

Annual report for 2019

Cembrit Logistics A/S

Gasværksvej 24, 1., 9000 Aalborg

CVR no. 38 39 36 93

Adopted at the annual general meeting on 3
July 2020

Karsten Riis Andersen
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Cembrit Logistics A/S for the financial year 1 January - 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Aalborg, 3 July 2020

Executive board

Karsten Riis Andersen

Supervisory board

Jørn Mørkeberg Nielsen
chairman

Karsten Riis Andersen

Torben Axelsen

Independent auditor's report

To the shareholders of Cembrit Logistics A/S

Opinion

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Cembrit Logistics A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under 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 financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on management's review

Management is responsible for management's review.

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

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

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

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Independent auditor's report

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 3 July 2020

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Jacob F Christiansen
Statsautoriseret revisor
MNE no. mne18628

Kristian Højgaard Carlsen
Statsautoriseret revisor
MNE no. mne44112

Company details

Cembrit Logistics A/S
Gasværksvej 24, 1.
9000 Aalborg

CVR-no. 38 39 36 93

Financial year: 1 January - 31 December 2019

Incorporated: 3. February 2017

Domicile: Aalborg

Supervisory Board

Jørn Mørkeberg Nielsen, chairman
Karsten Riis Andersen
Torben Axelsen

Executive Board

Karsten Riis Andersen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Financial highlights

Seen over a 3-year period, the development of the Company may be described by means of the following financial highlights:

	2019	2018	2017
	DKK'000	DKK'000	DKK'000
Key figures			
Profit/loss			
Revenue	502.851	471.433	352.673
Gross profit	28.769	26.865	21.943
Ordinary operating profit/loss	3.244	5.207	1.255
Net financials	-7.665	-6.811	396
Profit/loss for the year	-3.432	-1.448	1.287
Balance sheet			
Balance sheet total	258.072	195.669	173.542
Investment in property, plant and equipment	1.079	0	600
Equity	9.331	12.763	1.787
Number of employees	7	17	18
Financial ratios			
Gross margin	5,7%	5,7%	6,2%
Return on assets	1,4%	2,8%	0,7%
Solvency ratio	3,6%	6,5%	1,0%
Return on equity	-31,1%	-19,9%	144,0%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Management's review

Business review

The main activity of Cembrit Logistics A/S is to operate warehouse, logistic activities and sale of goods related to the Cembrit business.

To improve our logistics setup and reduce Cembrit's carbon footprint, the warehouse in Aalborg, Denmark, has in 2018 been transferred to the southern part of Jutland, Denmark. The new warehouse will make rail transport more suitable, which will reduce Cembrit's carbon footprint compared to our predominant use of road transport in 2018 and reduce costs going forward when fully implemented.

Financial review

The income statement of the Company for 2019 shows a loss of DKKm -3,4 (2018: DKKm -1,4) and at 31 December 2019 the balance sheet of the Company shows equity of DKKm 9,3 (2018: DKKm 12,8). The result for 2019 meets management's expectations.

Forward-looking statements

Statements in the Annual Report 2019 concerning the future reflect the company's current expectations about future events and financial results. Statements concerning the future are naturally subject to uncertainty, and actual results may differ from expected results. COVID-19 has increased the level of uncertainty. Differences may be caused by, but are not limited to, economic and financial market developments, developments in product demand, competitive conditions etc. The company disclaims any liability to update or adjust statements in the Annual Report 2019 about future or possible reasons for differences between actual and anticipated results except where required by legislation.

Knowledge resources

The Company is characterized by a dynamic environment, which places great demands on the company when it comes to attracting and retaining skilled and innovative employees.

Expectations for 2020

With COVID-19 the level of uncertainty is high and accurately assessing the impact on our financial performance for 2020 is difficult. If the impact from COVID-19 is less material and the launched initiatives deliver as planned, performance is expected to remain unchanged compared to 2019.

Special risks

Risk will always play an important part in our business, and we maintain focus on the identification, mitigation and management of risks in our day-to-day work. Cembrit's business is cyclical by nature. When the level of activity in the industry is high, as is currently the case, the primary focus is on new building rather than renovation. However, the expectation is that the renovation business will partly compensate for any decline in the construction industry in the event of a down-turn in the economy.

Management's review

Statutory corporate social responsibility report

For Cembrit, sustainability and CSR are about making the right choices to make life easier and better for our customers, colleagues, partners and other stakeholders. Behaving in a responsible manner has always been essential to Cembrit, and the CSR statement for Cembrit Group is the basis for our CSR work, together with our Code of Conduct, other policies, guidelines, tone from the top etc. Tone from the top has been and will continue to be a key element of Cembrit's CSR work to ensure ongoing adjustments and adherence to responsible behaviour. The CSR statement for Cembrit Group is based on the Global Compact's 10 principles. The company's CSR statement is included in the consolidated CSR statement of Cembrit Group A/S.

