Consolis Denmark A/S

Akacievej 1, DK-2640 Hedehusene

Annual Report for 1 January - 31 December 2017

CVR No 31 05 81 12

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 13/6 2018

Ole Lenarth Nielsen
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 Consolis Denmark A/S for the financial year 1 January - 31 December 2017.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2017.

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, 13 June 2018

Executive Board

Lars Henrik Martinsson

Board of Directors

Nicolas Yatzimirsky Chairman	Lars Henrik Martinsson	Emmanuelle Claire Cochard

Independent Auditor’s Report

To the Shareholder of Consolis Denmark A/S

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2017 and of the results of the Group’s and the Parent Company’s operations and of consolidated cash flows for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Consolis Denmark A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows (”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 Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Based on the work we have performed, in our view, Management’s Review is in accordance with the Consolidated Financial Statements and the Parent Company 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.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 13 June 2018
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Torben Jensen
statsautoriseret revisor
mne18651

Claus Carlsson
statsautoriseret revisor
mne29461

Company Information

The Company	Consolis Denmark A/S Akacievej 1 DK-2640 Hedehusene CVR No: 31 05 81 12 Financial period: 1 January - 31 December Municipality of reg. office: Høje-Taastrup
Board of Directors	Nicolas Yatzimirsky, Chairman Lars Henrik Martinsson Emmanuelle Claire Cochard
Executive Board	Lars Henrik Martinsson
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Group Chart

Moderselskab
Parent Company

Consolis Denmark A/S,
Hedehusene,
Denmark
Nom. DKK 40.000.000

Konsoliderede dattervirksomheder
Consolidated subsidiaries

100%

Spæncom A/S,
Hedehusene, Denmark
Nom. DKK 42.105.000

100%

Spaencom Betonfertigteile
Verwaltungs-GmbH,
Gottbus, Germany
Nom. EUR 13,369

100%

Spaencom Betonfertigteile
GmbH & Co. KG,
Gottbus, Germany
Nom. EUR 2,913,852

Financial Highlights

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

	Group	
	2017	2016
	TDKK	TDKK
Key figures		
Profit/loss		
Revenue	747,241	680,266
Operating profit/loss	35,588	13,767
Profit/loss before financial income and expenses	36,798	14,493
Net financials	-22,873	-17,642
Net profit/loss for the year	8,046	-5,703
Balance sheet		
Balance sheet total	468,181	356,936
Equity	-370,756	-378,811
Cash flows		
Cash flows from:		
- operating activities	25,759	20,293
- investing activities	-25,453	-9,839
including investment in property, plant and equipment	-23,311	-9,462
- financing activities	97,938	8,776
Change in cash and cash equivalents for the year	98,244	19,230
Number of employees	530	508
Ratios		
Gross margin	22.4%	19.9%
Profit margin	4.9%	2.1%
Return on assets	7.9%	4.1%
Solvency ratio	-79.2%	-106.1%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

The Consolidated and Parent Company Financial Statements of Consolis Denmark A/S for 2017 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The parent company has changed account policy regarding measurement of investment in subsidiary from cost method to equity method. The change has lead to an increase in the result for year of the parent company in 2016 and 2017 of DKK 8,059k and DKK 20,809k, respectively. Investments in subsidiaries and equity has decreased by DKK 100,380k in 2016 and DKK 89,571k in 2017. There are no changes to the cash flow statement.

Key activities

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

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

Development in the year

The income statement of the Group for 2017 shows a profit of TDKK 8,046, and at 31 December 2017 the balance sheet of the Group shows negative equity of TDKK 370,756.

The production volume for the year is close to last year. We have started to produce hollow core in Aalborg.

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

Revenue for the year amounted to DKK 747 million, which is an increase compared to last year when revenue amounted to DKK 680 million. Revenue for the year is in line with the expected revenue according to the expectations stated in the annual report for 2016.

During the financial year, overhead costs were held at a low level.

Operating profit amounted to DKK 36 million. The operating profit is in line with expectations stated in the annual report for 2016.

Net financials amounting to a negative DKK 23 million include value adjustments of the market value of shares and bonds.

Management's Review

The net result is considered satisfactory.

