Well-built for well-being

Consolis Annual Report 2021

CONSOLIS

Contents

OUR REASON TO BE

Well-built for well-being

Welcome to Consolis, a European leader in precast concrete solutions for the building and utilities sector.

We provide architects, construction companies and community builders with smart, sustainable, and highly engineered precast elements, enabling them to create beautiful homes, offices, universities, hospitals, stadiums, shopping centers, airports and infrastructure that will serve local communities – for centuries to come.

Well-built for well-being, that is our reason to be.

We believe in responsible industry leadership, and we are committed to take the lead in the sustainable transformation of our industry. With deeds - not just words.

1,106
Net sales, million €

81.7
Adjusted EBITDA

57%
Cash conversion

A LEADER IN THE CONSTRUCTION INDUSTRY

Consolis today

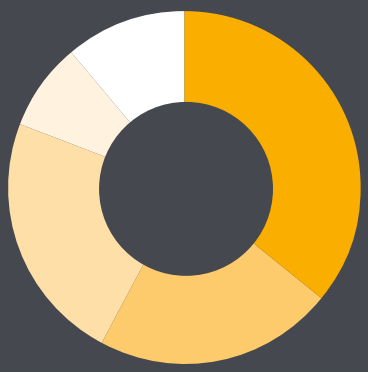
As a building materials company, Consolis' products help to construct new homes for people, new schools, hospitals, and construction for transportation and utilities. Consolis' focus is within the new building construction end-market, including new residential and new non-residential construction.

In 2021, Consolis had net sales of more than EUR 1.1 billion, an EBITDA margin of 7.4 percent and free cash flow of EUR 20.1 million.

We operate in 17 countries where we deliver smart precast concrete building elements with a long-life and reconfigurable design. Making more out of less, we contribute to a reduced CO_2 footprint and a more sustainable world. And we always do this in close and transparent collaboration with customers, suppliers, partners, and colleagues.

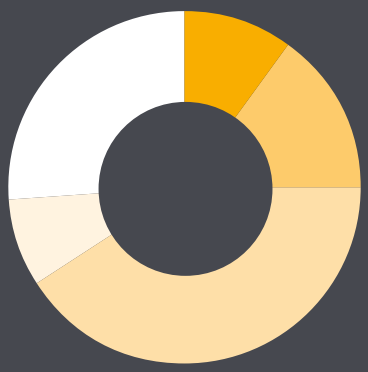
2021 in figures

Segment share of Net sales FY2021



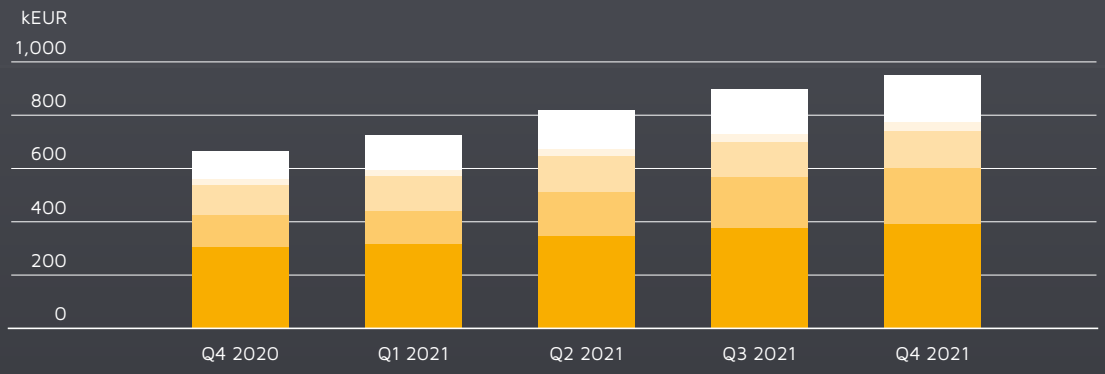
- West Nordic 36%
- East Nordic 22%
- WesternEurope 23%
- Eastern Europe 8%
- Emerging markets 11%

Segment share of Adjusted EBITDA FY2021



- West Nordic 10%
- East Nordic 15%
- WesternEurope 41%
- Eastern Europe 8%
- Emerging markets 26%

Order Book (kEUR)



- West Nordic
- East Nordic
- WesternEurope
- Eastern Europe
- Emerging markets

Highlights of the Year

POST PANDEMIC RECOVERY AND STRONG ORDER BOOK GROWTH

In 2021, the post pandemic economic recovery has been broad based and strong, but also challenging due to increasing raw material prices that have been highly volatile. Consolis experienced strong demand across our markets and our end customer segments Residential, Non-Residential and Utilities. Consolis' order intake was strong and the full year book-to-bill ratio* was 1.22. Our order book grew 42 percent compared to last year and amounted to € 925 million at the end of 2021, which sets a solid foundation for continued organic growth in 2022.

TRANSFORMATION TOWARDS THE NEW CONSOLIS – A FOCUSED BUILDING MATERIALS GROUP

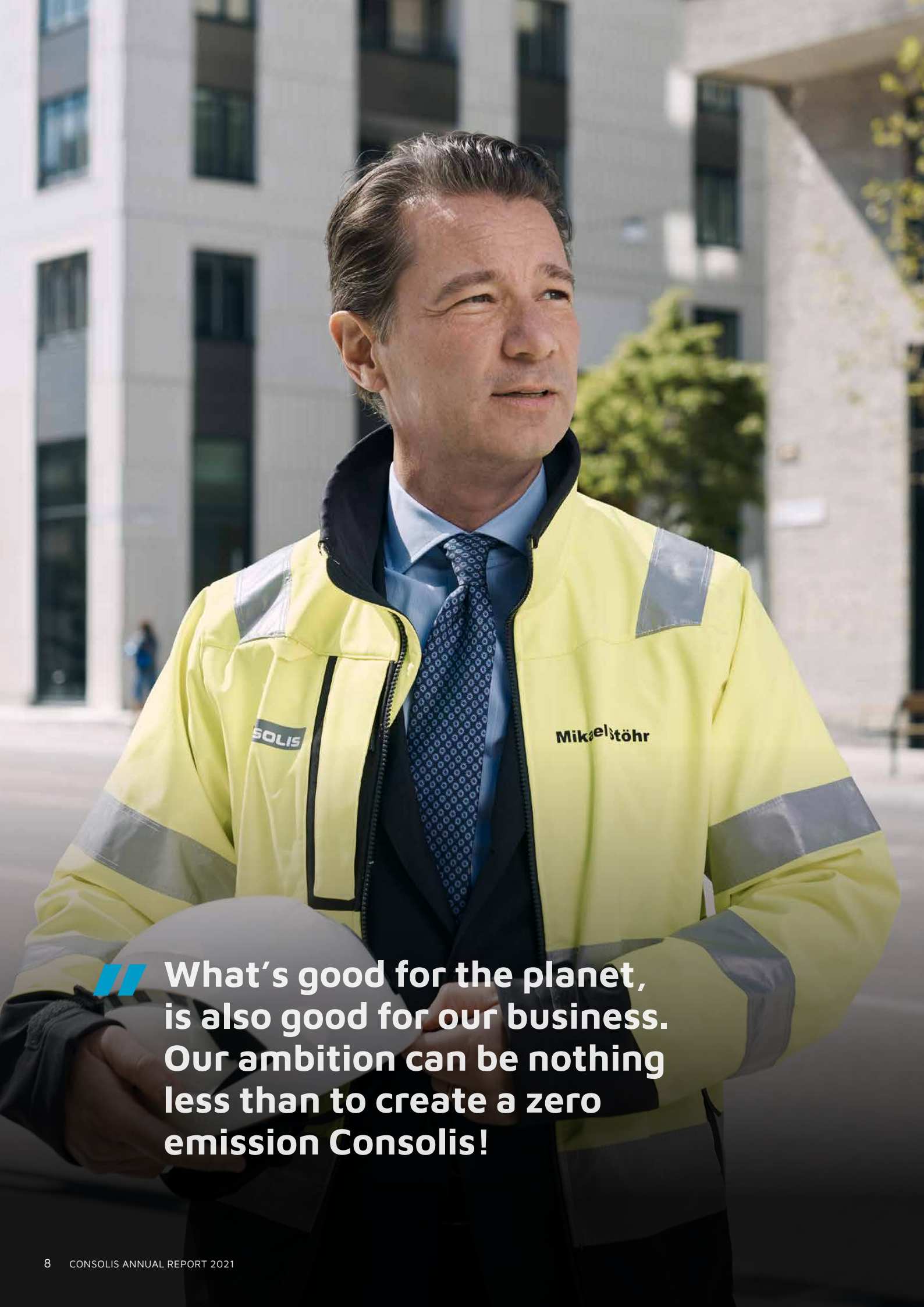
The rail business was divested on March 31, 2021 and the sale of the Civil Works France business was completed on January 31, 2022. These two transactions mark important milestones in the transformation to a new Consolis - a building materials group focusing on its core building business with a market leading position in Europe, where we see significant growth opportunities across markets for our solutions.

