Spæncom A/S

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

Annual Report for 2023

CVR No. 26 27 10 10

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 27/5 2024

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 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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, 27 May 2024

Executive Board

Jesper Knudsen
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 2023 and of the results of the Company´s operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Spæncom A/S for the financial year 1 January - 31 December 2023, 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, 27 May 2024

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	Jesper Knudsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	2023	2022	2021	2020	2019
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
Key figures					
Profit/loss					
Revenue	758	915	730	696	723
Gross profit	145	152	92	127	112
Profit/loss of primary operations	20	-3	-28	2	-22
Net financials	-11	-8	-14	-9	-6
Net profit/loss for the year	3	-9	-35	3	-22
Balance sheet					
Balance sheet total	497	501	523	437	512
Equity	124	122	131	129	126
Investment in property, plant and equipment	9	7	6	5	13
Number of employees	492	560	524	533	529
Ratios					
Gross margin	19.1%	16.6%	12.6%	18.2%	15.5%
Solvency ratio	24.9%	24.4%	25.0%	29.5%	24.6%
Return on equity	2.4%	-7.1%	-26.9%	2.4%	-34.9%

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 are to develop, design and produce concrete elements.

Development in activities and financial position

During 2023 we saw market conditions deteriorate further as trends seen in 2022 strengthened. The slowdown in our market continues to be clearly driven by weak demand for new residential buildings.

As a consequence of the weak market, both order intake and order intake margin has been challenged during 2023, with an increased impact in the second half of the year.

In 2023 we have successfully continued our development of products with CO2 reduced impact, called Green Spine Line®. These CO2 reduced concrete elements emit at least 15% less CO2 than the industry standard. As a major player in our industry, Spæncom 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, where details can be seen on the Company's website https://spaencom.dk/baeredygtighed/.

A sale and leaseback of two plants was completed during the year. The proceeds from the sale amounted to DKK 123 million. Due to a repurchase clauses this was not considered to be a sale. The real estate is kept on the balance sheet, and a financial liability amounting to DKK 123 million was recognized.

The Company's revenue for the year amounted to DKK 737.7 million, which is a decrease compared to last year when revenue amounted to DKK 914.8 million. The Company's revenue for the year is impacted by the lower materials costs and energy prices in addition to the decreased volume, however slightly higher than expectations stated in the annual report for 2022.

The Company's EBIT for the year amounted to DKK 19.8 million, which is a major increase compared to last year when EBIT amounted to a loss of DKK 3.1 million, and above the DKK 0-5 million expectations stated in the annual report for 2022. The result is favorable impacted by high fucus and successful project execution and decreasing material cost prices and energy prices.

The income statement of the Company for 2023 shows a profit of DKK 2.8 million.

Per December 31, 2023, the balance sheet of the Company shows an equity of DKK 124.3 million.

Net financials amounting to a negative DKK 11.8 million.

The net result is considered satisfactory given the challenged market conditions.

Targets and expectations for the year ahead

The market enters 2024 with a lower backlog compared to last year and we foresee that the year will be challenging with a continued weak market environment.

We expect a decreasing development in revenue of 5-10 %, due to the market situation and the lower backlog compared to previous year. We forecast a negative EBIT in the region of DKK 10-20 million.

Management's review

Events after the balance sheet date

The Group has in first half of 2024 announced a recapitalization plan and a short bridge financing have been received. The full transaction is expected to be completed in Q3, 2024. No other events have occurred after the balance sheet date that materially affects the Company's financial position.

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 most 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 interest-bearing 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.

Management's review

Liquidity risks

The liquidity risk primarily relates to the participation in the Group's cash pool arrangement, which is presented as receivable from group enterprises.

The Group has in first half of 2024 announced a recapitalization plan and a short bridge financing have been received. The full transaction is expected to be completed in Q3, 2024. Consequently, based on the budgets for 2024, Management expects that the current financial ressources are adequate and that the short-term liquidity is sufficient.

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.

Corporate social responsibility

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.

