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KINGSPAN INSULATION APS
LANGEBJERGVÆNGET 14, 4000 ROSKILDE
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2020

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 16 July 2021**

Geoff Doherty

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 35 89 18 03

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COMPANY DETAILS**Company**

Kingspan Insulation ApS
Langebjergvænget 14
4000 Roskilde

CVR No.: 35 89 18 03
Established: 10 June 2014
Registered Office: Roskilde
Financial Year: 1 January - 31 December

Executive Board

Wilhelmus Johannes van Zonsbeek
Patrick Alan Lawlor
Ian McAuliffe
Hendrik Johan Bassie

Auditor

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
1561 Copenhagen V

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Kingspan Insulation ApS for the financial year 1 January - 31 December 2020.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

The board of executives remain of the opinion that the conditions for opting out of audit have been fulfilled.

We recommend the Annual Report be approved at the Annual General Meeting.

Roskilde, 12 July 2021

Executive Board

Wilhelmus Johannes van
Zonsbeek

Patrick Alan Lawlor

Ian McAuliffe

Hendrik Johan Bassie

ENGAGEMENT TO COMPILE FINANCIAL INFORMATION

To the Shareholder of Kingspan Insulation ApS

We have compiled the Financial Statements of Kingspan Insulation ApS for the financial year 1 January - 31 December 2020 based on the Company's accounting records and other information provided by Management.

The Financial Statements comprise a summary of income statement, Balance Sheet, statement of changes in equity, notes and significant accounting policies.

We performed this compilation engagement in accordance with the International Standard, Compilation Engagements.

We have applied our professional expertise to assist Management in the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant statutory provisions of the Danish Audit Act, the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark.

The Financial Statements and the accuracy and completeness of the information used to compile the Financial Statements are Management's responsibility.

Since an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by Management to us to compile the Financial Statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 12 July 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Brian Olsen Halling
State Authorised Public Accountant
MNE no. mne32094

MANAGEMENT COMMENTARY

Principal activities

The company's activities are marketing and sales of insulation boards and other related activities.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK
GROSS PROFIT		8,599,309	4,728,467
Staff costs.....	1	-4,945,505	-3,734,517
Depreciation, amortisation and impairment.....		-14,456	-13,499
OPERATING PROFIT		3,639,348	980,451
Other financial expenses.....	2	-25,057	-17,306
PROFIT BEFORE TAX		3,614,291	963,145
Tax on profit/loss for the year.....	3	-799,073	-213,251
PROFIT FOR THE YEAR		2,815,218	749,894
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		2,815,218	749,894
TOTAL		2,815,218	749,894

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK
Other plants, machinery, tools and equipment.....		43,369	40,498
Property, plant and equipment.....	4	43,369	40,498
NON-CURRENT ASSETS.....		43,369	40,498
Trade receivables.....		6,954,331	0
Receivables from group enterprises.....		38,901	0
Other receivables.....		0	93,255
Prepayments and accrued income.....		96,960	180,499
Receivables.....		7,090,192	273,754
Cash and cash equivalents.....		4,671,950	1,295,597
CURRENT ASSETS.....		11,762,142	1,569,351
ASSETS.....		11,805,511	1,609,849

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK
Share capital.....		80,000	80,000
Retained profit.....		2,766,215	-49,004
EQUITY.....		2,846,215	30,996
Other liabilities.....		460,839	144,076
Non-current liabilities.....	5	460,839	144,076
Trade payables.....		142,902	42,001
Payables to group enterprises.....		359,862	571,284
Corporation tax.....		800,242	213,251
Other liabilities.....		7,195,451	608,241
Current liabilities.....		8,498,457	1,434,777
LIABILITIES.....		8,959,296	1,578,853
EQUITY AND LIABILITIES.....		11,805,511	1,609,849
Contingencies etc.	6		
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EQUITY

	Share capital	Retained profit	Total
Equity at 1 January 2020.....	80,000	-49,003	30,997
Proposed profit allocation.....		2,815,218	2,815,218
Equity at 31 December 2020.....	80,000	2,766,215	2,846,215

NOTES

	2020 DKK	2019 DKK	Note
Staff costs			1
Average number of employees	6	6	
Wages and salaries.....	4,531,932	3,397,413	
Pensions.....	399,339	313,081	
Other staff costs.....	14,234	24,023	
	4,945,505	3,734,517	
Other financial expenses			2
Other interest expenses.....	25,057	17,306	
	25,057	17,306	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year.....	800,242	213,251	
Adjustment of tax for previous years.....	-1,169	0	
	799,073	213,251	
Property, plant and equipment			4
		Other plants, machinery, tools and equipment	
Cost at 1 January 2020.....		105,321	
Additions.....		17,328	
Cost at 31 December 2020.....		122,649	
Depreciation and impairment losses at 1 January 2020.....		65,329	
Depreciation for the year.....		13,951	
Depreciation and impairment losses at 31 December 2020.....		79,280	
Carrying amount at 31 December 2020.....		43,369	

NOTES

				Note
Tangible fixed assets (continued)				4
Long-term liabilities				5
	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities
Other liabilities.....	460,839	0	0	144,076
	460,839	0	0	144,076
Contingencies etc.				6
Contingent liabilities				
Rental obligations				
<p>The company has entered into a lease for rent to third parties. The rental obligation amounts to DKK ('000) 187 at balance sheet date (last year DKK ('000) 230). The rental contract is irrevocable until 30 June 2021. After this period, the company can terminate the agreement with 4 months notice until the 1st in a month.</p>				
Operational lease				
<p>The company has entered into operational lease agreements and lease contracts with an average annual lease payment of DKK ('000) 66.</p> <p>The lease contract have a residual term of 7 months with a total residual lease payment of DKK ('000) 38.</p>				
Joint liabilities				
<p>The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.</p> <p>Tax payable on the Group's joint taxable income is stated in the annual report of Kingspan A/S, which serves as management company for the joint taxation.</p>				
Consolidated Financial Statements				7
<p>The Company is included in the consolidated financial statements of Kingspan Group plc, Dublin Road, Kingscourt, Co Cavan, A82 XY31, Ireland.</p>				

ACCOUNTING POLICIES

The Annual Report of Kingspan Insulation ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles used last year.

INCOME STATEMENT

Net revenue

Net revenue from commission from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets

Machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-5 years	0 DKK

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.