Consolis Denmark A/S

Akacievej 1
2640 Hedehusene
Denmark

CVR no. 31 05 81 12

Annual report 2020

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

27 May 2021

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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 2020.

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 2020 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 2020.

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.

Høje Taastrup, 27 May 2021
Executive Board:

Anders Henning Laurén
CEO

Board of Directors:

Daniel Per Erik Warnholtz 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 2020 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 2020 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 2020 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 May 2021
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:	Høje Taastrup
Financial year:	1 January – 31 December

Board of Directors

Daniel Per Erik Warnholtz, Chairman
Anders Henning Laurén
Emmanuelle Claire Cochard

Executive Board

Anders Henning Laurén, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Financial highlights for the Group

DKK'000	2020	2019	2018	2017	2016
Key figures					
Revenue	696,338	722,540	720,476	747,241	680,266
Loss from financial income and expenses	-20,747	-20,735	-21,593	-22,873	-17,642
Profit/loss for the year	-7,232	-38,388	-6,960	13,046	-1,703
Total assets	443,942	513,643	518,962	478,181	361,936
Equity	-413,176	-405,944	-367,556	-360,756	-383,811
Cash flows from operating activities	31,328	32,004	-30,801	30,759	24,293
Cash flows from investing activities	-4,739	-12,681	-12,432	-25,453	-9,839
Cash flows from financing activities	-26,617	-19,330	42,468	-50,746	8,776
Total cash flows	-28	-7	-765	-45,440	19,230
Ratios					
Gross margin	17.90%	15.53%	22.54%	22.42%	19.90%
Operating margin	-0.21%	-3.29%	2.59%	4.90%	2.72%
Solvency ratio	-93.07%	-79.03%	-70.83%	-75.44%	-106.04%
Average number of full-time employees	533	529	505	530	508

The financial ratios have been calculated as follows:

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

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

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

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 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.

Results for the year and development

The first thing to highlight, after a strange 2020, is the global COVID-19 pandemic. Here we as a company managed well despite having most of the white collar working from home during a majority of the year. We also managed to have all three factories and our assembly running throughout the year, which meant that we had no delays effecting our customers. The area we did see an impact was on orders where initially it was a rapid drop in awarded projects in the total market, this however picked up during the year and we ended with strong order months.

The income statement of the Group for 2020 shows a loss of DKK 7,232 thousand, and at 31 December 2020 the balance sheet of the Group shows a negative equity of DKK 413,176 thousand.

The Group's revenue for the year amounted to DKK 696.3 million, which is a decrease compared to last year, when revenue amounted to DKK 722.5 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 2019.

The production volume for the year was slightly below last 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.

During 2020 we managed to significantly reduce our overhead costs compared to 2019 which was a key target going into the year. Redundancy cost amounts to DKK 5.0 million. In addition to this, the Company has spent DKK 2.2 million in preparation for the liquidation of its German subsidiary to reduce overheads. Because of this planned liquidation, the re-taxation liability has been reduced from DKK 11 million to zero. The Company has successfully managed to close a legal dispute with a favorable financial impact of DKK 10 million.

Operating loss amounted to DKK 1.5 million, which is an improvement compared to last year when operating result was a loss of 24.3 million. The operating profit was in line with the expectations stated in the annual report for 2019.

Net financials amounting to a negative DKK 20.7 million.

The net result is considered satisfactory and in line with the ongoing turnaround process especially considering that we, like the rest of world, had to handle the challenges with the COVID-19 crisis.

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

The Company's risk exposure

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.

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.

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.

The Company's goals and policies for management of financial risks

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.

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.

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 currently not foreseen to have any significant impact on the 2021 performance. The turnaround activities initiated in 2020 will continue and in addition, we foresee a significantly increased focus on sustainability.

Management's review

Operating review

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

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

With a constant focus on the environment and the development of new environmentally friendly production methods, Spæncom will be an industry leader in sustainability by focusing on minimizing the carbon footprint, reduce the consumption of energy, water and waste, reusing water and scrap concrete elements and focus on optimizing the concrete.

As a company, we have adopted an Environmental Policy with the following principles:

- Operating practices, which seek to minimize impact, prevent pollution and minimize the likelihood of environmental harm through work and management practices, continuous improvement, training and the use of new technology.
- Compliance with all applicable environmental laws and regulations in both existing operations and new developments.
- Ensure suppliers adhere to legislation regarding delivery of raw materials on-site.
- Environmental assessment of existing operations and new projects.
- Plan, review and assess our environmental performance against measurable targets and best practices to drive continuous improvement.