> **Consolis order book grew 42 percent compared to last year, which sets a solid foundation for continued organic growth in 2022.**

NEW FINANCING IN PLACE

Consolis successfully completed a refinancing of the Group in May 2021, through the issue of € 300 million Senior Secured Notes with maturity May 1, 2026, and the € 75 million Super Senior Revolving Credit Facility with maturity on November 7, 2025. These new long-term financing arrangements have reduced Consolis financing costs.

* Book-to-bill-ratio: The ratio between the period's order intake and sales. The key figure used to monitor revenues expectation on evaluation of the order book. A ratio of 1 or more indicates a growing order book, where a ratio below 1 indicates that we "consume" more orders than we take in.



What's good for the planet, is also good for our business. Our ambition can be nothing less than to create a zero emission Consolis!

A word from our CEO

2021 was an important year for Consolis. It was the year where we set out to create a more focused business and a business that truly could help solve the construction industry´s environmental challenges. Over the last year, we have come together as a Group around a new purpose, a new strategy and new values to guide the way into the future.

The coronavirus pandemic continued throughout 2021. Inevitably, this has affected everyone in every industry. Consolis' operations have continued to work well since we are a company with safety high on the agenda, we swiftly acted to be able to continue our production in a safe manner for our employees. The year has thus been defined by the two strategic priorities for Consolis, that I set out after joining the company in September 2020. I wanted to focus our operations on our core building business, where we have a market leading position in Europe. And I wanted to unlock the construction industry's environmental challenges since minimizing environmental impact is something that cannot wait.

FOCUS OPERATIONS ON CORE BUSINESS

During 2021, we successfully divested the Rail division and we also closed the Civil Works France divestiture transaction on January 31, 2022. This means that our 9,000 employees at 47 production facilities in 17 countries can now fully focus on our core business: providing precast concrete solutions for the building and infrastructure sectors. With a sharper focus, Consolis has already become more customer-centric and much faster in bringing new solutions and technologies to the market.

A NEW STRATEGY

Along with the new focus on Consolis' core business there has also been extensive strategy work ongoing for part of the year. The new strategy was released mid-year and rests on four pillars:

- Customer – "We win in each market by having the strongest local customer relationships"
- Local – "We are local leaders in each market, and win by using scalable processes as a group"
- Team – "We house the best leaders and experts in our industry to drive our success"
- Climate – "We differentiate by unlocking the construction industry´s environmental challenges"

I believe these pillars will enable a decentralized organization with a central support.

UNLOCKING THE CONSTRUCTION INDUSTRY´S ENVIRONMENTAL CHALLENGES

Our new focus also creates fantastic opportunities to unlock the environmental challenges of the construction industry. We do so by providing the best and most sustainable concrete, and by increasing the penetration of precast concrete over in-situ concrete. The industry has realized that prefabricated concrete radically reduces the environmental footprint of buildings, and as the market leader in precast, we are well equipped to capitalize on the increasing demand. What's good for the planet, is also good for our business. Our ambition can be nothing less than to create a zero emission Consolis!

AN EXCITING JOURNEY

With these two priorities in mind, my first year at Consolis has been an exciting journey with amazing progress. One that could not have happened without the energy and passion of all our employees, partners and customers. But rest assured, this journey will continue as Consolis' ambitions for the future are high and I believe it will mark the beginning of something revolutionary in the industry!

Mikael Stöhr

Our market and the world around us

As a building materials company, Consolis' products help to construct homes for people, schools, hospitals, and infrastructure. Consolis' focus is within the new building construction end-market, including new residential and new non-residential construction. With a strong local presence, supported by central Group functions, Consolis is in a great position to capture trends that are expected to drive the construction market in the years to come.

ECONOMIC DEVELOPMENT

The construction market is dependent on both public and private spending driven by numerous macroeconomic factors. In periods of economic growth, construction activities in general increase.

In 2021, the economy bounced back from the immediate economic effects of Covid-19 with a stronger than expected GDP growth of 5.1 percent in the 19 Euroconstruct countries, although not back to GDP levels before the crisis. A significant part of this growth benefited the construction sector thanks to the current low costs of financing, increased public spending, mitigating the economic effect of the pandemic and a generally stronger demand to invest post savings made in 2020 as the world took a pause. This beneficial environment is expected to continue into 2022. However, there are also tendencies of macroeconomic constraints on the horizon with increasing costs for raw materials, increasing costs of labor, continued disturbances in the supply chain, potential increases in interest policy rates from central banks and a continued insecurity on Covid-19 development. The geopolitical situation in early 2022, will impact the economy. The short-term effects are expected to be negative and are for the time being hard to predict. Despite this, the long-term trend for construction in Europe is positive with a strong underlying demand for both residential and non-residential buildings that Consolis will continue to serve by offering smarter and more resource efficient building solutions.

4.5%

Expected GDP (gross domestic product) growth for EC19 countries 2022[1]

PRODUCE MORE WITH LESS

In 2021, prices of raw materials, for the first time in many years took a sharp turn upward. This tendency with higher prices and less supply of raw materials in the construction industry is predicted to continue. Assets required for construction will become more crucial to acquire, both in actual supply and through supply regulations, which benefits a more cautious use of inputs, and the same goes for personnel. Consequently, the construction industry needs to develop more efficient ways of working and allow for better working conditions. Off-site precast construction offers a steady and controlled environment with better use of inputs and consumption, and with improved working environment. Precast aims to serve this trend, however the construction industry is slow to change and there are still multiple markets for prefabricated solutions to capture as efficiency becomes even more crucial.

ENVIRONMENT

Historically the construction industry has generated a notable part of the global CO_2 emission. In 2019, the building sector accounted for around 40 percent of

[1] Source: 92nd Euroconstruct Report – Winter 2021

The long-term trend of people moving closer to cities is undoubtable. Hence, the need for building smarter, faster and more sustainably is a must.

global emission with a need to half by 2030 to be on track for a net-zero carbon building stock by 2050.[1] Construction companies have traditionally not had large R&D investments and have not been versatile in adapting their business models.

However, there is a momentum for change as customers and stakeholders start to demand more products with a significantly lower CO_2 footprint. As a building material company serving customers in the construction industry, and being in the forefront of innovating and creating climate efficient products, Consolis is well positioned to take the lead.

DEMOGRAPHIC CHANGES

Populations increasing or reallocating generally means a higher demand for construction, which historically has been true for markets Consolis serve. Although there has been a recent shift in some markets to urbanization driven by the pandemic, the long-term trend with people moving closer to cities is undoubtable. As people move closer together, the demand for new, smarter buildings increases, both in infrastructure with a more condensed population and through the creation of homes with demand for higher quality and better set-up. By supporting with first-class design and production of easy to assemble concrete elements, Consolis will continue in helping its customers building smarter, faster and better for generations to come.

[1] UN Environmental Programme https://www.unep.org/news-and-stories/press-release/building-sector-emissions-hit-record-high-low-carbon-pandemic

WELL-BUILT FOR WELL-BEING

A new strategy for Consolis

During the year, Consolis was successfully refocused into a business that focuses on the building market, both residential- and non-residential, as well as infrastructure. In these market segments Consolis is the market leader in Europe.

Our ambition is to continue to develop Consolis into an outstanding company based on the current geographical footprint, the 17 countries of the Group and grow organically.

The new strategy was released mid-year and the work with the new strategy was conducted by the Executive Management Team that identified four important pillars for Consolis to become successful.

Focus our operations on core building business

CUSTOMER

With a customer-centric mindset and deep understanding of customer needs, and urban planning, Consolis builds stronger relationships and best-in-class customer satisfaction. We believe our customers will benefit from our competencies across the Group and our ability to significantly lower our customers impact on the environment.

LOCAL

With support functions and scalable processes at Group level, our motto for doing business is: For locals, by locals. By knowing our communities, we understand how design, trade, manufacturing and assembly should work to add value in each local market. By using our strength as a Group, we can ensure that our broad knowledge and expertise gives added value to our local communities.

TEAM

Consolis' success is built by people. We house the best leaders and experts, invest in our employees, and provide opportunities for individuals and teams to grow. When our teams progress, our business will thrive. Consolis encourages team engagement on all levels for value driven long term success.

