Other provisions

	2022	2021
	TDKK	TDKK
Provision for clean up of contamination	1,215	1,215
Provisions for claims, etc.	2,000	2,000
	3,215	**3,215**

16. 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:

	2022	2021
	TDKK	TDKK
Mortgage loans		
After 5 years	6,284	10,233
Between 1 and 5 years	18,023	18,367
Long-term part	24,307	28,600
Within 1 year	4,347	4,627
	28,654	**33,227**
Other payables		
After 5 years	26,945	26,420
Long-term part	26,945	26,420
Within 1 year	0	0
Other short-term payables	57,810	54,941
	84,755	**81,361**

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK

17. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:		
Land and building at net book value of	73,847	78,059

The following properties have been provided as collateral for mortgage debt of DKK 28,653 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

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:		
Within 1 year	6,722	7,194
Between 1 and 5 years	9,720	9,950
After 5 years	4,143	5,238
	20,585	**22,382**

Guarantee obligations

Performance guarentees amount to	101,741	133,036

Other contingent liabilities

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 2022.

Notes to the Financial Statements

18. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Bain Capital Holdings LP	Ultimate beneficial owner
Addtek Holding international AB	Immediate parent company
Other related parties	
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

19. Fee to auditors appointed at the general meeting

	2022 TDKK	2021 TDKK
PricewaterhouseCoopers		
Audit fee	374	325
Other assurance engagements	75	0
Non-audit services	117	0
	566	**325**

Notes to the Financial Statements

20. Accounting policies

The Annual Report of Spæncom A/S for 2022 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 2022 are presented in TDKK.

Merger with parent company, Consolis Denmark A/S

In January 2023, the merger between Consolis Denmark A/S and its wholly-owned subsidiary Spæncom A/S was approved in accordance with the merger plan from 2022, with Spæncom A/S as the continuing Company. The merger has accounting effect as of 1 January 2022.

The merger has been accounted for under the pooling-of-interest method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. The pooling-of-Interest method is applied as if the two enterprises had always been combined by restating the comparative figures.

Thus, the income statement for 2021 has been restated to reflect the income of the former parent company, Consolis Denmark A/S and Spæncom A/S for 2021. The merger has resulted in a decrease in the result for 2021 of DKK 10,067k an increase of the Company's equity in an amount of DKK 26,233k as of 1 January 2022.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2022 of Consolis S.A.S., France, 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., France; 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.

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

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Translation policies

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

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

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

Segment information on revenue

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

Income statement

Net sales

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

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.

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

Balance sheet

Intangible fixed 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, writedown is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost based on weighted average prices 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.

Notes to the Financial Statements

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 recognized 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.

Expenses relating to sales work and the winning of contracts are recognized 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.

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.

Notes to the Financial Statements

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 recognized in the income statement or in equity if the deferred tax relates to items recognized 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	Gross profit x 100 / Revenue
Profit margin	Profit before financials x 100 / Revenue
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity

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"By my signature I confirm all dates and content in this document."

Emmanuelle Cochard
Bestyrelsesmedlem
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IP: 81.255.xxx.xxx
2023-05-31 17:54:59 UTC

E. Cochard

The name is withheld
Bestyrelsesmedlem
On behalf of: Spæncom A/S
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IP: 194.255.xxx.xxx
2023-06-01 04:37:23 UTC

Mikael Stöhr
Bestyrelsesformand
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IP: 195.198.xxx.xxx
2023-06-01 06:47:10 UTC

Daniel Per Erik Andreas Warnholtz
Bestyrelsesmedlem
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Nils Trier
Adm. direktør
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IP: 2.108.xxx.xxx
2023-06-01 07:25:20 UTC

Niels Erik Holmenlund
Bestyrelsesmedlem
On behalf of: Spæncom A/S
Serial number: 6a3947d1-57a2-4247-b984-5554020a8e9d
IP: 194.255.xxx.xxx
2023-06-05 05:41:56 UTC

Kaare von Cappeln
Statsautoriseret revisor
On behalf of: PricewaterhouseCoopers Statsautoriseret...
Serial number: CVR:33771231-RID:48882366
IP: 83.136.xxx.xxx
2023-06-05 06:58:44 UTC

NEM ID

Thomas Lillemose Lauritsen
PRICEWATERHOUSECOOPERS STATSAUTORISERET REVISIONSPARTNERSELSKAB CVR: 33771231
Statsautoriseret revisor
On behalf of: PricewaterhouseCoopers Statsautoriseret...
Serial number: e9a2bfb5-41ea-4dfd-937d-f67ddc608d0e
IP: 83.136.xxx.xxx
2023-06-06 08:44:15 UTC

MitID

Nils Trier
Dirigent
På vegne af: Spæncom A/S
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2023-06-14 12:30:51 UTC