# Consolis Denmark A/S

Akacievej 1
2640 Hedehusene
Denmark

CVR no. 31 05 81 12

## Annual report 2019

The annual report was presented and approved at the Company's annual general meeting on

27 August 2020

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chairman

# Contents

# Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Consolis Denmark A/S for the financial year 1 January – 31 December 2019.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Hedehusene, 27 August 2020
Executive Board:

Anders Henning Laurén
CEO

Board of Directors:

| | | |
|---|---|---|
| Nicolas Yatzimirsky<br>Chairman | Anders Henning Laurén | Emmanuelle Claire Cochard |

# Independent auditor's report

## To the shareholder of Consolis Denmark A/S

## Opinion

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 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company 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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Management's responsibility for the consolidated financial statements and the parent company 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 that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company 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.

# Independent auditor's report

## Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Parent 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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.

# Independent auditor's report

## Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the 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 of the Management's review.

Copenhagen, 27 August 2020
**KPMG**
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Eiler
State Authorised
Public Accountant
mne32271

# Management's review

## Company details

Consolis Denmark A/S
Akacievej 1
2640 Hedehusene
Denmark

| | |
|---|---|
| CVR no.: | 31 05 81 12 |
| Established: | 9 November 2007 |
| Registered office: | Hedehusene |
| Financial year: | 1 January – 31 December |

### Board of Directors

Nicolas Yatzimirsky, Chairman
Anders Henning Laurén
Emmanuelle Claire Cochard

### Executive Board

Anders Henning Laurén, CEO

### Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
Denmark

# Management's review

## Financial highlights for the Group

| DKK'000 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| **Key figures** | | | | |
| Revenue | 722,540 | 720,476 | 747,241 | 680,266 |
| Operating profit | -23,753 | 18,637 | 41,798 | 18,493 |
| Loss from financial income and expenses | -20,735 | -21,593 | -22,873 | -17,642 |
| Profit/loss for the year | -38,388 | -6,960 | 13,046 | -1,703 |
| Total assets | 513,643 | 518,962 | 478,181 | 361,936 |
| Equity | -405,944 | -367,556 | -360,756 | -383,811 |
| Cash flows from operating activities | 32,004 | -30,801 | 30,759 | 24,293 |
| Cash flows from investing activities | -12,681 | -12,432 | -25,453 | -9,839 |
| Cash flows from financing activities | -19,330 | 42,468 | -50,746 | 8,776 |
| Total cash flows | -7 | -765 | -45,440 | 19,230 |
| **Ratios** | | | | |
| Gross margin | 15.53% | 22.54% | 22.42% | 19.90% |
| Operating margin | -3.29% | 2.59% | 4.90% | 2.72% |
| Solvency ratio | -79.03% | -70.83% | -75.44% | -106.04% |
| Average number of full-time employees | 529 | 505 | 530 | 508 |

Financial ratios are calculated in accordance with the guidelines "Recomendations & Ratios" issued by the Danish Society of Financial Analysts. The financial ratios have been calculated as follows:

Gross margin $$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$$

Operating margin $$\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$$

Solvency ratio $$\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$$

# Management's review

## Operating review

### The Group's principal activities

The core activities 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 industrailized construction systems.

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

### *Results for the year and development*

The income statement of the Group for 2019 shows a loss of DKK 38,388 thousand, and at 31 December 2019, the balance sheet of the Group shows a negative equity of DKK 405,944 thousand.

The production volume for the year is higher than last year despite an uneven load throughout the year.

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

The Group's revenue for the year amounted to DKK 722.5 million, which is an increase compared to last year, when revenue amounted to DKK 720.5 million. The Company's revenue for the year is in line with the expected revenue according to the expectations stated in the annual report for 2018.

During the financial year, overhead costs have increased which we now have addressed.

Operating loss amounted to DKK 23.8 million and is impacted by an uneven load throughout the year and negative slippage in a few projects. The operating loss was below the expectations stated in the annual report for 2018.