Account of the gender composition of Management

Equal opportunity for all employees is important to Cembrit, and accordingly we do not differentiate based on gender, race or religion when people are employed or promoted. The industry in which Cembrit operates has an overrepresentation of men, which makes it difficult to ensure a more balanced distribution between men and women. To further ensure gender diversity in the future, Cembrit will pursue the following initiatives, with a focus on women in management:

- Cembrit will always consider diversity when hiring or appointing people at all levels, including the Executive Management and the Board of Directors. If two or more candidates for a position are equally qualified, the candidate of the underrepresented gender will be preferred.
- When recruiting candidates for board positions, Cembrit will require at least one candidate of the underrepresented gender. Currently, Cembrit Logistics A/S's Board of Directors comprises three men. It is Cembrit's target to have at least one general meeting-elected woman on the Board of Directors by 2021. The target was not achieved end 2019 due to no women running for election.

The Executive Board comprises one male. The number of women in management positions at Cembrit Logistics A/S has been maintained in 2019.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> DKK'000	<u>2018</u> DKK'000
Revenue		502.851	471.433
Cost of productions		-474.082	-444.568
Gross profit		28.769	26.865
Distribution costs		-22.193	-18.187
Administrative costs		-3.332	-3.471
Operating profit/loss		3.244	5.207
Other operating income		21	0
Profit/loss before financial income and expenses		3.265	5.207
Financial income	4	9.601	3.757
Financial costs	5	-17.266	-10.568
Profit/loss before tax		-4.400	-1.604
Tax on profit/loss for the year	6	968	156
Net profit/loss for the year		-3.432	-1.448
Distribution of profit	7		

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK'000	<u>2018</u> DKK'000
Assets			
Plant and machinery		148	157
Other fixtures and fittings, tools and equipment		<u>1.120</u>	<u>116</u>
Tangible assets	8	<u>1.268</u>	<u>273</u>
Total non-current assets		<u>1.268</u>	<u>273</u>
Finished goods and goods for resale		<u>61.463</u>	<u>51.053</u>
Stocks		<u>61.463</u>	<u>51.053</u>
Trade receivables		115	0
Receivables from group enterprises		115.237	109.716
Other receivables		2.920	233
Deferred tax asset	11	1.184	216
Prepayments	9	<u>8</u>	<u>1.329</u>
Receivables		<u>119.464</u>	<u>111.494</u>
Liquidity		<u>75.877</u>	<u>32.849</u>
Total current assets		<u>256.804</u>	<u>195.396</u>
Total assets		<u><u>258.072</u></u>	<u><u>195.669</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK'000	<u>2018</u> DKK'000
Equity and liabilities			
Share capital		500	500
Retained earnings		<u>8.831</u>	<u>12.263</u>
Equity	10	<u>9.331</u>	<u>12.763</u>
Trade payables		16.732	16.543
Payables to group enterprises		228.852	150.515
Other payables		<u>3.157</u>	<u>15.848</u>
Total current liabilities		<u>248.741</u>	<u>182.906</u>
Total liabilities		<u>248.741</u>	<u>182.906</u>
Total equity and liabilities		<u><u>258.072</u></u>	<u><u>195.669</u></u>
Liquidity	1		
Staff	12		
Events occurring after the balance sheet date	13		
Rent and lease liabilities	14		
Contingent liabilities	15		
Mortgages and collateral	16		
Related parties and ownership structure	17		
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Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2019	500	12.263	12.763
Net profit/loss for the year	0	-3.432	-3.432
Equity at 31 December 2019	<u>500</u>	<u>8.831</u>	<u>9.331</u>

Notes

1 Liquidity

The ultimate parent company Cembrit Group A/S has been financed with a EURm 115 bond, which expires in March 2021. Furthermore, the parent company Cembrit Holding A/S has a DKKm 75 bank credit facility, which Cembrit Logistics A/S is included in via a cash-pool. The DKKm 75 bank credit facility expires in January 2021. A refinancing of the bond and the bank credit facility is being reviewed to ensure the long-term financing of Cembrit Group and the Cembrit Group companies, including Cembrit Logistics A/S. A decision by Cembrit Group A/S Management on the refinancing is expected in the coming months.