Capital resources

So far, the Group has financed it operations by a loan from the parent company, Consolis SAS. The parent company has issued a letter of support to the Consolis Denmark A/S regarding the continued support with financing of operations.

Special risks - operating risks and financial risks

Operating risks

Considering the Group's activities within production of concrete elements, the Grou 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.

To some extent, the costs depend on the development in raw material prices – especially the prices of steel, cement and energy – and to the largest possible extent, the Group attempts to hedge this risk by entering into long-term agreements with its suppliers. Similarly, the Group's production is relatively wage intensive, and consequently, costs are also influenced by the development in wages and salaries.

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 Group attempts to minimize the risks through certified quality assurance programmes.

Foreign exchange risks

The Group'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.

The exposure to foreign currencies was insignificant at 31 December 2017.

As a main rule, the net investment in foreign subsidiaries is not hedged.

Interest rate risks

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

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

Management's Review

Credit risks

Customers comprise of 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 Group predominantly contracts and invoices in accordance with AB92, 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 are insured.

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

Liquidity risks

The positive development in liquidity proves that management have succeeded in continuously improving liquidity. Based on budgeted results, it is expected that the current financial resources are adequate and that the short-term liquidity reserves are sufficient. These reserves include the parent company's contribution of working capital if necessary.

Targets and expectations for the year ahead

Revenue is expected to amount to DKK 825 million, and positive EBIT is expected.

Research and development

It is a continuous effort to develop processes, methods and products which are of use to the Group and its stakeholders. This is done both within the Companies 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 Group does not undertake actual research, but participates in various development projects together with universities, technological institutes and other operators within the industry.

External environment

The Group has environmental considerations as a high priority, and production takes place in compliance with the applicable environmental legislation and with a focus on possible reduction of the total amount of waste and discharge. Wishes are to promote a cleaner environment by minimizing consumption and waste. Further, there is a strong focus on working environment and safety and takes part in the Consolis Group's global work regarding the improvement of safety and the working environment.

Management's Review

Intellectual capital resources

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

Statement of corporate social responsibility

There are no specific policies regarding voluntary integration of corporate social responsibility as a part of the activities of the Group. Consequently, there is no separate statement regarding corporate social responsibility.

Statement on gender composition

Currently, the supreme management body, the Board of Directors, consists solely of three members, which are two men and one woman. It is the target, to have one female member on the Board by the end of 2021. The goal has been set based on the Group's industry that is dominated by men. In 2017, there were elected new board members who was elected based on best candidate assumptions, which were men.

The Group is known for its ability to retain their employees and the replacement rate is very low. It 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 5 out of 24 managers on all management levels are women. This is compared to the general gender composition of the Group where about 10% are women.

Unusual events

The financial position at 31 December 2017 of the Group and the results of the activities and cash flows of the Group for the financial year for 2017 have not been affected by any unusual events.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
		TDKK	TDKK	TDKK	TDKK
Revenue	1	**747,241**	**680,266**	**0**	**0**
Cost of sales	2	-579,690	-545,185	0	0
Gross profit/loss		**167,551**	**135,081**	**0**	**0**
Distribution expenses	2	-67,497	-68,586	0	0
Administrative expenses	2	-64,466	-52,728	-105	-114
Operating profit/loss		**35,588**	**13,767**	**-105**	**-114**
Other operating income		1,311	726	0	0
Other operating expenses		-101	0	0	0
Profit/loss before financial income and expenses		**36,798**	**14,493**	**-105**	**-114**
Income from investments in subsidiaries		0	0	20,809	8,059
Financial income	3	1,158	1,506	0	358
Financial expenses	4	-24,031	-19,148	-14,266	-14,440
Profit/loss before tax		**13,925**	**-3,149**	**6,438**	**-6,137**
Tax on profit/loss for the year	5	-5,879	-2,554	1,725	1,064
Net profit/loss for the year		**8,046**	**-5,703**	**8,163**	**-5,073**