Net financials amounting to a negative DKK 20.7 million include value adjustments of the market value of shares and bonds.

The net result is not considered satisfactory and a turnaround process is ongoing.

### *Capital resources*

The Company's equity is negative with DKK 406 million as at 31 December 2019. The Company is funded by the direct parent company and the ultimate parent company. The ultimate parent company has issued a support letter in which its continued financial support is confirmed if necessary to support the continued operation of Consolis Denmark A/S. Further, repayment of the Company's debt is delayed at least until the approval of the annual report for 2020, and consequently the loans are considered long-termed. On this basis, Management assesses no risk regarding going concern and has prepared the annual report in accordance with this.

### The Group

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

During the financial year, the land, buildings and production plant of SBF has been idle.

# Management's review

## Operating review

### General risks

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

### *Operational risks*

To some extent, the Group'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 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, the Group's costs are also influenced by the development in wages and salaries.

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

#### *Currency 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 2018.

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.

#### *Credit risks*

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

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

# Management's review

## Operating review

### *Liquidity risks*

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

### Targets and expectations for the year ahead

We expect a flat development of revenue and a positive EBIT is forecasted. COVID-19 is not currently foreseen to have any significant impact on the 2020 performance.

### Development and research

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 Consolis Denmark A/S Group 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.

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

### Human capital

To ensure the continuing growth of the Group and Spæncom A/S in particular, 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.

### Corporate social responsibility cf. 99ab

Consolis Group has a Sustainability Policy that rests on the pillars:

- Health & Safety
- Environmental impact
- Social responsibility

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

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

### Environment/Climate

At Consolis Denmark A/S and the Group, we are fully committed to carrying out our business activities in an environmentally responsible and sustainable manner and to minimizing the environmental implications of our activities. As a Group, 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,

# Management's review

## Operating review

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.

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

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

The key environmental risks identified by the authorities are:

— Energy consumption

— Water consumption

— Emission to water

— Emission to air

— Noise

— Disposals

These key areas are measured on a regular basis as a part of Spæncom's environmental program and in compliance with authorities' requirements.

These key areas are measured on a regular basis as a part of the Group's environmental program and in compliance with authorities' requirements.

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

Consolis' work to ensure environmentally sustainable practices are guided by several internal working groups focusing on issues such as concrete mix optimization, production consumption of materials and energy and design optimization. The Group is satisfied with the results of efforts to minimize the environmental implications of our activities during the reporting year, and we plan to continue these efforts going forward.

### Human rights

The Consolis Group's Code of Conduct is an integrated document of all white-collar employees' contracts. The Code of Conduct covers, among others, equal rights for employees.

The Group does not see any specific, material risks that violate human rights. Consequently, no systems, procedures, or due diligence processes are in place. However, Consolis launched a whistleblower

# Management's review

## Operating review

program to facilitate that concerns about human rights violation may be raised.

### Social and staff matters

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

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

- Our H&S management systems reflect our values and require visible and active engagement.
- We protect the health and safety of our employees, sub-contractors and visitors; everyone is expected to behave with a safety mindset.
- No priority or productivity can ever justify putting oneself or anyone else at risk.
- We are committed to compliance with all health, safety, and environmental requirements wherever we operate.
- We measure and review our health and safety records, implement corrective actions, monitor our progress and target « zero accidents and zero occupational health problems ».
- Our H&S management systems are based on continuous improvement and are fully integrated into our operational excellence initiatives.
- It is everyone's responsibility to ensure that safety rules are applied. Our leadership team and employees receive regular training on health and safety.

The principles associated with Health and Safety are what define us as a Group 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 specific implementation of the Health and Safety Policy contains a clear requirement of evaluating risks connected to new tasks and frequent safety inspections on all sites to secure that risks are identified and managed. Further, Spæncom has firm and clear instructions on the use of personal protective equipment, root cause analysis behind each accident, annual safety weeks, etc.