2 Accounting policies

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

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK'000

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Cembrit Group A/S.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

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

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

Notes

2 Accounting policies

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and 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.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Income statement

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Notes

2 Accounting policies

Cost of productions

Cost of productions comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and depreciation.

Administrative costs

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as depreciation of assets used for administrative purposes.

Amortisation, depreciation and impairment losses

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Plant and machinery	15 years
Fixtures and fittings, other plant and equipment	3-15 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Notes

2 Accounting policies

Tax on profit/loss for the year

Tax for the year includes current tax on the years expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Tangible assets

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Impairment of fixed assets

The carrying amount of property, plant and equipment is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

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

Notes

2 Accounting policies

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

Notes

2 Accounting policies

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Notes

2 Accounting policies

Financial highlights

Definitions of financial ratios.

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

Notes

3 Information on segments

Geographical - secondary segment

	Denmark	Other countries in Europe	Total
2019			
Revenue	457.068	45.783	502.851
2018			
Revenue	441.630	29.803	471.433

4 Financial income

	2019 DKK'000	2018 DKK'000
Other financial income	9.601	3.757
	9.601	3.757

5 Financial costs

Interest paid to subsidiaries	6.971	3.784
Other financial costs	10.162	6.772
Exchange adjustments costs	133	12
	17.266	10.568

6 Tax on profit/loss for the year

Current tax for the year	0	-6
Deferred tax for the year	-968	-150
	-968	-156

Notes

	2019 <small>DKK'000</small>	2018 <small>DKK'000</small>
7 Distribution of profit		
Retained earnings	-3.432	-1.448
	-3.432	-1.448

8 Tangible assets

	Plant and machinery	Other fixtures and fittings, tools and equipment
Cost at 1 January 2019	130	470
Additions for the year	46	1.033
Cost at 31 December 2019	176	1.503
Impairment losses and depreciation at 1 January 2019	14	313
Impairment losses for the year	14	70
Impairment losses and depreciation at 31 December 2019	28	383
Carrying amount at 31 December 2019	148	1.120

9 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including other DKK 8 thousand

10 Equity

The share capital consists of:

5.000 A shares of DKK 100	Nominal value 500.000
	500.000

Notes

	2019 DKK'000	2018 DKK'000
11 Provision for deferred tax		
Property, plant and equipment	-147	216
Tax loss carry-forward	1.331	0
Transferred to deferred tax asset	1.184	216
	<u>0</u>	<u>0</u>
Deferred tax asset		
Calculated tax asset	1.184	216
Carrying amount	<u>1.184</u>	<u>216</u>

Based on current budgets we expect the tax value of losses to be available for utilization against future taxable income within the next 5 years.

12 Staff

Wages and Salaries	3.201	7.014
Pensions	264	545
Other social security expenses	102	145
	<u>3.567</u>	<u>7.704</u>

Wages and Salaries, pensions and other social security expenses are recognised in the following items:

Distribution expenses	3.567	7.629
Administrative expenses	0	75
	<u>3.567</u>	<u>7.704</u>

Average number of employees	<u>7</u>	<u>17</u>
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No remuneration for the Executive Board or the Board of Directors.

Notes

13 Events occurring after the balance sheet date

The latest development related to COV-19 has increased the uncertainty and given the rapid day-to-day developments in many countries, we are currently unable to assess the magnitude of the impact on our financials.

Beside COV-19 as stated above no events occurred after the balance sheet date that will have a material impact on the financial position.

	<u>2019</u> DKK'000	<u>2018</u> DKK'000
14 Rent and lease liabilities		
Rent and lease liabilities		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	5.541	6.165
Between 1 and 5 years	20.600	25.083
After 5 years	<u>24.107</u>	<u>28.751</u>
	<u>50.248</u>	<u>59.999</u>

15 Contingent liabilities

The Company is jointly taxed with its parent, Cembrit Group A/S, which acts as management company for tax purposes, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2017 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment.

16 Mortgages and collateral

The Company has not provided any security or other collateral in assets at 31 December 2019.

Notes

17 Related parties and ownership structure

Controlling interest

Cembrit Holding A/S, parent and Cembrit Group A/S, intermediate parent
Gasværksvej 24, 1.
9000 Aalborg

Xilos Co-Investment No. 1 Separate Limited Partnership, ultimate parent
11-15 Seaton Place, St. Helier, Jersey
JE4 0QH Channel Islands
Great Britain

Transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

Consolidated financial statements

The company is included in the consolidated financial statements of Cembrit Group A/S

The group report of can be obtained at the following address:

Gasværksvej 24, 1.
9000 Aalborg

18 Fee to auditors appointed at the general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements for Cembrit Group A/S.