Our strategy Themes are

Customer Oriented - Insights in and proximity to the customers’ needs

Sustainable - Leading on competences, products and behavior

Effective - Increased drive, competitiveness and earnings

Digital - Ensure support of the business

Attractive - Attraction, retention and development of a winning culture

Management's review

Our Mission

Through **insights**, **passion** and **competitive** products,

we offer **refined raw house solutions** with focus on sustainability

to the **Danish market**

Our Vision

We want to be the customer's **preferred choice**

and generate **profitable growth**

Out Values

We build our business on **safety, reliability and trust**

We are **committed** and **passionate** in our collaboration

We strive to **exceed expectations**

Sustainability reporting

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:

- Environmental impact
- Social responsibility
- Governance

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

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 2023 annual and sustainability report can be seen on the Group website https://www.consolis.com/sustainability/

Locally we have during 2023 selected 7 focus areas, each with specified underlying initiatives.

Management's review

Environmental objectives (E)

Reducing climate impact

- Scope 1+2 is primarily emissions from our energy consumption and company transport. Target is to achieve a reduction of 80% by 2030 compared to 2020. In 2023 we successfully reduced our Scope 1 and 2 emissions by 33%, compared to the 2020 baseline
- Scope 3 is driven by the raw materials that we use in the production of concrete elements. Here we are highly dependent on our suppliers' cooperation and efforts to contribute to our goals, which requires close and effective collaboration. Target is to achieve a reduction of 60% by 2030 compared to 2020. In 2023 we successfully reduced our Scope 3 emissions by 15%, compared to the 2020 baseline

Resource utilization

For concrete producers, raw materials are of crucial importance. Therefore, there is a focus on reducing consumption and maximizing the recycling of materials that would otherwise go to waste.

- Utilize all waste concrete by 2028 at all our locations
- Reduce the use of virgin materials - at least one new material each year
- Biodiversity conservation - we carry out at least one project annually

Responsible design

We are continuously working to optimize design solutions of concrete elements so that we contribute to increased circularity and reduced climate impact.

- Design optimization of a minimum of two concrete element products per year
- Development of a concept for circular concrete element solutions by 2028

Social objectives (S)

Safety and well-being

We believe that the sustainable and solid Denmark of the future must be built with people and the environment in mind - this happens best when competence and job satisfaction go hand in hand.

- Employee engagement and well-being with an engagement score of at least 4 (out of 5) and an eNPS of 40+
- Conduct Visual Field Leadership and Safety Observations (VFLSO). The goal is more than 2000 reviews per year.

Promoting diversity

We want to create a working environment where different perspectives and backgrounds are valued, and where all employees have equal opportunities to thrive and contribute to our shared success. We have signed the Confederation of Danish Industry's Diversity Pledge

- Work with gender composition of the company's employees - our total staff must consist of at least 20% women by 2028
- Balanced age composition of the company's employees

Governance objectives (G)

Quality, processes and management systems

We want high quality and efficiency, e.g. through our work with various internal and external systems (including VFLSO, which is described under S3).

- Maintain our certification within DS/EN ISO9001:2015.
- Review and approve process descriptions for each department at least every three years

Visibility of policies and updated Code of Conduct

We want to create transparency and trust among stakeholders and ensure an ethical and responsible business environment.

- Publish relevant policies on our website by 2026.
- Update the Code of Conduct at least once every two years, including PACI, ESG and Anti Bribery
- Implement a code of conduct for selected suppliers by 2025, chosen based on relevance and size

The consolidation of our CO2 emissions is based on the operational control approach and stated in accordance with the Greenhouse Gas (GHG) Protocol.

Spæncom's EPDs are all prepared in accordance with the EPD standard EN 15804+A1 Sustainability of Construction Works – Environmental Product Declarations.

Environment Principles

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.

Social responsibility

Just like our products form the backbone of buildings and infrastructure, our employees form the backbone of Spæncom. Their knowledge about design, assembly, sustainability, and precast concrete solutions is what allows us to create value for customers and societies across all the markets where we are active.

We work with a zero accident culture as a fundamental value. Through rigorous training and implementation of best practices, we create a workplace that is safe and protective for our employees.