During 2018 and 2019, the accident rates have increased year-on-year. This is not satisfactory and Management has increased the focus on safety with the ambition to decrease the accidents

| **Year** | **FR 1** | **FR 2** |
|---|---|---|
| 2015 | 6,0 | 45,0 |
| 2016 | 3,0 | 19,0 |
| 2017 | 1,1 | 16,0 |
| 2018 | 5,7 | 20,0 |
| 2019 | 6,5 | 22,0 |
| | **FR 1:** Accidents with lost time per million working hours | **FR 2:** Accidents (with and without lost time) per million working hours |

Finally, the policy regarding working environment is integrated in the Consolis certified quality management system.

# Management's review

## Operating review

### Anti-corruption

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

In general, corruption is – according to Transparency International – very low in Denmark and Germany, where the Consolis Denmark group conducts its business. Therefore, the general risk level is rather low. The Group has a strong belief that the Code of Conduct and Anti-Money Laundering Policy are appropriate measures to avoid corrupt behavior among the Group's employees.

### Statement on gender composition

Currently, the Group's supreme management body, the Board of Directors, consists of five members. Two of the members are female. It is the Group's target to have at least one female member on the Board, which is fulfilled. The goal has been set based on the Group's industry, in which the workforce consists primarily of men. The formal management consists of one person who is a female.

The Group 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 competencies and careers. At the moment, 5 out 20 on all management levels are women. This is compared to the general gender composition of the Group, where about 10% are women.

### Events after the balance sheet date

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

### Dividends and the annual general meeting

At the annual general meeting, the Board of Directors will recommend that no dividend be distributed.

The annual general meeting will be held on 27 August 2020 at the Company's premises in Hedehusene (Akacievej 1).

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Income statement

| | | Group | | Parent Company | |
|---|---|---|---|---|---|
| DKK'000 | Note | 2019 | 2018 | 2019 | 2018 |
| **Revenue** | 2 | 722,540 | 720,476 | 0 | 0 |
| Production costs | 3 | -610,345 | -558,055 | 0 | 0 |
| **Gross profit** | | 112,195 | 162,421 | 0 | 0 |
| Distribution costs | 3 | -61,647 | -62,807 | 0 | 0 |
| Administrative expenses | 3 | -74,800 | -79,828 | -355 | -295 |
| Other operating income | | 499 | 92 | 0 | 0 |
| Other operating costs | | 0 | -1,241 | 0 | 0 |
| **Operating profit/loss** | | -23,753 | 18,637 | -355 | -295 |
| Income from equity investments in group entities | | 0 | 0 | -23,269 | 7,643 |
| Financial income | 4 | 249 | 515 | 0 | 0 |
| Financial expenses | 5 | -20,984 | -22,108 | -14,761 | -14,767 |
| **Loss before tax** | | -44,488 | -2,956 | -38,385 | -7,419 |
| Tax on profit/loss for the year | 6 | 6,100 | -4,004 | -3 | 459 |
| **Share of profit/loss for the year** | 7 | -38,388 | -6,960 | -38,388 | -6,960 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Balance sheet