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2017	2016	2017	2016
		TDKK	TDKK	TDKK	TDKK
Acquired licenses		2,184	480	0	0
Intangible assets	6	**2,184**	**480**	**0**	**0**
Land and buildings		98,798	102,694	0	0
Plant and machinery		42,520	34,970	0	0
Other fixtures and fittings, tools and equipment		1,117	1,344	0	0
Property, plant and equipment in progress		6,305	961	0	0
Property, plant and equipment	7	**148,740**	**139,969**	**0**	**0**
Investments in subsidiaries	8	0	0	146,959	126,150
Deposits	9	791	788	0	0
Fixed asset investments		**791**	**788**	**146,959**	**126,150**
Fixed assets		**151,715**	**141,237**	**146,959**	**126,150**
Inventories	10	**20,828**	**21,595**	**0**	**0**
Trade receivables		128,575	119,404	0	0
Contract work in progress	11	7,856	6,772	0	0
Receivables from group enterprises		8,159	18,599	2,369	2,473
Other receivables		319	578	0	0
Corporation tax		39	32	0	0
Corporation tax receivable from group enterprises		1,725	0	1,725	0
Prepayments		2,948	995	0	0
Receivables		**149,621**	**146,380**	**4,094**	**2,473**
Securities		**973**	**924**	**0**	**0**
Cash at bank and in hand		**145,044**	**46,800**	**364**	**366**
Currents assets		**316,466**	**215,699**	**4,458**	**2,839**
Assets		**468,181**	**356,936**	**151,417**	**128,989**

Balance Sheet 31 December

Liabilities and equity

		Group		Parent Company	
	Note	2017	2016	2017	2016
		TDKK	TDKK	TDKK	TDKK
Share capital		40,000	40,000	40,000	40,000
Treasury shares		-4,384	-4,384	0	0
Share premium account		183,568	183,568	183,568	183,568
Retained earnings		-589,940	-597,995	-597,529	-605,691
Equity	12	**-370,756**	**-378,811**	**-373,961**	**-382,123**
Provision for deferred tax	14	18,214	12,432	0	0
Provisions		**18,214**	**12,432**	**0**	**0**
Mortgage loans		46,729	51,788	0	0
Long-term debt	15	**46,729**	**51,788**	**0**	**0**
Mortgage loans	15	5,123	4,695	0	0
Credit institutions		84,122	0	0	0
Trade payables		35,381	44,513	200	200
Contract work in progress, liabilities	11	66,328	63,109	0	0
Payables to group enterprises		536,877	518,326	525,178	510,912
Corporation tax		3	7	0	0
Other payables		46,160	40,877	0	0
Short-term debt		**773,994**	**671,527**	**525,378**	**511,112**
Debt		**820,723**	**723,315**	**525,378**	**511,112**
Liabilities and equity		**468,181**	**356,936**	**151,417**	**128,989**

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Statement of Changes in Equity

Group

	Share capital	Treasury shares	Share premium account	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
2017					
Equity at 1 January	40,000	-4,384	183,568	-597,997	-378,813
Exchange adjustments	0	0	0	11	11
Net profit/loss for the year	0	0	0	8,046	8,046
Equity at 31 December	**40,000**	**-4,384**	**183,568**	**-589,940**	**-370,756**

Group

	Share capital	Treasury shares	Share premium account	Retained earnings	Total
2016					
Equity 1. januar	40,000	-4,384	183,568	-592,264	-373,080
Exchange adjustments	0	0	0	-28	-28
Net profit/loss for the year	0	0	0	-5,703	-5,703
Equity at 31 December	**40,000**	**-4,384**	**183,568**	**-597,995**	**-378,811**

Parent Company

	Share capital	Treasury shares	Share premium account	Retained earnings	Total
2017					
Equity at 1 January	40,000	0	183,568	-605,692	-382,124
Net profit/loss for the year	0	0	0	8,163	8,163
Equity at 31 December	**40,000**	**0**	**183,568**	**-597,529**	**-373,961**

Parent Company

	Share capital	Treasury shares	Share premium account	Retained earnings	Total
2016					
Equity 1. januar	40,000	0	183,568	-482,179	-258,611
Net effect from change of accounting policy	0	0	0	-118,439	-118,439
Adjusted equity at 1 January	40,000	0	183,568	-600,618	-377,050
Net profit/loss for the year	0	0	0	-5,073	-5,073
Equity at 31 December	**40,000**	**0**	**183,568**	**-605,691**	**-382,123**