Our commitment to employee well-being and health manifests itself in several initiatives that support our employees in maintaining a healthy balance and a positive work environment.

We embrace diversity as a source of strength and innovation. At Spæncom, we focus on gender diversity and the implementation of this in our communication. We strive to create a work environment where different perspectives and backgrounds are valued, and where all employees have equal opportunities to thrive and contribute to our shared success. That is why we have also chosen to sign Dansk Industris Diversitetsløfte (DI's Diversity Pledge).

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.

Management's review

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 2023, we unfortunately have had an increase versus 2022.

Year	FR1	FR2
2019	7	22
2020	0	2
2021	2	3
2022	4	5
2023	7	8

FR 1: Lost time accidents, meaning accidents where the employee has been absent due to the accident.

FR 2: Accidents with and without lost time, meaning total number of registered accidents.

Governance

ISO9001 Certification - Our commitment to quality and efficiency is underscored by our ISO9001 certification, which ensures compliance with internationally recognized standards and builds trust with our stakeholders.

Isoware Process Management - We use Isoware as our process management tool, which helps us to maintain a high standard of efficiency and quality in our work.

Code of Conduct training - All of our employees undergo Code of Conduct training to ensure that our corporate ethics and values are well-defined and practiced in all aspects of our business.

Respect for 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. On an ongoing basis we carry out 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 2023 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.

Zero tolerance for bribery and 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 2023 no violations have been identified, and we do not expect any violations going forward.

Statement on gender composition

Currently, the Company's supreme management body, the Board of Directors, consists of five members, whereof two are elected among the employees. 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. Management considers the target to have been met.

At the Executive Management level, we have revised the definition of "Executive Management" to align with new legal requirements and to ensure a truthful and transparent presentation of gender diversity in management. Out of the seven Executive Management members, two were women by the end of 2023. It is the

Company's target, to have at least two female member on the formal management team, which is fulfilled. The goal has been set based on the Group's industry, in which the workforce consists primarily of men. Management considers the target to have been met.

	Status in 2023	Target	Year for reaching target
Board of Directors	Number of shareholder-elected members: 3 % of the underrepresented gender: 33	33%	Achieved
Executive Management	Number of members: 7 % of the underrepresented gender: 29	29%	Achieved

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.

The general gender composition of the Company consists of 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.

Dividends and the annual general meeting

The Board of Directors will recommend to the annual general meeting that dividend of DKK 24 million should be distributed.

The annual general meeting will be held on May 27th 2024 at the Company's premises in Hedehusene (Akacievej 1)

Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Revenue	1	757,658	914,813
Production expenses	2	-612,301	-762,439
Gross profit		**145,357**	**152,374**
Distribution expenses	2	-59,694	-79,575
Administrative expenses	2	-66,006	-75,776
Operating profit/loss		**19,657**	**-2,977**
Other operating income		172	120
Other operating expenses		-15	-192
Profit/loss before financial income and expenses		**19,814**	**-3,049**
Income from investments in subsidiaries		-207	-650
Financial income	3	6,034	1,068
Financial expenses	4	-17,586	-8,879
Profit/loss before tax		**8,055**	**-11,510**
Tax on profit/loss for the year	5	-5,224	2,462
Net profit/loss for the year	6	**2,831**	**-9,048**

Balance sheet 31 December

Assets

	Note	2023	2022
		TDKK	TDKK
Acquired licenses		801	1,305
Intangible assets	7	**801**	**1,305**
Land and buildings		69,553	73,847
Plant and machinery		39,598	37,870
Other fixtures and fittings, tools and equipment		582	756
Property, plant and equipment	8	**109,733**	**112,473**
Investments in subsidiaries	9	0	1,600
Deposits	10	12,054	874
Fixed asset investments		**12,054**	**2,474**
Fixed assets		**122,588**	**116,252**
Raw materials and consumables		21,107	43,392
Finished goods and goods for resale		2,715	1,709
Inventories		**23,822**	**45,101**
Trade receivables		95,570	151,213
Contract work in progress	11	6,766	10,689
Receivables from group enterprises		235,460	160,591
Other receivables		1	71
Deferred tax asset	12	7,812	7,812
Corporation tax		0	64
Prepayments	13	4,848	5,262
Receivables		**350,457**	**335,702**
Current asset investments		**0**	**28**
Cash at bank and in hand		**53**	**4,048**
Current assets		**374,332**	**384,879**
Assets		**496,920**	**501,131**