| DKK'000 | Note | Group 31/12 2019 | Group 31/12 2018 | Parent Company 31/12 2019 | Parent Company 31/12 2018 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Fixed assets** | | | | | |
| **Intangible assets** | 8 | | | | |
| Acquired patents | | 2,857 | 4,091 | 0 | 0 |
| **Property, plant and equipment** | 9 | | | | |
| Land and buildings | | 93,334 | 96,394 | 0 | 0 |
| Plant and machinery | | 44,925 | 43,148 | 0 | 0 |
| Fixtures and fittings, tools and equipment | | 1,622 | 1,398 | 0 | 0 |
| Property, plant and equipment in progress | | 1,377 | 861 | 0 | 0 |
| | | 141,258 | 141,801 | 0 | 0 |
| **Investments** | | | | | |
| Equity investments in group entities | 10 | 0 | 0 | 125,698 | 167,967 |
| Deposits | | 904 | 851 | 0 | 0 |
| | | 904 | 851 | 125,698 | 167,967 |
| **Total fixed assets** | | 145,019 | 146,743 | 125,698 | 167,967 |
| **Current assets** | | | | | |
| **Inventories** | | | | | |
| Raw materials and consumables | | 18,688 | 22,545 | 0 | 0 |
| Finished goods and goods for resale | | 2,335 | 3,183 | 0 | 0 |
| | | 21,023 | 25,728 | 0 | 0 |
| **Receivables** | | | | | |
| Trade receivables | | 151,057 | 168,872 | 0 | 0 |
| Receivables from group entities | | 23,922 | 23,106 | 22,836 | 4,792 |
| Intercompany cashpool | | 159,348 | 130,984 | 0 | 0 |
| Construction contracts | 11 | 10,381 | 19,292 | 0 | 0 |
| Other receivables | | 399 | 313 | 86 | 0 |
| Corporation tax | | 44 | 45 | 0 | 0 |
| Prepayments | 12 | 1,214 | 2,668 | 0 | 0 |
| | | 346,365 | 345,280 | 22,922 | 4,792 |
| **Securities** | | 648 | 616 | 0 | 0 |
| **Cash at bank and in hand** | | 588 | 595 | 326 | 363 |
| **Total current assets** | | 368,624 | 372,219 | 23,248 | 5,155 |
| **TOTAL ASSETS** | | 513,643 | 518,962 | 148,946 | 173,122 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Balance sheet

| | | Group | | Parent Company | |
|---|---|---|---|---|---|
| DKK'000 | Note | 31/12 2019 | 31/12 2018 | 31/12 2019 | 31/12 2018 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Contributed capital | 13 | 40,000 | 40,000 | 40,000 | 40,000 |
| Share premium | | 183,568 | 183,568 | 183,568 | 183,568 |
| Treasury shares | | 0 | -4,384 | 0 | 0 |
| Retained earnings | | -629,512 | -586,740 | -629,512 | -591,124 |
| **Total equity** | | -405,944 | -367,556 | -405,944 | -367,556 |
| **Provisions** | | | | | |
| Provisions for deferred tax | 14 | 15,579 | 21,683 | 0 | 0 |
| Other provisions | 15 | 11,715 | 1,215 | 0 | 0 |
| **Total provisions** | | 27,294 | 22,898 | 0 | 0 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Balance sheet

| | | Group | | Parent Company | |
|---|---|---|---|---|---|
| DKK'000 | Note | 31/12 2019 | 31/12 2018 | 31/12 2019 | 31/12 2018 |
| **Liabilities other than provisions** | | | | | |
| **Non-current liabilities other than provisions** | 16 | | | | |
| Mortgage loans | | 37,728 | 42,412 | 0 | 0 |
| Payables to group entities | 21 | 408,014 | 405,950 | 408,014 | 405,950 |
| | | 445,742 | 448,362 | 408,014 | 405,950 |
| **Current liabilities other than provisions** | | | | | |
| Current portion of non-current liabilities | | 4,774 | 4,761 | 0 | 0 |
| Banks, current liabilities | | 111,371 | 114,893 | 0 | 0 |
| Pre-invoicing, construction contracts | 11 | 65,592 | 66,531 | 0 | 0 |
| Trade payables | | 59,590 | 42,257 | 0 | 0 |
| Payables to group entities | | 150,583 | 134,604 | 146,676 | 133,993 |
| Corporation tax | | 0 | 535 | 0 | 535 |
| Other payables | | 54,641 | 51,677 | 200 | 200 |
| | | 446,551 | 415,258 | 146,876 | 134,728 |
| **Total liabilities other than provisions** | | 892,293 | 863,620 | 554,890 | 540,678 |
| **TOTAL EQUITY AND LIABILITIES** | | 513,643 | 518,962 | 148,946 | 173,122 |
| **Disclosure of material uncertainties regarding going concern** | | | | | |
| **Fees to auditor appointed at the general meeting** | 17 | | | | |
| **Contractual obligations, contingencies, etc.** | 18 | | | | |
| **Mortgages and collateral** | 19 | | | | |
| **Related party disclosures** | 20 | | | | |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Statement of changes in equity