Cash Flow Statement 1 January - 31 December

	Note	Group 2017	Group 2016
		TDKK	TDKK
Net profit/loss for the year		8,046	-5,703
Adjustments	16	43,740	34,021
Change in working capital	17	-1,378	9,772
Cash flows from operating activities before financial income and expenses		**50,408**	**38,090**
Financial income		1,205	1,335
Financial expenses		-24,023	-19,005
Cash flows from ordinary activities		**27,590**	**20,420**
Corporation tax paid		-1,831	-127
Cash flows from operating activities		**25,759**	**20,293**
Purchase of intangible assets		-2,139	-377
Purchase of property, plant and equipment		-23,311	-9,462
Fixed asset investments made etc		-3	0
Cash flows from investing activities		**-25,453**	**-9,839**
Repayment of mortgage loans		-4,734	-4,683
Repayment of loans from credit institutions		84,122	0
Repayment of payables to group enterprises		18,550	13,459
Cash flows from financing activities		**97,938**	**8,776**
Change in cash and cash equivalents		**98,244**	**19,230**
Cash and cash equivalents at 1 January		46,800	27,570
Cash and cash equivalents at 31 December		**145,044**	**46,800**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		145,044	46,800
Cash and cash equivalents at 31 December		**145,044**	**46,800**

Notes to the Financial Statements

		Group		Parent Company	
		2017	2016	2017	2016
		TDKK	TDKK	TDKK	TDKK
1	**Revenue**				
	Geographical segments				
	Revenue, Denmark	747,241	680,266	0	0
		747,241	**680,266**	**0**	**0**
	Business segments				
	Own production	509,904	471,278	0	0
	Erection, freight and external deliveries	237,337	208,988	0	0
		747,241	**680,266**	**0**	**0**
2	**Staff**				
	Wages and Salaries	240,027	229,932	0	0
	Pensions	19,754	18,917	0	0
	Other social security expenses	1,581	1,434	0	0
		261,362	**250,283**	**0**	**0**
	Wages and Salaries, pensions and other social security expenses are recognised in the following items:				
	Cost of sales	234,712	227,565	0	0
	Distribution expenses	8,742	8,318	0	0
	Administrative expenses	17,908	14,400	0	0
		261,362	**250,283**	**0**	**0**
	Including remuneration to the Executive Board	**2,788**	**3,158**	**0**	**0**
	Average number of employees	**530**	**508**	**0**	**0**

Notes to the Financial Statements

	Group		Parent Company	
	2017	2016	2017	2016
	TDKK	TDKK	TDKK	TDKK

3 Financial income

Interest received from group enterprises	330	70	0	0
Other financial income	778	576	0	358
Exchange gains	50	860	0	0
	1,158	**1,506**	**0**	**358**

4 Financial expenses

Interest paid to group enterprises	14,053	14,430	14,053	14,430
Other financial expenses	7,413	4,710	213	2
Exchange loss	2,565	8	0	8
	24,031	**19,148**	**14,266**	**14,440**

5 Tax on profit/loss for the year

Current tax for the year	97	94	-1,725	-1,064
Deferred tax for the year	5,782	2,460	0	0
	5,879	**2,554**	**-1,725**	**-1,064**

Notes to the Financial Statements

6 Intangible assets

Group

	Acquired licenses TDKK
Cost at 1 January	2,716
Additions for the year	2,153
Cost at 31 December	4,869
Revaluations at 31 December	0
Impairment losses and amortisation at 1 January	2,236
Amortisation for the year	449
Impairment losses and amortisation at 31 December	2,685
Carrying amount at 31 December	**2,184**

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	297,983	191,842	24,161	961
Additions for the year	1,115	16,170	149	5,344
Disposals for the year	0	-149	0	0
Cost at 31 December	299,098	207,863	24,310	6,305
Revaluations at 1 January	0	0	0	0
Revaluations at 31 December	0	0	0	0
Impairment losses and depreciation at 1 January	195,291	157,743	22,883	0
Depreciation for the year	5,009	7,600	310	0
Impairment losses and depreciation at 31 December	200,300	165,343	23,193	0
Carrying amount at 31 December	**98,798**	**42,520**	**1,117**	**6,305**

	2017	2016
	TDKK	TDKK
Depreciation and impairment of property, plant and equipment are recognised in the following items:		
Cost of sales	13,177	12,282
Administrative expenses	1,305	1,397
	14,482	**13,679**