Management's review

Operating review

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

Spæncom is among the first manufacturers to offer concrete elements with FutureCEM - a cement with up to 30 percent lower carbon footprint. We are also optimizing the entire design process by making use of digital tools and developing new solutions. This will lead to a reduction in use of reinforcement steel and concrete. To help our customers make the projects as green as possible, so they can achieve the certification that the developer wants, we are using EPDs (Environmental Product Declaration) which are used for verified documentation of environmental impacts, resource consumption and waste generation for a material / product / construction product. We also choose to make demands to our suppliers, so it's the entire value chain that contributes to sustainable production and delivery

The policy regarding environment is integrated in Spæncom A/S 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 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.

Human rights

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

Management's review

Operating review

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 2020, the accident rates have significantly decreased year-on-year reflecting our increased focus on safety and we landed the year on an all-time low level, which was excellent.

Year	**FR 1**	**FR 2**
2015	6,0	45
2016	3,0	19
2017	1,1	16
2018	5,7	20
2019	6,5	22
2020	0.0	2
	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 Spæncom A/S certified quality management system.

Management's review

Operating review

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, 6 out 21 on all management levels are women. This is compared to the general gender composition of the Group, where about 10% are women.

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.

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

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

The annual general meeting will be held on 27th May 2021 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	2020	2019	2020	2019
Revenue	2	696,338	722,540	0	0
Production costs	3	-571,722	-610,345	0	0
Gross profit		124,616	112,195	0	0
Distribution costs	3	-69,268	-61,647	0	0
Administrative expenses	3	-56,808	-74,800	-65	-355
Operating loss		-1,460	-24,252	-65	-355
Other operating income		944	499	0	0
Loss before financial income and expenses		-516	-23,753	-65	-355
Income from equity investments in group entities		0	0	3,500	-23,269
Other financial income	4	798	249	632	0
Other financial expenses	5	-21,545	-20,984	-14,712	-14,761
Loss before tax		-21,263	-44,488	-10,645	-38,385
Tax on loss for the year	6	14,031	6,100	3,413	-3
Share of loss for the year	7	-7,232	-38,388	-7,232	-38,388

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

Balance sheet

		Group		Parent Company	
DKK'000	Note	2020	2019	2020	2019
ASSETS					
Fixed assets					
Intangible assets	8				
Acquired patents		1,824	2,857	0	0
Property, plant and equipment	9				
Land and buildings		88,234	93,334	0	0
Plant and machinery		41,576	44,925	0	0
Fixtures and fittings, tools and equipment		1,056	1,622	0	0
Property, plant and equipment in progress		1,802	1,377	0	0
		132,668	141,258	0	0
Investments					
Equity investments in group entities	10	0	0	129,197	125,698
Deposits		866	904	0	0
		866	904	129,197	125,698
Total fixed assets		135,358	145,019	129,197	125,698

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

Balance sheet

		Group		Parent Company	
DKK'000	Note	2020	2019	2020	2019
Current assets					
Inventories					
Raw materials and consumables		25,632	18,688	0	0
Finished goods and goods for resale		2,525	2,335	0	0
		28,157	21,023	0	0
Receivables					
Trade receivables		108,698	151,057	0	0
Receivables from group entities		7,770	23,922	26,101	22,836
Intercompany cashpool		153,076	159,348	0	0
Construction contracts	11	6,029	10,381	0	0
Other receivables		479	399	168	86
Corporation tax		46	44	0	0
Prepayments	12	3,017	1,214	0	0
		279,115	346,365	26,269	22,922
Securities and equity investments		752	648	0	0
Cash at bank and in hand		560	588	320	326
Total current assets		308,584	368,624	26,589	23,248
TOTAL ASSETS		443,942	513,643	155,786	148,946

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

Balance sheet

		Group		Parent Company	
DKK'000	Note	2020	2019	2020	2019
EQUITY AND LIABILITIES					
Equity					
Contributed capital	13	40,000	40,000	40,000	40,000
Share premium		0	183,568	0	183,568
Retained earnings		-453,176	-629,512	-453,176	-629,512
Total equity		-413,176	-405,944	-413,176	-405,944
Provisions					
Provisions for deferred tax	14	1,548	15,579	0	0
Other provisions	15	1,225	11,715	0	0
Total provisions		2,773	27,294	0	0

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

Balance sheet

		Group		Parent Company	
DKK'000	Note	2020	2019	2020	2019
Liabilities other than provisions					
Non-current liabilities other than provisions					
Mortgage loans	16	33,108	37,728	0	0
Payables to group entities		406,343	408,014	406,343	408,014
		439,451	445,742	406,343	408,014
Current liabilities other than provisions					
Current portion of non-current liabilities	16	4,748	4,774	0	0
Banks, current liabilities		66,392	111,371	0	0
Pre-invoicing, construction contracts	11	44,935	65,592	0	0
Trade payables		49,693	59,590	0	0
Payables to group entities		168,990	150,583	162,419	146,676
Other payables		80,136	54,641	200	200
		414,894	446,551	162,619	146,876
Total liabilities other than provisions		854,345	892,293	568,962	554,890
TOTAL EQUITY AND LIABILITIES		443,942	513,643	155,786	148,946