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital	14	41,126	41,126
Retained earnings		59,208	80,377
Proposed dividend for the year		24,000	0
Equity		**124,334**	**121,503**
Other provisions	15	2,215	3,215
Provisions		**2,215**	**3,215**
Mortgage loans		0	24,307
Lease obligations		120,650	0
Other payables		28,637	26,945
Long-term debt	16	**149,287**	**51,252**
Mortgage loans	16	0	4,347
Credit institutions		69,428	127,677
Lease obligations	16	1,744	0
Trade payables		38,043	58,710
Contract work in progress	11	56,528	70,587
Payables to group enterprises		1,183	6,030
Corporation tax		5,224	0
Other payables	16	48,934	57,810
Short-term debt		**221,084**	**325,161**
Debt		**370,371**	**376,413**
Liabilities and equity		**496,920**	**501,131**
Contingent assets, liabilities and other financial obligations	17		
Related parties	18		
Subsequent events	19		
Accounting Policies	20		

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	41,126	80,377	0	121,503
Net profit/loss for the year	0	-21,169	24,000	2,831
Equity at 31 December	**41,126**	**59,208**	**24,000**	**124,334**

Notes to the Financial Statements

		2023	2022
		TDKK	TDKK
1.	**Revenue**		
	Geographical segments		
	Revenue, Denmark	757,658	914,813
		757,658	**914,813**
	Business Segments		
	Own production	539,617	677,577
	Assembly, freight and external deliveries	218,041	237,236
		757,658	**914,813**

		2023	2022
		TDKK	TDKK
2.	**Staff**		
	Wages and salaries	242,850	272,038
	Pensions	23,326	23,289
	Other social security expenses	2,060	2,278
	Other staff expenses	30	30
		268,266	**297,635**
	Wages and salaries, pensions, other social security expenses and other staff expenses are recognised in the following items:		
	Production expenses	228,306	261,487
	Distribution expenses	13,431	10,024
	Administrative expenses	26,529	26,124
		268,266	**297,635**
	Including remuneration to the Executive Board and Board of Directors:		
	Executive board	3,530	2,552
	Board of directors	30	0
		3,560	**2,552**
	Average number of employees	**492**	**560**

Earlier years than 2023, the Executive Board has only consisted of one member why remuneration to the Executive Bord and Board of Directors are combined in the comparative figures in accordance with section 98 B(3) of the Danish Financial Statements Act. The total remuneration to the Executive Board and Board of Directors has been presented in the total for Executive Board in the above specification.

	2023	2022
	TDKK	TDKK
3. Financial income		
Interest received from group enterprises	5,633	70
Other financial income	262	773
Exchange adjustments	139	225
	6,034	**1,068**

	2023	2022
	TDKK	TDKK
4. Financial expenses		
Interest paid to group enterprises	0	25
Other financial expenses	17,227	8,390
Exchange loss	359	464
	17,586	**8,879**

	2023	2022
	TDKK	TDKK
5. Income tax expense		
Current tax for the year	5,224	0
Deferred tax for the year	0	-2,462
	5,224	**-2,462**

	2023	2022
	TDKK	TDKK
6. Profit allocation		
Proposed dividend for the year	24,000	0
Retained earnings	-21,169	-9,048
	2,831	**-9,048**

Notes to the Financial Statements

7. Intangible fixed assets

	Acquired licenses
	TDKK
Cost at 1 January	9,767
Cost at 31 December	9,767
Impairment losses and amortisation at 1 January	8,462
Amortisation for the year	504
Impairment losses and amortisation at 31 December	8,966
Carrying amount at 31 December	**801**