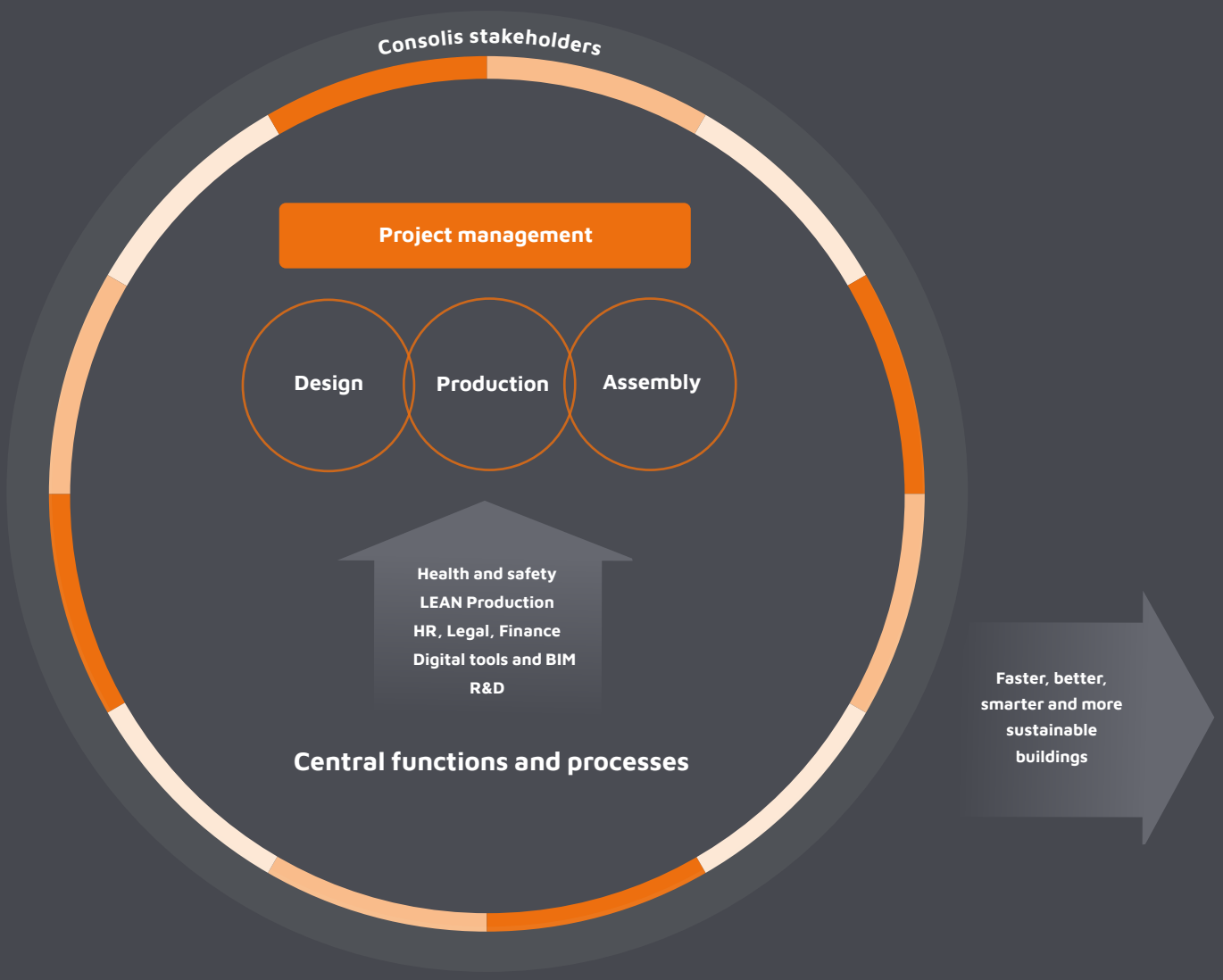
CLIMATE

We stand out by unlocking the construction industry's environmental challenges. With full transparency, a superior CO_2 performance in our products and a sustainability strategy that supports the UN Global Compact Principles, we combine industry-leading ambitions for carbon reduction, with actionable efforts in all markets. We are actively seeking out partnerships to find new ways of minimizing environmental impact.

The Stockholm Air Traffic Control Tower is an artistic piece, designed and delivered by Consolis in 2001. The actual tower is clad with precast concrete wall elements with a terrazzo surface. Each element carries an inscription which circles its way down the tower.

Business model

The purpose of Consolis is "Well-built for well-being" and the goal of Consolis is to create buildings and infrastructure that will last for centuries. To help build the society and contribute to local communities, Consolis delivers its products through three steps: Design, Production and Assembly. As a Group, Consolis has the opportunity to optimize these processes in each country and, in addition, scale the work on R&D, safety and business development across all markets.



DESIGN

Through design, Consolis assures increased efficiency in the whole process. By the use of 3D modelling and other unique engineering solutions, Consolis designs for manufacturability, resource optimization and assembly already from start. This gives customers a smoother process with a suitable design for production of their specific needs and a more resource efficient product.

To offer the best possible design capabilities, Consolis is organized with local design offices in each market and with specialized design centers in Estonia, Poland and Romania – CES (Consolis Engineering Services). As a critical part in delivering a great product for customers, the combination of local and specialized design capabilities offer more value in design, quality and price.

PRODUCTION

With operations and production in each local market, Consolis is able to adjust its production to tailor towards local demand. Producing all elements in a controlled industrial environment gives a more accurate process with high efficiency, better quality, increased safety and improved use of raw materials consumption compared to non-precast solutions. As a pan-European Group with local plants, Consolis leverages its Group size by spreading best practices and continuous improvements with smarter production across its markets. This gives Consolis' customers the comfort of knowing that everything produced within Consolis production sites meets certain standards in quality, safety and environmental impact. Supply for the production is to a large extent procured locally. To utilize its purchasing power, the Group coordinates when it can to contribute to increased efficiency, quality and lower environmental impact. By also having production in the proximity of the customers we serve, Consolis' factory footprint helps customers reduce logistics and transportation.

ASSEMBLY

Assembly enables Consolis to support its customers with the final step, to assemble the material previously designed and produced. Through assembly, customers get Consolis expertise in the resource efficient and safe assembly of manufactured precast elements. Consolis' assembly service gives the customer assurance that the products bought are installed in the right manner and according to local rules and regulations, setting the foundation for a long use of the buildings.

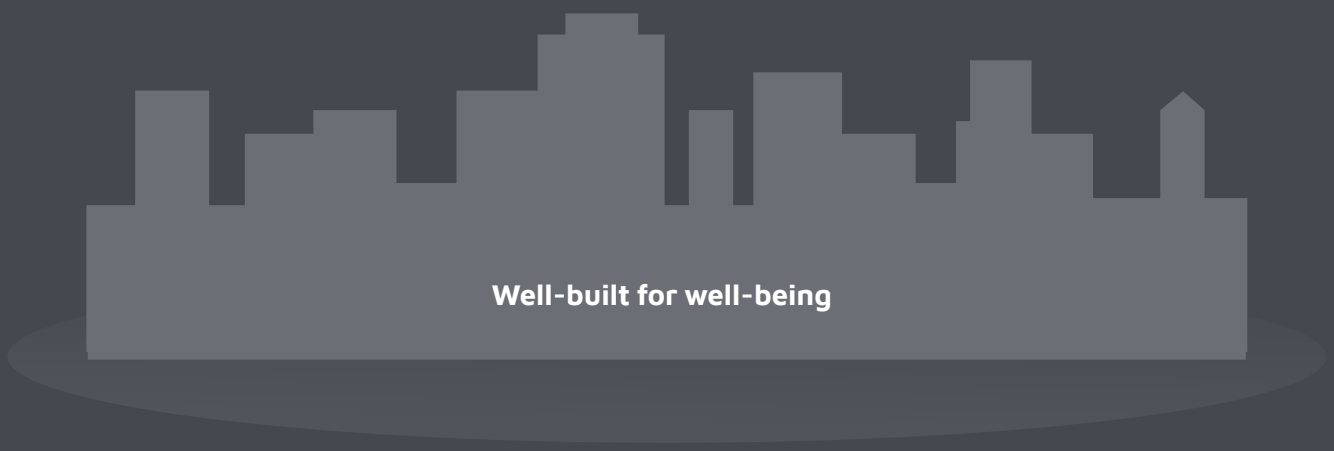
PROJECT MANAGEMENT

Combining the above with strong and local project management capabilities allows Consolis to support its customers to fully benefit the value of its products. The project manager in each delivery gives the customer comfort with one point of contact, securing efficiency and expected outcome as the products are designed, produced and delivered.

CENTRAL FUNCTIONS AND PROCESSES

Consisting of multiple entities that locally support its customers, Consolis benefits from its scale by combining and distributing knowledge around safety procedures, lean manufacturing, modern technology, R&D and procurement.

As a company, offering building material through the combination of local design, production and assembly, and by leveraging Group processes for R&D, safety and business development, Consolis is well positioned to help companies, municipalities and cities construct a society that will continue to evolve and improve for the centuries to come.



DEVELOPING THE CUSTOMERS' LONG-TERM BUSINESS

Consolis business offering

Consolis partners with its customers to really understand their needs, both today and in the future, always with the aim of developing the customers' long-term business.

The company creates concrete solutions with smarter precast building elements and long-life designs, allowing for making more from less, and to lead the sustainable transformation of the industry.

Consolis recognizes that the group as a supplier of building elements has an environmental impact. The Group is committed to take the lead in the sustainable transformation of our industry. Precast concrete building elements have a competitive advantage to other building systems, for example cast in-situ. By working with recipe optimization, smart design and production, recycling of material, as well as with strategic partnerships with customers, the industry and academia, Consolis continues to develop long-lasting precast building solutions.