| | Group | | | | |
|---|---|---|---|---|---|
| DKK'000 | Contributed capital | Share premium | Treasury shares | Retained earnings | Total |
| Equity at 1 January 2018 | 40,000 | 183,568 | -4,384 | -579,940 | -360,756 |
| Exchange adjustment | 0 | 0 | 0 | 160 | 160 |
| Transferred over the profit appropriation | 0 | 0 | 0 | -6,960 | -6,960 |
| Equity at 1 January 2019 | 40,000 | 183,568 | -4,384 | -586,740 | -367,556 |
| Transferred over the profit appropriation/distribution of loss | 0 | 0 | 0 | -38,388 | -38,388 |
| Cancellation of treasury shares | 0 | 0 | 4,384 | -4,384 | 0 |
| **Equity at 31 December 2019** | 40,000 | 183,568 | 0 | -629,512 | -405,944 |

| | Parent Company | | | | |
|---|---|---|---|---|---|
| DKK'000 | Contributed capital | Share premium | Treasury shares | Retained earnings | Total |
| Equity at 1 January 2018 | 40,000 | 183,568 | 0 | -584,324 | -360,756 |
| Exchange adjustment | 0 | 0 | 0 | 160 | 160 |
| Transferred over the profit appropriation | 0 | 0 | 0 | -6,960 | -6,960 |
| Equity at 1 January 2019 | 40,000 | 183,568 | 0 | -591,124 | -367,556 |
| Transferred over the distribution of loss | 0 | 0 | 0 | -38,388 | -38,388 |
| **Equity at 31 December 2019** | 40,000 | 183,568 | 0 | -629,512 | -405,944 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Cash flow statement

| DKK'000 | Note | Group 2019 | Group 2018 |
|---|---|---|---|
| Profit/loss for the year | | -38,388 | -6,960 |
| Tax on profit/loss for the year | | -6,100 | 4,004 |
| Depreciation | | 14,374 | 13,934 |
| Changes in provisions | | 10,500 | 0 |
| | | -19,614 | 10,978 |
| Changes in working capital | | 51,618 | -41,779 |
| Cash flows from ordinary activities | | 32,004 | -30,801 |
| **Cash flows from operating activities** | | 32,004 | -30,801 |
| Acquisition of intangible assets | | 0 | -1,377 |
| Acquisition of property, plant and equipment | | -12,882 | -11,352 |
| Disposal of property, plant and equipment | | 286 | 0 |
| Acquisition of securities | | -53 | 297 |
| Deposits | | -32 | 0 |
| **Cash flows from investing activities** | | -12,681 | -12,432 |
| Repayment of mortgage loans | | -4,671 | -4,317 |
| Repayment of loans from credit instituions | | -3,522 | -362 |
| Increase of payables to group enterprises | | 18,044 | 30,771 |
| Increase of receivables from group entities | | -29,181 | 3,676 |
| Repayments of payables to group entities | | 0 | 12,700 |
| **Cash flows from financing activities** | | -19,330 | 42,468 |
| **Cash flows for the year** | | -7 | -765 |
| Cash and cash equivalents at the beginning of the year | | 595 | 1,360 |
| **Cash and cash equivalents at year-end** | | 588 | 595 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies

The annual report of Consolis Denmark A/S for 2019 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and parent company financial statements are consistent with those of last year.

### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Upon recognition of foreign subsidiaries and associates that are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Upon recognition of foreign subsidiaries that are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

#### Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Consolis Denmark A/S, and subsidiaries in which they directly or indirectly holds more than 50% of the votes or over whom they in some other way exercises control. Entities in which the Group holds between 20% and 50% of the votes and exercises significant influence, but not control, are considered associates.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

## Income statement

## Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Group's accounting policies, risks, and internal financial management.