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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 2019	40,000	183,568	-4,384	-586,740	-367,556
Exchange adjustment	0	0	0	160	160
Transferred over the distribution of loss	0	0	0	-38,388	-38,388
Cancelation of treasury shares	0	0	4,384	-4,384	-405,944
Equity at 1 January 2020	40,000	183,568	0	-629,512	-405,944
Transferred over the distribution of loss	0	0	0	-7,232	-7,232
Transfer from share premium account	0	-183,568	0	183,568	0
Equity at 31 December 2020	40,000	0	0	-453,176	-413,176

	Parent Company			
DKK'000	Contributed capital	Share premium	Retained earnings	Total
Equity at 1 January 2019	40,000	183,568	-591,124	-367,556
Transferred over the distribution of loss	0	0	-38,388	-38,388
Equity at 1 January 2020	40,000	183,568	-629,512	-405,944
Transferred over the distribution of loss	0	0	-7,232	-7,232
Transfer from share premium account	0	-183,568	183,568	0
Equity at 31 December 2020	40,000	0	-453,176	-413,176

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

Cash flow statement

		Group	
DKK'000	Note	2020	2019
Loss for the year		-7,232	-38,388
Depreciation, amortisation and impairment losses		14,296	14,374
Other adjustments (Provision)		-10,490	10,500
Cash flows from operations before changes in working capital		-3,426	-13,514
Changes in working capital		48,785	51,618
Cash flows from operating activities		45,359	38,104
Tax on loss for the year		-14,031	-6,100
Cash flows from operating activities		31,328	32,004
Acquisition of property, plant and equipment		-4,849	-12,882
Disposal of property, plant and equipment		72	286
Acquisition of securities		0	-53
Deposits		38	-32
Cash flows from investing activities		-4,739	-12,681
Repayment of non-current mortgage debt and bank loans		-4,620	-4,671
Repayment of debt to credit institutions		-45,005	-3,522
Increase of payables to group enterprises		16,736	18,044
Increase of receivables from group entities		0	-29,181
Repayment of receivables from group entities and associates		6,272	0
Cash flows from financing activities		-26,617	-19,330
Cash flows for the year		-28	-7
Cash and cash equivalents at the beginning of the year		588	595
Cash and cash equivalents at year-end		560	588

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 2020 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.

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.

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)**

Income statement

Revenue

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

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

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

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

Production costs

Production costs 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.

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

Notes

1 Accounting policies (continued)

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, 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.

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.

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

Notes

1 Accounting policies (continued)

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

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

Notes

1 Accounting policies (continued)

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.

Prepayments

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

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

Notes

1 Accounting policies (continued)

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.

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.

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.

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

Notes

	Group		Parent Company	
DKK'000	2020	2019	2020	2019
2 Segment information				
Geografical segments				
Revenue, Denmark	696,337	722,541	0	0
Business segments				
Own production	505,609	528,584	0	0
Erection, freight and external deliveries	190,728	193,957	0	0
	696,337	722,541	0	0

3 Staff costs

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Wages and salaries	247,592	258,310	0	0
Pensions	21,009	20,264	0	0
Other social security costs	1,954	1,802	0	0
	270,555	280,376	0	0
Staff costs recognised as follows:				
Production costs	247,592	240,750	0	0
Distribution costs	21,009	9,887	0	0
Administration costs	1,954	29,739	0	0
	270,555	280,376	0	0
Average number of employees	533	529	0	0

Staff costs include remuneration of the Company's Executive Board and Board of Directors of DKK 2,800 thousand (2019: DKK 4,185 thousand).

4 Other financial income

	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Interest income from group entities	0	147	0	0
Other financial income	798	102	632	0
	798	249	632	0

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Notes

DKK'000	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
5 Other financial expenses				
Interest expense to group entities	11,044	15,553	11,044	14,084
Other financial costs	10,499	5,431	3,666	677
	21,545	20,984	14,712	14,761
6 Tax on profit/loss for the year				
Current tax for the year	0	0	-3,413	0
Deferred tax for the year	-2,874	-6,103	0	0
Adjustment of tax concerning previous years	-11,157	3	0	3
	-14,031	-6,100	-3,413	3
7 Proposed distribution of loss				
Retained earnings	-7,232	-38,388	-7,232	-38,388
	-7,232	-38,388	-7,232	-38,388