Precast concrete can be shaped into a wide range of modular structures. With 100 years of expertise, the Group collaborates with architects, construction companies and utilities to develop residential and non-residential buildings and important infrastructure for the societies of the future.

Consolis' product offering includes pre-stressed hollow cores, facades, walls, roofing beams, beams, columns and stairs, but we also provide custom-made specific elements.

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Net Promoter score 2021

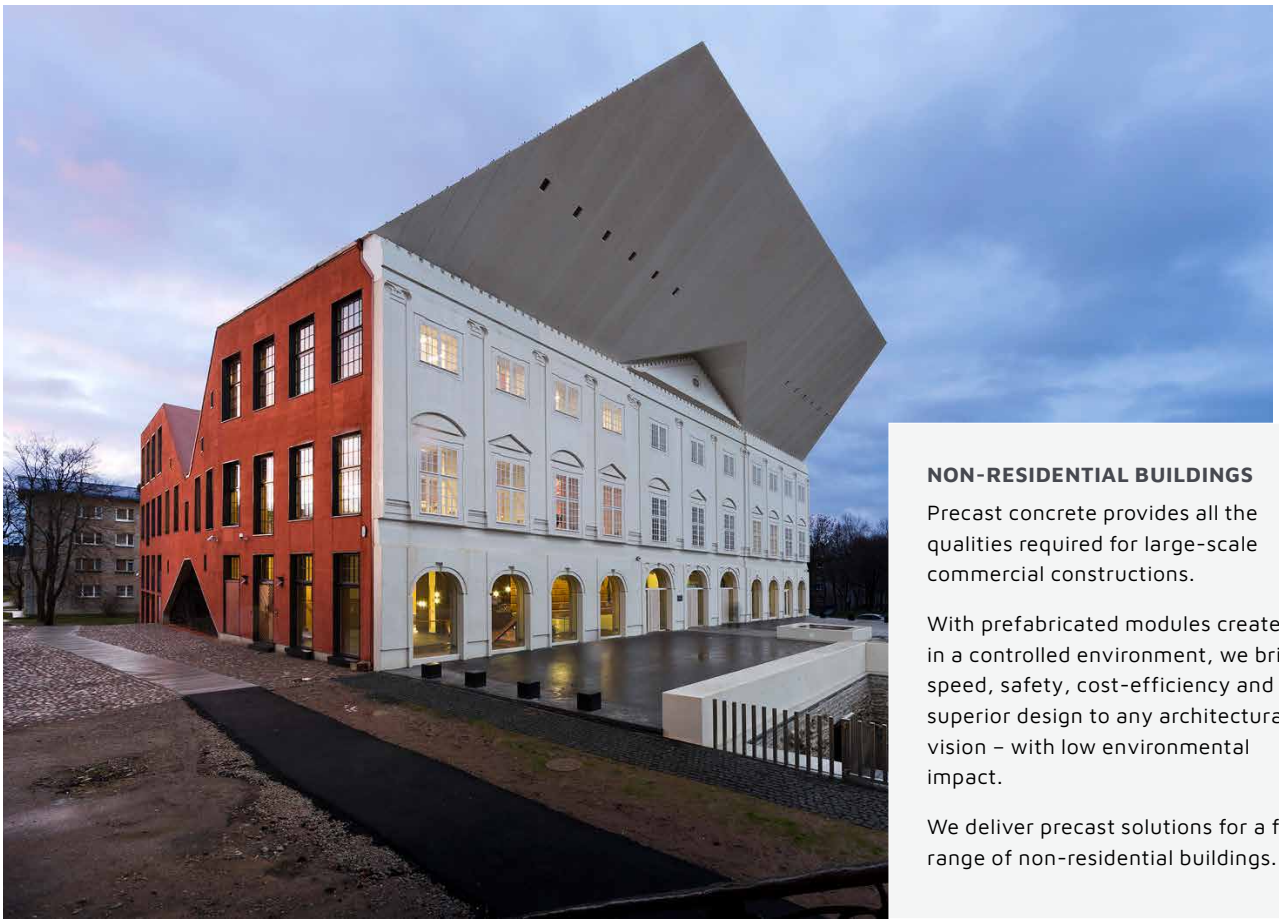
Consolis regularly performs customer surveys in order to evaluate our products, our delivery and how our customer collaboration has been perceived during the year. This helps us fine-tune our offering in order to become even better at helping our customers in numerous ways - ensuring they can build faster, better, smarter and more sustainably.

RESIDENTIAL BUILDINGS

Precast concrete offers very attractive features for use in residential applications.

In terms of fire resistance, acoustic insulation as well as durability and maintenance, precast concrete is the way to go.

Combined with its predictability and faster project execution, prefabricated solutions are highly suitable for general housing and residential purposes.



NON-RESIDENTIAL BUILDINGS

Precast concrete provides all the qualities required for large-scale commercial constructions.

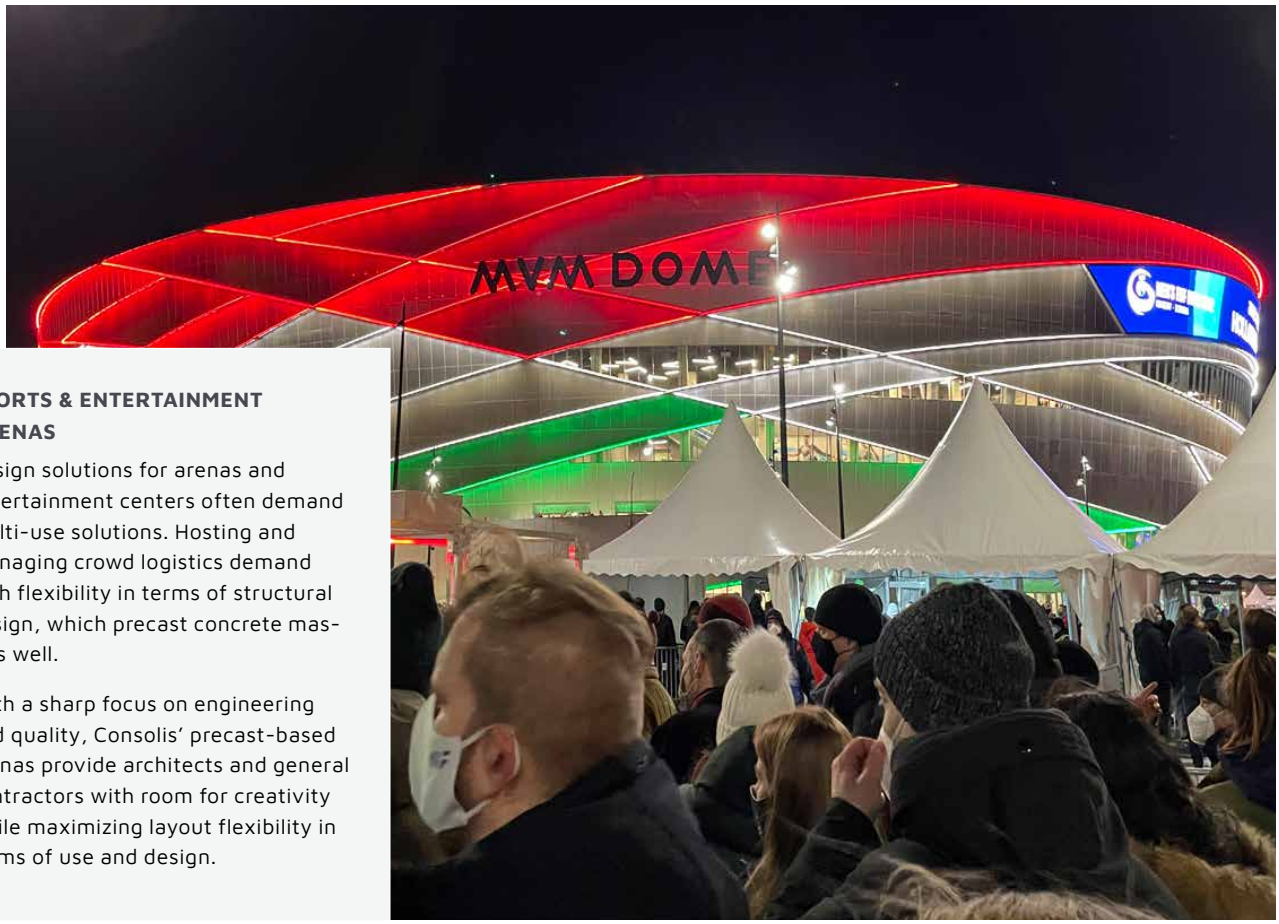
With prefabricated modules created in a controlled environment, we bring speed, safety, cost-efficiency and superior design to any architectural vision – with low environmental impact.

We deliver precast solutions for a full range of non-residential buildings.