#### 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.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

#### Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries, incurred to generate revenue for the year. Commercial entities recognise their cost of sales, whereas production entities recognise production costs incurred to generate revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases and depreciation of production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

In addition, provisions for bad debts on contract work are recognised.

#### Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions as well as depreciation.

#### Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Group, including expenses for administrative staff, Management, office premises, office expenses and depreciation.

#### Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

#### Income from equity investments in group entities and associates

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 comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments measured at cost are recognised as income in the parent company's income statement in the financial year when dividends are declared

#### Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

## Balance sheet

### Intangible assets

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

### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

| | |
|---|---|
| Buildings | 25-50 years |
| Plant and Machinery | 3-25 years |
| Fixtures and fittings, tools and equipment | 3-10 years |

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

#### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

#### Equity investments in group entities and associates

The item "Investment in group entities" 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 aquisition 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.

#### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 1 Accounting policies (continued)

has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Construction contracts

Construction contracts are measured at the selling price of the work performed less progress billings and expected losses. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual construction contract. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual construction contract.

When the selling price of a construction contract cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual construction contract is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise the total of construction contracts where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of construction contracts where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

1 **Accounting policies (continued)**

### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less, which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

### Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligations comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

## Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes 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 Group's share of profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid. 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 payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

### Cash flows from financing activities

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

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

| DKK'000 | Group 2019 | Group 2018 | Parent Company 2019 | Parent Company 2018 |
|---|---|---|---|---|
| **2 Segment information** | | | | |
| **Geografical segments** | | | | |
| Revenue, Denmark | 722,541 | 720,476 | 0 | 0 |
| **Business segments** | | | | |
| Own production | 528,583 | 556,206 | 0 | 0 |
| Erection, freight and external deliveries | 193,957 | 164,270 | 0 | 0 |
| | 722,540 | 720,476 | 0 | 0 |
| **3 Staff costs** | | | | |
| Wages and salaries | 258,310 | 245,578 | 0 | 0 |
| Pensions | 20,264 | 20,083 | 0 | 0 |
| Other social security costs | 1,802 | 1,598 | 0 | 0 |
| | 280,376 | 267,259 | 0 | 0 |
| recognised as follows: | | | | |
| Production costs | 240,750 | 234,268 | 0 | 0 |
| Distribution costs | 9,887 | 9,093 | 0 | 0 |
| Administration costs | 29,739 | 23,898 | 0 | 0 |
| | 280,376 | 267,259 | 0 | 0 |
| Average number of employees | 529 | 505 | 0 | 0 |

Staff costs include remuneration of the Company's Executive Board of DKK 4,155 thousand (2018: DKK 3,427 thousand).

Staff costs include remuneration of the Company's Board of Directors of DKK 30 thousand (2018: DKK 30 thousand).

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

| | | Group | | Parent Company | |
|---|---|---|---|---|---|
| | DKK'000 | 2019 | 2018 | 2019 | 2018 |
| **4** | **Financial income** | | | | |
| | **Financial income** | | | | |
| | Interest income from group entities | 147 | 402 | 0 | 0 |
| | Other financial income | 102 | 113 | 0 | 0 |
| | Exchange gains | 0 | 0 | 0 | 0 |
| | | 249 | 515 | 0 | 0 |
| **5** | **Financial expenses** | | | | |
| | Interest expense to group entities | 15,553 | 13,671 | 14,084 | 12,733 |
| | Other financial costs | 5,431 | 8,437 | 677 | 2,034 |
| | | 20,984 | 22,108 | 14,761 | 14,767 |
| **6** | **Tax on profit/loss for the year** | | | | |
| | Current tax for the year | 0 | 0 | 0 | -994 |
| | Deferred tax for the year | -6,103 | 3,469 | 0 | 0 |
| | Adjustment of tax concerning previous years | 3 | 535 | 3 | 535 |
| | | -6,100 | 4,004 | 3 | -459 |
| **7** | **Proposed distribution of loss** | | | | |
| | Retained earnings | -38,388 | -6,960 | -38,388 | -6,960 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 8 Intangible assets

| DKK'000 | Group<br>Completed development projects |
|---|---|
| Cost at 1 January 2019 | 9,071 |
| Cost at 31 December 2019 | 9,071 |
| Amortisation and impairment losses at 1 January 2019 | -4,980 |
| Amortisation for the year | -1,234 |
| Amortisation and impairment losses at 31 December 2019 | -6,214 |
| **Carrying amount at 31 December 2019** | 2,857 |