8 Intangible assets

DKK'000	Group Acquired patents
Cost at 1 January 2020	9,071
Additions for the year	67
Cost at 31 December 2020	9,138
Amortisation and impairment losses at 1 January 2020	-6,214
Amortisation for the year	-1,100
Amortisation and impairment losses at 31 December 2020	-7,314
Carrying amount at 31 December 2020	1,824

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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 2020	304,047	205,717	22,627	1,377	533,768
Additions for the year	559	3,865	0	425	4,849
Disposals for the year	-21,650	-26,821	-4,679	0	-53,150
Cost at 31 December 2020	282,956	182,761	17,948	1,802	485,467
Depreciation and impairment losses at 1 January 2020	-210,713	-160,792	-21,005	0	-392,510
Depreciation for the year	-5,615	-7,186	-568	0	-13,369
Depreciation and impairment losses for the year on assets sold	21,606	26,793	4,681	0	53,080
Depreciation and impairment losses at 31 December 2020	-194,722	-141,185	-16,892	0	-352,799
Carrying amount at 31 December 2020	88,234	41,576	1,056	1,802	132,668

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

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10 Investments

DKK'000	Parent Company Investments in subsidiaries
Cost at 1 January 2020	575,515
Cost at 31 December 2020	575,515
Revaluations at 1 January 2020	-449,817
Net profit/loss for the year	3,499
Revaluations 31 December 2020	-446,318
Carrying amount at 31 December 2020	129,197

Investments comprise:

Spæncom A/S, Denmark, Hedehusene

Spaencom Betonfertigteile GmbH & Co KG, Germany, Luckau

11 Construction contracts

	Group		Parent Company	
DKK'000	2020	2019	2020	2019
Construction contracts selling price	954,740	922,966	0	0
Construction contracts received on account	-993,646	-978,177	0	0
	-38,906	-55,211	0	0
Construction contracts recognised as assets	6,029	10,381	0	0
Construction contracts recognised in liabilities	-44,935	-65,592	0	0
	-38,906	-55,211	0	0

12 Prepayments

Prepayments, DKK 3,017 thousand (2019: DKK 1,214 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	2020	2020	2020	2020

14 Provision for deferred tax

Provision for deferred tax at 1 January	15,579	21,682	0	0
Amounts recognised in the income statement for the year	-14,031	-6,103	0	0
	1,548	15,579	0	0

15 Other provisions

Provision for clean up of contamination	1,215	1,215	0	0
Disputes	10	10,500	0	0
	1,225	11,715	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	2019	Total debt at 31/12 2020	Repayment, first year	Outstanding debt after five years
Mortgage loans	42,502	37,856	4,748	14,819
	42,502	37,856	4,748	14,819

17 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 2021, and consequently the loans are considered long-termed.

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

Notes

DKK'000	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
18 Fees to auditor appointed at the general meeting				
Total fees to KPMG				
Fee for statutory audit	333	317	90	78
Fee for tax advisory services	75	18	25	18
Fee for other services	86	125	33	73
	494	460	148	169

19 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 2020.

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:

DKK'000	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
Within 1 year	7,420	4,504	0	0
Between 1 and 5 years	10,494	5,519	0	0
After 5 years	5,119	438	0	0
	23,033	10,461	0	0

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

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20 Mortgages and collateral

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

Land and building at net book value of DKK 82,583 thousand for 2020 (2019: DKK 86,700 thousand)

Performance guarantees amount to DKK 137,015 thousand for 2020 (2019: DKK 105,176 thousand)

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

The following properties have been provided as collateral for mortgage debt of DKK 76,762 thousand:

- Borgergade 102, title no. 0009a, Tjæreby By, Tårnborg
- Letvadvej 37, Title no. 003df, Sofiendal By Skalborg
- Letvadvej 37, title no. 002gz, Sofiendal By Skalborg
- Soneberg 7, title no. 0002d, Rådvad by, Harte

21 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.

Consolis Denmark A/S is part of the consolidated financial statements of Compact (BC) Sarl, Luxembourg, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Compact (BC) Sarl, can be obtained by contacting Cosolis Denmark A/S at Akacievej 1, 2640 Hedehusene Denmark.

Other related parties

Spæncom A/S (Subsidiary)

Spaencom Betonfertigteile GmbH (Subsidiary)

Spaencom Verwaltungs GmbH (Subsidiary)

Anders Henning Laurén Executive Management and (Board of Directors)

Daniel Per Erik Andreas Wanholtz (Board of Directors)

Emmanuelle Claire Cochard (Board of Directors)

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Related party transactions

DKK'000	2020	2019	2020	2019
Purchase of services	-6,578	-8,884	0	0
Management fees	-14,251	-15,441	0	0
Sale of services	0	74	0	0
Purchase of goods	-14,536	9,376	0	0

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.