LOGISTIC CENTERS

Consolis offers standard as well as tailored solutions for most logistic centers. Precast concrete provides open floor & wall solutions that can easily be adjusted and adapted to business needs.

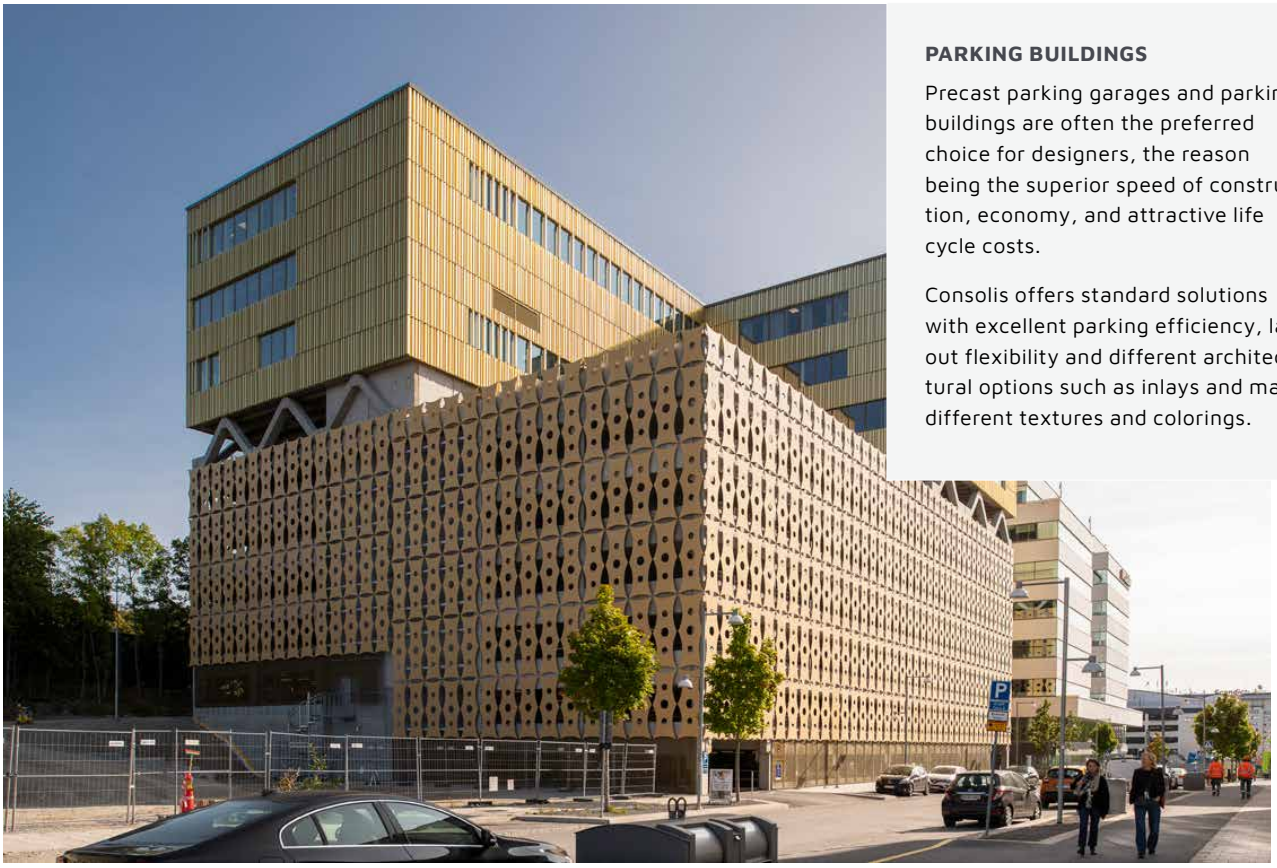
Combined with a faster construction phase, this delivers attractive economic benefits



SPORTS & ENTERTAINMENT ARENAS

Design solutions for arenas and entertainment centers often demand multi-use solutions. Hosting and managing crowd logistics demand high flexibility in terms of structural design, which precast concrete masters well.

With a sharp focus on engineering and quality, Consolis' precast-based arenas provide architects and general contractors with room for creativity while maximizing layout flexibility in terms of use and design.



PARKING BUILDINGS

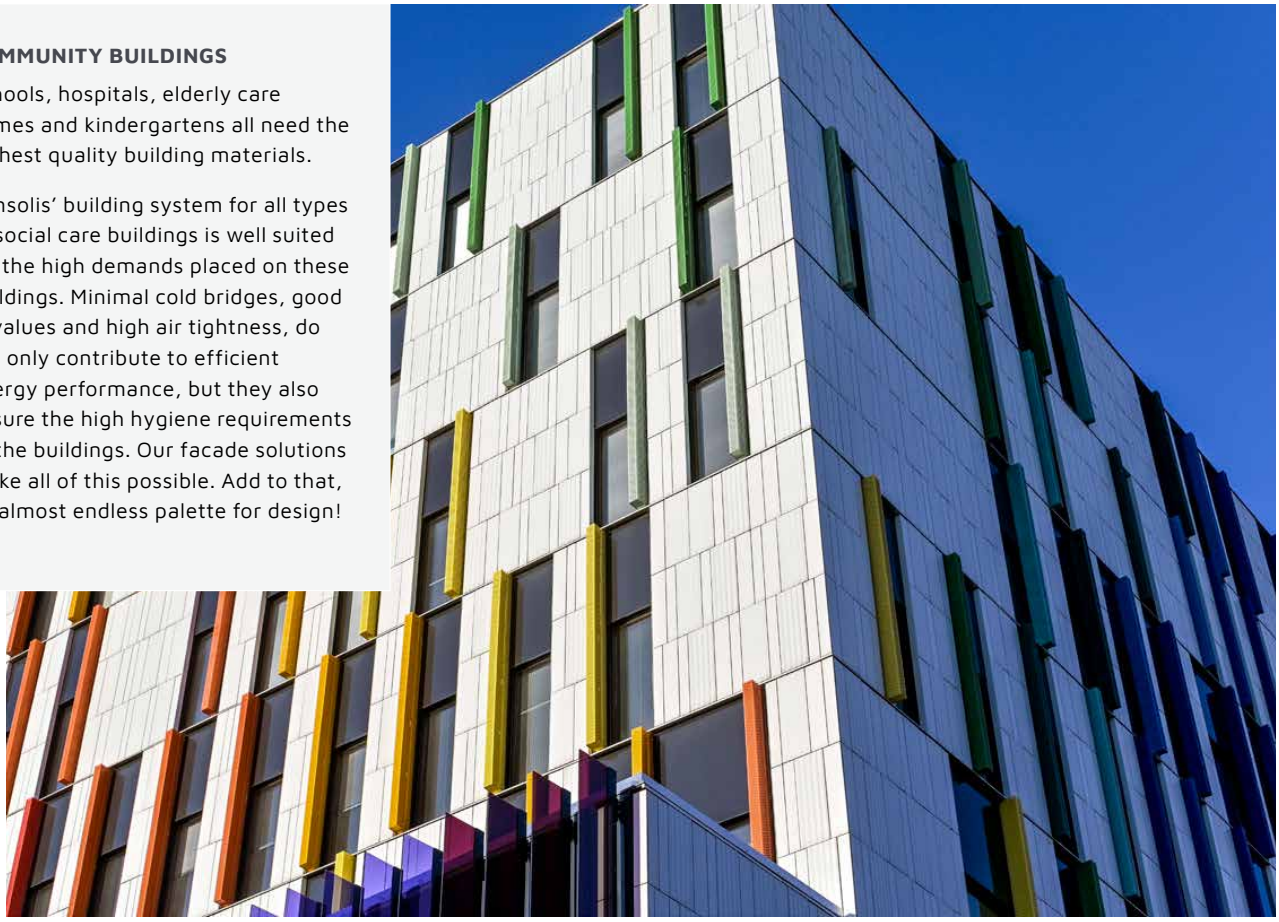
Precast parking garages and parking buildings are often the preferred choice for designers, the reason being the superior speed of construction, economy, and attractive life cycle costs.

Consolis offers standard solutions with excellent parking efficiency, layout flexibility and different architectural options such as inlays and many different textures and colorings.

COMMUNITY BUILDINGS

Schools, hospitals, elderly care homes and kindergartens all need the highest quality building materials.

Consolis' building system for all types of social care buildings is well suited for the high demands placed on these buildings. Minimal cold bridges, good u-values and high air tightness, do not only contribute to efficient energy performance, but they also ensure the high hygiene requirements of the buildings. Our facade solutions make all of this possible. Add to that, an almost endless palette for design!