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	253,871	182,247	18,157
Additions for the year	218	8,707	143
Disposals for the year	-37	-807	-97
Cost at 31 December	254,052	190,147	18,203
Impairment losses and depreciation at 1 January	180,024	144,377	17,401
Depreciation for the year	4,503	6,938	317
Reversal of impairment and depreciation of sold assets	-28	-766	-97
Impairment losses and depreciation at 31 December	184,499	150,549	17,621
Carrying amount at 31 December	**69,553**	**39,598**	**582**
Including assets under finance leases amounting to	19,081	4,561	17

9. Investments in subsidiaries

	2023	2022
	TDKK	TDKK
Cost at 1 January	92,316	92,316
Disposals for the year	-92,316	0
Cost at 31 December	0	92,316
Value adjustments at 1 January	-90,716	-90,066
Disposals for the year	90,923	0
Revaluations for the year, net	-207	-650
Value adjustments at 31 December	0	-90,716
Carrying amount at 31 December	**0**	**1,600**

Investments in subsidiaries are specified as follows:

Name	Place of registered office
Spæncom Betonfertigteile GmbH & Co.KG	Alteno, Germany

The subsidiary, Spæncom Betonfertigteile GmbH & Co.KG has been liquidated in 2023.

10. Other fixed asset investments

	Deposits
	TDKK
Cost at 1 January	874
Additions for the year	11,180
Cost at 31 December	12,054
Carrying amount at 31 December	**12,054**

Notes to the Financial Statements

11. Contract work in progress

	2023	2022
	TDKK	TDKK
Selling price of work in progress	1,052,820	1,214,839
Payments received on account	-1,102,582	-1,274,737
	-49,762	**-59,898**
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	6,766	10,689
Prepayments received recognised in debt	-56,528	-70,587
	-49,762	**-59,898**

12. Deferred tax asset

	2023	2022
	TDKK	TDKK
Deferred tax asset at 1 January	7,812	5,350
Amounts recognised in the income statement for the year	0	2,462
Deferred tax asset at 31 December	**7,812**	**7,812**

At 31 December 2023, the Company has a total deferred tax asset basis of DKK 202.1 million. The basis corresponds to a deferred tax asset of DKK 44.5 million if utilised at 22%.

The total tax losses carried forward amounts to DKK 104.6 million, corresponding to a deferred tax asset of DKK 23.0 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 and subscriptions.

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

	2023	2022
	TDKK	TDKK
Provision for clean up of contamination	1,215	1,215
Provisions for claims, etc.	1,000	2,000
	2,215	**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:

	2023	2022
	TDKK	TDKK
Mortgage loans		
After 5 years	0	6,284
Between 1 and 5 years	0	18,023
Long-term part	0	24,307
Within 1 year	0	4,347
	0	**28,654**
Lease obligations		
After 5 years	113,174	0
Between 1 and 5 years	7,476	0
Long-term part	120,650	0
Within 1 year	1,744	0
	122,394	**0**

	2023	2022
	TDKK	TDKK
16. Long-term debt		
Other payables		
After 5 years	28,637	26,945
Long-term part	28,637	26,945
Other short-term payables	48,934	57,810
	77,571	**84,755**

	2023	2022
	TDKK	TDKK
17. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	7,493	6,722
Between 1 and 5 years	10,650	9,720
After 5 years	2,870	4,143
	21,013	**20,585**

Guarantee obligations

Performance guarentees amount to	82,814	101,741

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 2023.

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

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. Subsequent events

The Group has in first half of 2024 announced a recapitalization plan and a short bridge financing have been received. The full transaction is expected to be completed in Q3, 2024. No other events have occurred after the balance sheet date that materially affects the Company's financial position.

Notes to the Financial Statements

20. Accounting policies

The Annual Report of Spæncom A/S for 2023 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 2023 are presented in TDKK.

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.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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

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 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.

Notes to the Financial Statements

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.

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.

Notes to the Financial Statements

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.

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.

Equity

Dividend

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

Notes to the Financial Statements

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 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 liabilities

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
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