Notes to the Financial Statements

	Parent Company	
	2017	2016
	TDKK	TDKK

8 Investments in subsidiaries

	2017 TDKK	2016 TDKK
Cost at 1 January	575,515	575,515
Cost at 31 December	575,515	575,515
Value adjustments at 1 January	-449,365	-338,985
Net effect from change of accounting policy	0	-118,439
Net profit/loss for the year	20,809	8,059
Value adjustments at 31 December	-428,556	-449,365
Carrying amount at 31 December	**146,959**	**126,150**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Spæncom A/S	Fløng, Denmark	42105	100%

9 Other fixed asset investments

	Group
	Deposits
	TDKK
Cost at 1 January	791
Cost at 31 December	791
Revaluations at 1 January	0
Revaluations at 31 December	0
Impairment losses at 1 January	0
Impairment losses at 31 December	0
Carrying amount at 31 December	**791**

Notes to the Financial Statements

	Group		Parent Company	
	2017	2016	2017	2016
	TDKK	TDKK	TDKK	TDKK

10 Inventories

	2017	2016	2017	2016
Raw materials and consumables	17,807	18,005	0	0
Finished goods and goods for resale	3,021	3,590	0	0
	20,828	**21,595**	**0**	**0**

11 Contract work in progress

	2017	2016	2017	2016
Selling price of work in progress	923,837	873,816	0	0
Payments received on account	-982,309	-930,153	0	0
	-58,472	**-56,337**	**0**	**0**
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	7,856	6,772	0	0
Prepayments received recognised in debt	-66,328	-63,109	0	0
	-58,472	**-56,337**	**0**	**0**

12 Equity

The share capital consists of 4,000,000 shares of a nominal value of DKK 10. No shares carry any special rights.

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

Notes to the Financial Statements

	Group		Parent Company	
	2017	2016	2017	2016
	TDKK	TDKK	TDKK	TDKK

13 Distribution of profit

Retained earnings	8,046	-5,703	8,163	-5,073
	8,046	**-5,703**	**8,163**	**-5,073**

14 Provision for deferred tax

Intangible assets	-14	-80	0	0
Property, plant and equipment	-1,099	-2,589	0	0
Inventory	153	182	0	0
Provisions	-766	-669	0	0
Tax loss carry-forward	19,940	15,588	0	0
	18,214	**12,432**	**0**	**0**

15 Long-term debt

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

The debt falls due for payment as specified below:

Mortgage loans

After 5 years	32,354	32,971	0	0
Between 1 and 5 years	14,375	18,817	0	0
Long-term part	46,729	51,788	0	0
Within 1 year	5,123	4,695	0	0
	51,852	**56,483**	**0**	**0**

Notes to the Financial Statements

	Group 2017	Group 2016
	TDKK	TDKK
16 Cash flow statement - adjustments		
Financial income	-1,158	-1,506
Financial expenses	24,031	19,148
Depreciation, amortisation and impairment losses, including losses and gains on sales	14,977	13,853
Tax on profit/loss for the year	5,879	2,554
Other adjustments	11	-28
	43,740	**34,021**

17 Cash flow statement - change in working capital

	2017	2016
Change in inventories	768	1,349
Change in receivables	-1,512	-8,762
Change in trade payables, etc	-634	17,185
	-1,378	**9,772**

Notes to the Financial Statements

	Group		Parent Company	
	2017	2016	2017	2016
	TDKK	TDKK	TDKK	TDKK

18 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	90,770	93,971	0	0

Performance guarantees amount to TDKK 125,937 (2016: TDKK 139,230).

In 2005, the Company provided guarantees to the subsidiary Spaencom Betonfertigteile GmbH of TEUR 3,313, corresponding to TDKK 24,649

The following properties have been provided as collateral for mortgage debt of TDKK 53.018:
- 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

The following assets have been placed as security with Addtek Holding International AB:

Shares in Spæncom A/S	146,959	126,151	146,959	126,151
Bank accounts in Consolis Denmark A/S	364	366	364	366
Intercompany receivables in Consolis Denmark A/S	2,369	2,473	2,369	2,473

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:				
Within 1 year	5,454	5,345	0	0
Between 1 and 5 years	7,306	12,294	0	0
After 5 years	465	97	0	0
	13,225	**17,736**	**0**	**0**