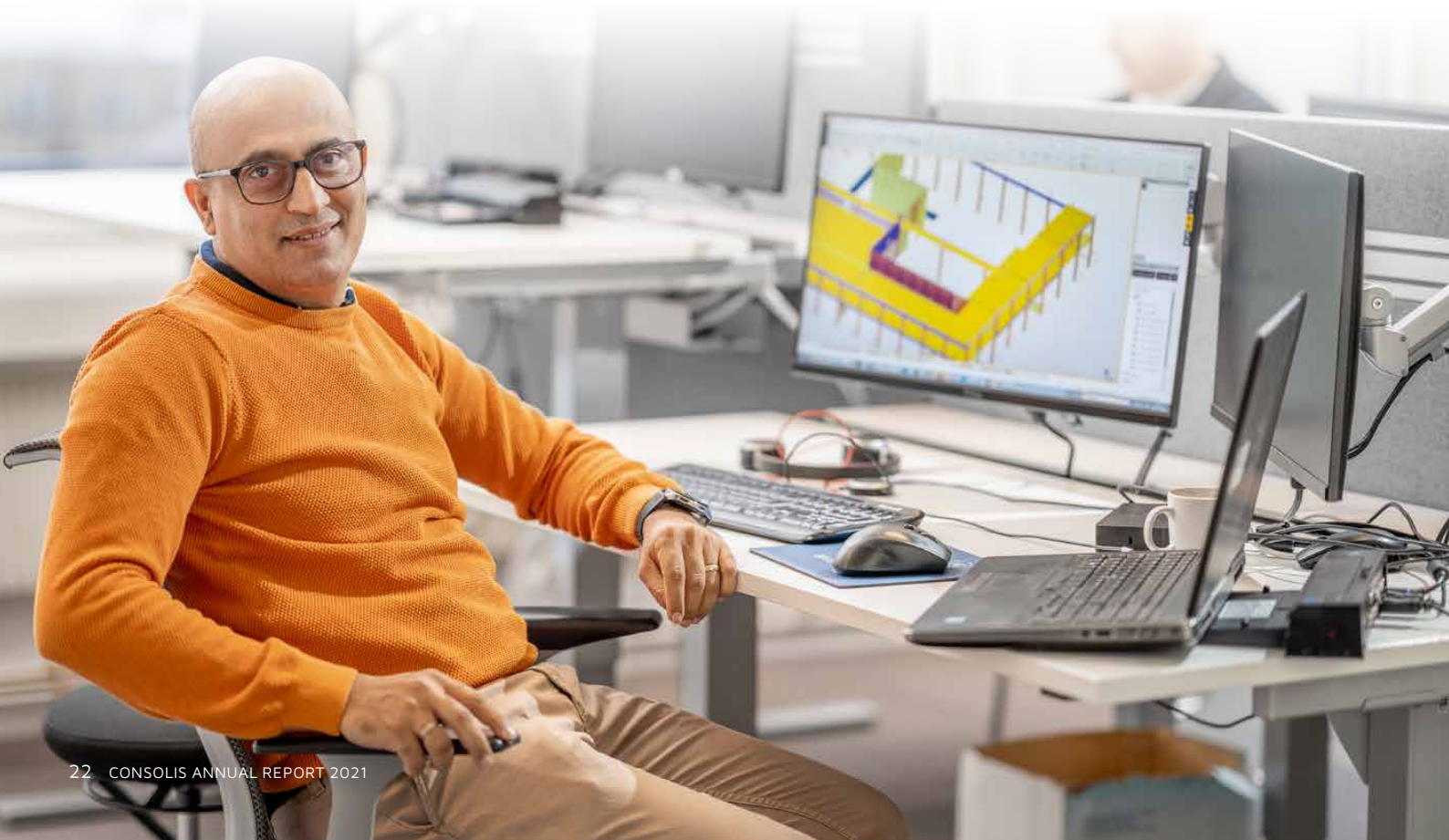
HIGH RECOGNITION FROM CUSTOMERS AS A RELIABLE PARTNER

The benefits of precast solutions

Consolis works with a wide range of both standard and engineered precast concrete solutions for building and infrastructure, ranging from finished structures to structural system components.

Over the years, Consolis has gained recognition from customers as a reliable partner for our concrete elements, columns, slabs, beams and walls. We have continued with research and development aiming to maximize the long-term benefits of precast concrete solutions for a circular economy. By considering the full life-cycle of our solutions while using our experience in design and manufacturing we can improve resource efficiency, minimize construction waste and contribute to the circular economy.

Today, Consolis also works more and more with partners, offering viable precast concrete based solutions which together with other materials, provide superior economical and environmental benefits for the customer.



SAFETY

Our products and system components are produced in a controlled industrial environment. That means that safety provisions can be designed into the entire production process and through the prefabrication of construction elements, on-site construction work is reduced.

SUSTAINABILITY

Precast construction means significantly shortened construction schedules. This makes it possible to optimize the use of raw materials, minimize waste and consume less energy. In short, a more sustainable construction process.

Precast concrete also allows integrating electrical, communications and mechanical systems into precast elements before arriving at the construction site; thus saving time, energy, waste and overall costs on-site.

QUALITY

With a controlled industrial environment comes benefits in quality control at every stage of the process. This together with both supplier control and strategies at site increases the overall construction quality. Being in a controlled industrial environment means that we can use better and a higher grade of materials which benefit the environment and increase durability over the lifetime without reducing quality. A better upfront planning, elimination of on-site weather factors and subcontractor delays improve quality.

TECHNOLOGY

Precast offers the possibility to take better advantage of automation and information technologies. In the planning phase, via 3D virtual design systems, look at how all structural and architectural features come together. Add to that all information about electrical and mechanical systems in a virtual building model, customers understand their project through planning, long before any work begins on-site.

LABOR

Skilled construction site labor is scarce. With precast concrete products and systems, there is a shorter site schedule and teams can ensure the best use of the available skilled labor and simplify the on-site skill set requirements.

EFFICIENCY

Precast construction enables many activities to be carried out in parallel in the building process which reduces time on-site. Also, the precast products and construction guarantee predictability for time and cost control. This also allows for efficient and just-in-time project logistics.

Our markets

By knowing our communities, we have a natural understanding of what works in that particular part of the world. An understanding of the needs of our customers, and the needs of all the people who are going to use the workplaces, schools and homes we help create.

Acting locally also refers to sourcing, manufacturing and assembling our building solutions. Our operations are often based in smaller communities and by employing 9,000 experts in 17 countries, we contribute to keep these areas flourishing.


17
01.17

West Nordic

"2021 brought challenges of historic proportions, which we handled beyond expectations and we stand strong for 2022."

Stefan Ohlsson – Managing Director, Sweden

1,954

Number of employees

Consolis West Nordic consists of building operations in Sweden, Denmark and Norway. Products include hollow cores, structural elements, stairs, walls, and facades. The main activities of the operating segment comprise the design, manufacturing and assembly of non-residential building solutions, including offices, industrial and logistic sites, and residential building solutions, for example multi-family housing.

MARKET AND BUSINESS SUMMARY 2021

The market was very competitive in the opening months of 2021, which had a negative impact on pricing. However, the market stabilized gradually during the year and made a strong recovery. In Denmark, strong sales resulted in all time-high order intake in all segments. In Sweden and Norway, the order intake was good, especially in the residential market in Sweden.

During the year, we also saw a dramatic increase in the prices of raw materials such as steel and wood. This had a direct impact on the results in Denmark and to an even larger extent in Sweden and Norway.

Denmark is moving into 2022 with a record high backlog of projects with healthy margins. In Sweden and Norway, we have a solid backlog although with a few projects where we see limited possibilities to compensate for the price increases in raw materials. All together, we expect a significant profitability improvement in the full year of 2022.