### 9 Property, plant and equipment

| | Group | | | | |
|---|---|---|---|---|---|
| DKK'000 | Land and buildings | Plant and machinery | Fixtures and fittings, tools and equipment | Property, plant and equipment in progress | Total |
| Cost at 1 January 2019 | 301,748 | 196,803 | 21,793 | 861 | 521,205 |
| Additions for the year | 2,585 | 8,947 | 834 | 516 | 12,882 |
| Disposals for the year | -286 | -33 | 0 | 0 | -319 |
| Cost at 31 December 2019 | 304,047 | 205,717 | 22,627 | 1,377 | 533,768 |
| Depreciation and impairment losses at 1 January 2019 | -205,354 | -153,655 | -20,394 | 0 | -379,403 |
| Depreciation for the year | -5,359 | -7,170 | -611 | 0 | -13,140 |
| Depreciation and impairment losses for the year on assets sold | 0 | 33 | 0 | 0 | 33 |
| Depreciation and impairment losses at 31 December 2019 | -210,713 | -160,792 | -21,005 | 0 | -392,510 |
| **Carrying amount at 31 December 2019** | 93,334 | 44,925 | 1,622 | 1,377 | 141,258 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 10 Investments

| DKK'000 | Parent Company<br>Investments in subsidiaries |
|---|---|
| Cost at 1 January 2019 | 575,515 |
| Cost at 31 December 2019 | 575,515 |
| Revaluations at 1 January 2019 * | -407,548 |
| Net profit/loss for the year | -23,269 |
| Received dividends | -19,000 |
| Revaluations 31 December 2019 | -449,817 |
| **Carrying amount at 31 December 2019** | 125,698 |

### 11 Construction contracts

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK'000 | 31/12 2019 | 31/12 2018 | 31/12 2019 | 31/12 2018 |
| Construction contracts selling price | 922,966 | 856,440 | 0 | 0 |
| Construction contracts received on account | -978,177 | -903,679 | 0 | 0 |
| | -55,211 | -47,239 | 0 | 0 |
| Construction contracts recognised as assets | 10,381 | 19,292 | 0 | 0 |
| Construction contracts recognised in liabilities | -65,592 | -66,531 | 0 | 0 |
| | -55,211 | -47,239 | 0 | 0 |

### 12 Prepayments

Prepayments, DKK 1,214 thousand (2018: DKK 2,668 thousand), consist of prepaid expenses concerning rent, insurance premiums, subscriptions, and interests.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 13 Equity

The contributed capital consists of 4,000,000 shares of a nominal value of DKK 10 each.

All shares rank equally.

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

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK'000 | 31/12 2019 | 31/12 2019 | 31/12 2019 | 31/12 2019 |

### 14 Provision for deferred tax

| | | | | |
|---|---|---|---|---|
| Provision for deferred tax at 1 January | 21,683 | 18,214 | 0 | 0 |
| Amounts recognised in the income statement for the year | -6,103 | 3,469 | 0 | 0 |
| | 15,580 | 21,683 | 0 | 0 |

### 15 Other provisions

| | | | | |
|---|---|---|---|---|
| Provision for clean up of contamination | 1,215 | 1,215 | 0 | 0 |
| Disputes | 10,500 | 0 | 0 | 0 |
| | 11,715 | 1,215 | 0 | 0 |