Other contingent liabilities

Notes to the Financial Statements

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

The subsidiary, Spæncom A/S is party to ongoing litigation. 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 2017.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 0. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

19 Related parties

	Basis
Controlling interest	
Addtek Holding International AB, Stockholm, Sweden	Parent
Consolis Oy AB, Nummela, Finland	Parent
Consolis SAS, Paris, France	Parent
Tonful Oy AB, Nummela, Finland	Parent
Consolis Holding SAS, Hauts De Seine, France	Parent
Compact Bidco B. V., Amsterdam, Netherlands	Parent
Compact Midco 3 B. V., Amsterdam, Netherlands	Parent
Compact Midco 2 B. V., Amsterdam, Netherlands	Parent
Compact Midco 1 B. V., Amsterdam, Netherlands	Parent
Compact (BC) Lux II S.C.A, Luxembourg, Luxembourg	Parent
Compact (BC) GP S.à.r.l., Luxembourg, Luxembourg	Parent
Bain Capital Europe Fund IV L.P., George Town, Cayman Islands	Parent
Bain Capital Private Equity LP, Boston, United States	Parent
Bain Capital LP, Bosten, United States	Parent
Bain Capital Holdings LP, Boston, United States	Parent

Notes to the Financial Statements

19 Related parties (continued)

Other related parties

Spæncom A/S	Subsidiary
Spaencom Betonfertigteile GmbH	Subsidiary
Spaencom Verwaltungs GmbH	Subsidiary
Lars Henrik Martinsson	Executive Management and Board of Directors
Nicolas Yatzimirsky	Board of Directors
Emmanuelle Claire Cochard	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.

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Addtek Holding International AB, Box 85 AB, 131 25 Nacka , Sverige

Notes to the Financial Statements

	Group		Parent Company	
	2017	2016	2017	2016
	TDKK	TDKK	TDKK	TDKK
20 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	224	0	0	0
Tax advisory services	53	0	0	0
Other services	50	0	0	0
	327	**0**	**0**	**0**
KPMG				
Audit fee	0	274	0	0
Tax advisory services	0	41	0	0
Other services	0	52	0	0
	0	**367**	**0**	**0**
	327	**367**	**0**	**0**

Notes to the Financial Statements

21 Accounting Policies

The Annual Report of Consolis Denmark A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The Consolidated and Parent Company Financial Statements for 2017 are presented in TDKK.

Changes in accounting policies

Investment in subsidiary

The parent company has changed account policy regarding measurement of investment in subsidiary from cost method to equity method. The change has lead to an increase in the result for year of the parent company in 2016 and 2017 of DKK 8,059k and DKK 20,809k, respectively. Investments in subsidiaries and equity has decreased by DKK 100,380k in 2016 and DKK 89,571k in 2017. There are no changes to the cashflow statement.

Recognition and measurement

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

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

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

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

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Consolis Denmark A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income

Notes to the Financial Statements

21 Accounting Policies (continued)

and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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.

Revenue

Information on business segments and geographical segments based on the Group´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 Group.

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 Group. 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

Notes to the Financial Statements

21 Accounting Policies (continued)

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 Group. 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.

Cost of sales

Cost of sales 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.

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, and transport cost etc. Amortisation of goodwill is also included to the extent that goodwill relates to distribution activities.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

Other operating income and expenses

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

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

21 Accounting Policies (continued)

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 Spæncom A/S. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

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

Property, plant and equipment

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

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

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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:

Production buildings	25-50	years
Plant and machinery	3-25	years
Other fixtures and fittings, tools and equipment	3-10	years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 25,000 are expensed in the year of acquisition.

Notes to the Financial Statements

21 Accounting Policies (continued)

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

The item"Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

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.

Notes to the Financial Statements

21 Accounting Policies (continued)

Contract work in progress

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

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

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

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

Prepayments

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

Current asset investments

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

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

Deferred tax assets and liabilities

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

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

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

Notes to the Financial Statements

21 Accounting Policies (continued)

ferred tax relates to items recognised in equity.

Current tax receivables and liabilities

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

Financial debts

Loans, such as mortgage loans, 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.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible as-

Notes to the Financial Statements

21 Accounting Policies (continued)

sets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

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