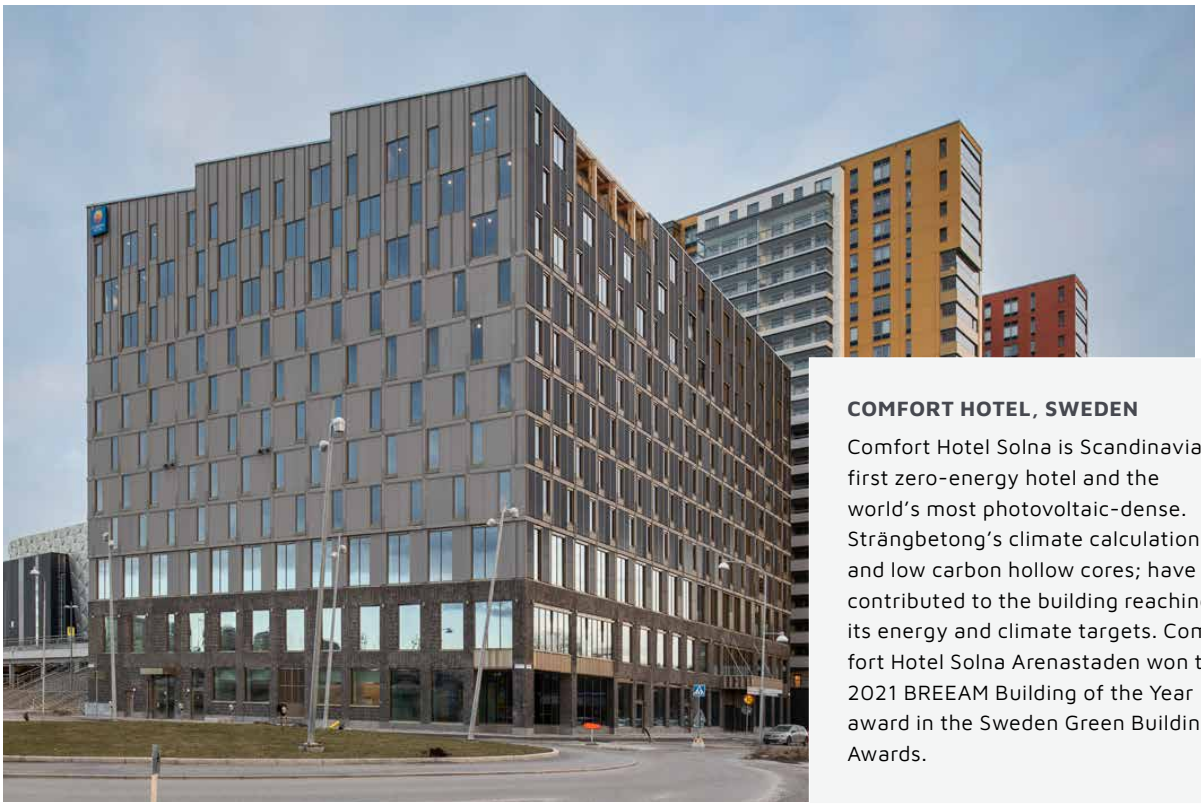
PRODUCT LEADERSHIP

Our focus in the West Nordic is to develop products with a clear sustainability advantage. In Sweden, that includes for example inner walls with less reinforcement and slabs with optimized recipes that have a lower carbon footprint. Also, for residential buildings we have developed a massive slab that is ready-made handling different installations as electrical and plumbing systems.

In Denmark, a concept for elevator shafts was introduced as well as a revitalized concept for parking buildings. In Norway, we have developed concrete recipes for slabs with a significant lower carbon footprint.

COST MANAGEMENT / CONTINUOUS IMPROVEMENTS

In 2021, the market has suffered from the dramatic price increases in raw materials. To mitigate the higher prices, Consolis has taken several measures to further optimize products to reduce costs. These measures include using less reinforcement, evaluating possibilities of reusing materials, and improving concrete recipes to contain less cement.



COMFORT HOTEL, SWEDEN

Comfort Hotel Solna is Scandinavia's first zero-energy hotel and the world's most photovoltaic-dense. Strängbetong's climate calculation, and low carbon hollow cores; have contributed to the building reaching its energy and climate targets. Comfort Hotel Solna Arenastaden won the 2021 BREEAM Building of the Year award in the Sweden Green Building Awards.

Productivity is high on the agenda. Continuous improvements in the everyday operations are crucial to increase productivity. By involving all our employees in that work, we can further improve our processes and work smarter.

In Sweden, a new internal management system was launched in 2021, that helps monitor the daily operations and being an important tool to continue optimize processes.

SUSTAINABILITY

Consolis has several ongoing projects within sustainability in the West Nordic market. These local projects are focusing on the re-use of concrete waste, improved concrete recipes, and optimized design to reduce impact.

In Denmark, all production facilities were part of a project during 2021 to ensure continuous improvement in energy efficiency and lower water usage. Another important action during 2021, was the development of environmental product declarations, EPDs. The first EPD was approved for slabs from the Vemmelev plant in the autumn of 2021.

In Norway, slabs with a lower carbon footprint have been launched.

Recipe optimization and design optimization are key in lowering CO_2 emissions. In Sweden, each tender has an enclosed climate calculation to visualize for the customer the climate impact of the offered precast structure. Efforts are also made in optimizing transportation and increasing the use of alternative environmentally friendly fuels. The Swedish operations are also a major partner in industry initiatives such as Betcrete 2.0, and research initiatives around developing concrete mixes that replaces concrete with rice husk ash.

Health and safety is the number one priority. In Denmark, the operations were run for 22 months without any Lost Time Injuries (LTI), which is industry leading. However, 2021 was a challenging year for the region when it came to safety and in 2022 the focus will increase even more on the behavioral side to ensure a strong safety culture.

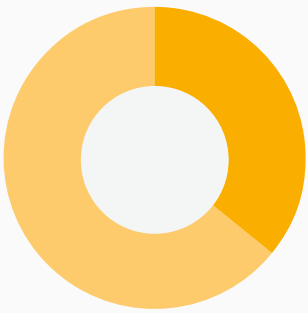
ODENSE, DENMARK

In Odense's new, green district, Gartnerbyen, there is a strong focus on sustainability - and in 2021 the first DNGB sustainability-certified residential building was ready with a total of 46 family-friendly flats. Spæncom has for their customer Skjøde A/S delivered and assembled hollow core slabs, beams, walls and facades with a smooth white surface.

"Denmark had a fantastic 2021, achieving an all time high order intake. A great milestone for us!"

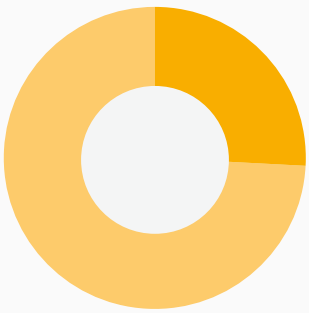
Magnus Ström – Managing Director, Denmark & Norway

Segment share of Net Sales



West Nordic 36%

Segment share of EBITDA



West Nordic 26%

East Nordic

"Focusing on the customer relations is key and we are entering 2022 with a strong orderbook and with a high sustainability focus."

Hannu Tuukkala – Managing Director, East Nordic

1,678

Number of employees

Consolis East Nordic consists of building operations in Finland and the Baltics. Products include hollow cores, structural elements, walls, facades and stairs. The main activities of the operating segment comprise the design, manufacturing, and assembly of non-residential, including public buildings, offices, industrial and logistics sites, and residential building solutions, for example multi-family housing.

MARKET AND BUSINESS SUMMARY 2021

The markets in East Nordic were initially characterized by uncertainty but began to take off during the end of the first half of 2021. Subsequently, cost management was in focus in early 2021 followed by encouraging growth in sales and good order intake.

The Finnish operations showed good profitability, in line with targets, while the operations in the Baltic states were stabilized. The year was further marked by the broad increase in raw material costs for all major input items, which led to an active work for mitigating supply challenges and pushing cost increases through pricing towards the market. East Nordic is entering 2022 with a strong orderbook.

PROFITABILITY

The region continues to emphasize a strong customer focus and good and long-lasting relations. The market for residential buildings continued to grow, which was reflected in the order intake. Being the market leader in Finland gives an added value for our customers in having both design as well as project management in the offering.

PRODUCT LEADERSHIP

A green product range was launched, consisting of slabs, inner walls, and structural products. These products respond to Consolis' ambition to take the lead in concrete sustainability and to the growing trend for building in a more sustainable way.

Consolis Parma was awarded "Façade of the Year" for the Scandic Grand Central Helsinki Hotel, located at Helsinki Central Station. The three-dimensional matrix cast façade elements that expresses the new part of the hotel are a skillful handiwork.

COST MANAGEMENT / CONTINUOUS IMPROVEMENTS

An intensified cost-control has been initiated and maintained throughout the year. Working with continuous improvements in production has led to an increase in productivity.

In order to simplify the company structure, one merger was made in Finland and two companies were merged in the Baltics. Also, internal reorganizations were made for various functions.