### 16 Non-current liabilities other than provisions

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

| DKK'000 | 31/12 2019 | 31/12 2018 | Total debt at 31/12 2019 | Repayment, first year | Outstanding debt after five years |
|---|---|---|---|---|---|
| Mortgage loans | 42,502 | 47,173 | 42,502 | 4,774 | 19,778 |
| | 42,502 | 47,173 | 42,502 | 4,774 | 19,778 |

### 17 Fees to auditor appointed at the general meeting

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK'000 | 2019 | 2018 | 2019 | 2018 |
| **Total fees to KPMG** | | | | |
| Fee for statutory audit | 317 | 523 | 78 | 75 |
| Fee for tax advisory services | 18 | 0 | 18 | 0 |
| Fee for other services | 109 | 149 | 57 | 31 |
| | 444 | 672 | 153 | 106 |

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 18 Contractual obligations, contingencies, etc.

#### Contingent liabilities

Consolis Denmark A/S group is party to a few pending lawsuits. Management believes that the outcome of these lawuits will not affect the Groups financial position beyond the receivables and obligations recognised in the balance sheet at 31 December 2019.

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

#### Operating lease obligations

| Lease obligations under operating leases. Total future lease payments: | Group | | Parent Company | |
|---|---|---|---|---|
| DKK'000 | 2019 | 2018 | 2019 | 2018 |
| Within 1 year | 4,504 | 4,407 | 0 | 0 |
| Between 1 and 5 years | 5,519 | 6,268 | 0 | 0 |
| After 5 years | 438 | 1,005 | 0 | 0 |
| | 10,461 | 11,680 | 0 | 0 |

### 19 Mortgages and collateral

The following assets have been placed as securities with mortgage credit institutions:

Land and building at net book value of DKK 86,700 thousand for 2019 (2018: DKK 89,054 thousand)

Performance guarantees amount to DKK 105,176 thousand for 2019 (2018: DKK 133,630 thousand)

The Group has provided guarantees to the subsidiary Spaencom Betonfertigteile GmbH of EUR 3,313 thousand, corresponding to DKK 24,747 thousand.

The following properties have been provided as collateral for mortgage debt of DKK 42,502 thousand:

— Borgergade 102, title no. 0009a, Tjæreby By, Tårnborg

— Letvadvej 37, Title no. 003df, Sofiendal By Skalborg

— Letvadvej 37, title no. 002gz, Sofiendal By Skalborg

— Soneberg 7, title no. 0002d, Rådvad by, Harte

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### 20 Related party disclosures

Consolis Denmark A/S' related parties comprise the following:

#### Control

Bain Capital Holdings LP is the ultimate beneficial owner of the Consolis Denmark A/S group.

Addtek Holding International AB, Stockholm, Sweden is the immediate parent Company and holds the entire contributed capital in the Company.

#### Other related parties

Spæncom A/S (Subsidiary)
Spaencom Betonfertigteile GmbH (Subsidiary)
Spaencom Verwaltungs GmbH (Subsidiary)
Anders Henning Laurén Executive Management and Board of Directors
Nicolas Yatzimirsky Board of Directors
Emmanuelle Claire Cochard Board of Directors

#### Related party transactions

| DKK'000 | 2019 |
|---|---|
| Purchase of services | (8,884) |
| Management fees | (15,441) |
| Sale of services | 74 |
| Purchase of goods | 9,376 |

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 3.

Intercompany balances are shown in the balance sheet and associated interests in note 4 and 5.

# Consolidated financial statements and parent company financial statements 1 January – 31 December

## Notes

### Consolidated financial statements

Consolis Denmark A/S is included in the Group annual report of:

Compact (BC) Sarl, Luxembourg (smallest and largest)

The annual report of Compact (BC) Sarl may be obtained at the following address:

Akacievej 1
Fløng
2640 Hedehusene
Denmark

### 21 Non-current liabilities other than provisions

The loan agreements have expired. The ultimate parent company has issued a support letter delaying repayment at least until the approval of the annual report for 2020, and consequently the loans are considered long-termed.