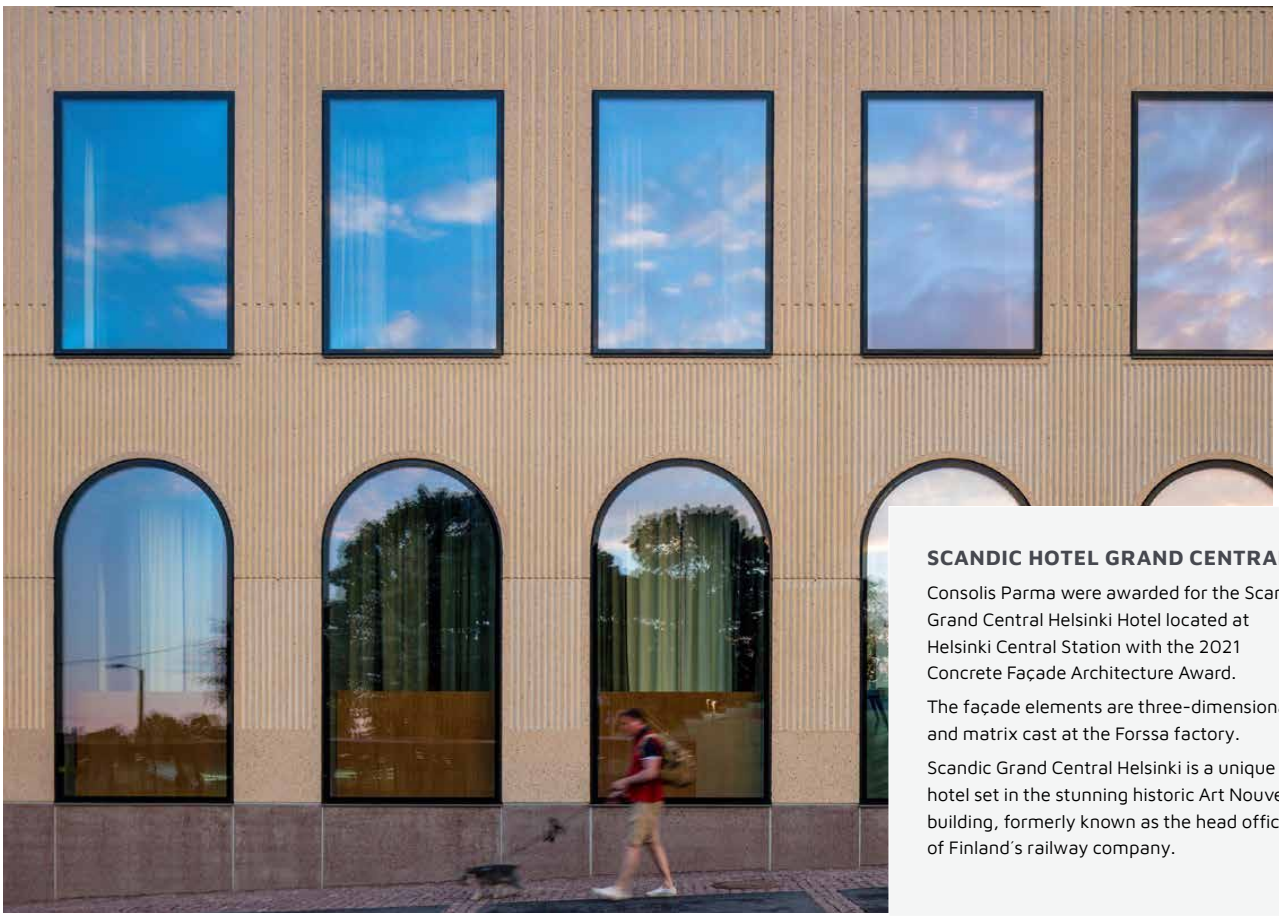
SUSTAINABILITY

In Finland, the demand for green products is expected to grow as well as the expectations for taking initiatives regarding lowering CO_2 emissions. Consolis' launch of the Parma Green concrete product range, which has approximately 40 percent lower CO_2 emissions compared to standard products, has been well received.

Other pathways to lower the CO_2 emission have been to optimize it through design, logistics and also increasing the use of concrete waste.

To ensure transparency, Environmental Product Declarations (EPD) have been produced for all the Finnish products, including the green products.

Across the East Nordic, trainings have been held for all leaders with the purpose of developing the leadership skills.



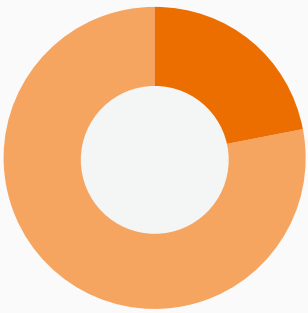
SCANDIC HOTEL GRAND CENTRAL

Consolis Parma were awarded for the Scandic Grand Central Helsinki Hotel located at Helsinki Central Station with the 2021 Concrete Façade Architecture Award.

The façade elements are three-dimensional and matrix cast at the Forssa factory.

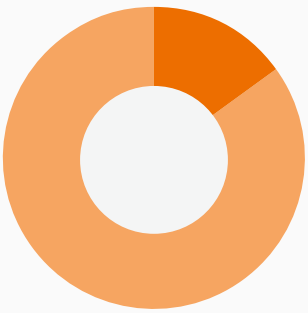
Scandic Grand Central Helsinki is a unique hotel set in the stunning historic Art Nouveau building, formerly known as the head office of Finland´s railway company.

Segment share of Net Sales



East Nordic 22%

Segment share of EBITDA



East Nordic 15%

Western Europe

"Safety, sustainability, efficiency and quality go hand in hand."

Eduard van der Meer – Managing Director Netherlands

1,252

Number of employees

Consolis Western Europe consists of building operations in the Netherlands, Germany and Spain. Products include hollow cores and structural elements, walls and facades. The main activities of the operating segment comprise the design, manufacturing (the Netherlands) and assembly of non-residential building solutions for public buildings, offices, industrial and logistics sites.

MARKET AND BUSINESS SUMMARY 2021

In the Netherlands, we saw a stable development during 2021 as the overall building market was flat. Due to local environmental legislation, it has become difficult to receive building permits for new non-residential and residential buildings, which has slowed the demand temporarily. During the year, several important steps were taken to strengthen relations with our customers. We also launched a new internal organization. When looking to 2022, we see good growth potential thanks to a high demand in the underlying market for new houses which is expected to drive the building market.

In Spain, the market was characterized by strong competition, which had a negative effect on pricing on the beginning of the year. However, Spain turned around the situation by reinforcing its position as a strong actor within logistics and e-commerce precast structures and ended the year with a strong order intake. The increase in raw material prices had a negative effect on profit margins. The demand in the market for sustainable products is increasing and initiatives were taken to develop products with lower CO_2 emissions. Spain began 2022 with a strong order book.

PROFITABLE GROWTH

In the Netherlands, we have strengthened cooperation with our customers to grow our business and to develop building systems that enable faster and more sustainable building methods. Consolis has traditionally been a pure product supplier but has lately adapted a new strategic direction by intensifying customer collaboration. As consequence, an internal reorganization was made in 2021 and an Innovation Director was appointed in our management team, and a Commercial Director was appointed to increase customer focus and respond faster to customer demands. Looking into 2022, growth is expected in all market segments, especially in high-rise buildings and dwellings.

Due to the competitive market in Spain, a strong customer focus combined with differentiation in design solutions were key to ensure sales. The strategy of presenting detailed and improved solutions for design in logistics and e-commerce proved rewarding. Acting mainly in the non-residential market, steps were taken to move into the residential market, which is characterized by cast-in-situ suppliers today. Consolis promoted the establishment of a technical trade association to promote standardization and precast residential structures generally.

SPAIN

In Spain, Consolis showcased its innovative glass reinforced panels (GRC) panels at the architecture exhibition MiAS, The making of making (architecture)" in Barcelona.

The GRC panels have been used in the construction project of the Can Vidalet and La Plana Markets in Barcelona.

PRODUCT LEADERSHIP

Several new products and innovations were introduced to the market in 2021 in the Netherlands. The product 'Integrated floor' has been delivered to the first projects. The prefabricated floor contains pre-installed technical installations and is immediately ready for completion. This significantly reduces coordination time and construction costs.

A new balcony element was launched, which is characterized by its special connection solution which shortens the building time. The balcony element can be mounted without further casting, and no scaffolding is needed.

Using a so-called ball head anchor instead of standard clamps and wrenches when lifting slabs has proven to be safer and easier to use. The advantage of ball head anchors is that they save time on the construction site since more steps can be completed during the production process.

The operations in Netherlands are also an active participant in committees for standardizing the design for the building structures.

In Spain, besides the industrial and logistic market, Consolis is also a key player in the innovative casting façade panels with Glass Reinforced Concrete (GRC) and during the year further product development was made. The product was a major attraction at the architectural event "MiAS, The making of making (architecture)" held in Barcelona in November.

COST MANAGEMENT, CONTINUOUS IMPROVEMENTS

In the Netherlands, where Consolis is a product-supplier of a few, specialized products, the production process has a strong tradition of being monitored for continuous improvements. The standardized products also contribute to high-level productivity and the optimized use of materials

During the year, the operations in Spain had a strong focus on improving industrial productivity by the continuous development of the CODE program, Consolis Operational and Design Excellence. For the third consecutive year, the targets for productivity improvement has been achieved in operations.

The price increases in raw materials has affected the profit margins negatively and initiatives were taken to a more resilient stance for further price increases.

SUSTAINABILITY

The Netherlands has a long-term plan on sustainability where focus lies on the reduction of CO_2 emissions, lower energy consumption and the ambition to establish circular factories with no waste. Besides CO_2 emissions, we focus on the three design areas, especially on design for re-assembly. Steps were taken for the transition towards purchasing green energy.

In the Netherlands, there is a focus on recycling and the reuse of products which shapes sustainability efforts and expectations. Consolis VBI is one of the key-partners in a project dealing with re-circular social housing. The dwellings are designed for reassembly of the complete building with zero waste on-site. The mockup was assembled and disassembled at Nijmegen and then reassembled in Heerde in the last week before Christmas 2021.

In Spain, the market demand for low-carbon products is increasing. Consolis has started testing low-carbon concrete structures. The solutions are being developed according to the customers' needs, strengthening the relations towards long-term partnerships.

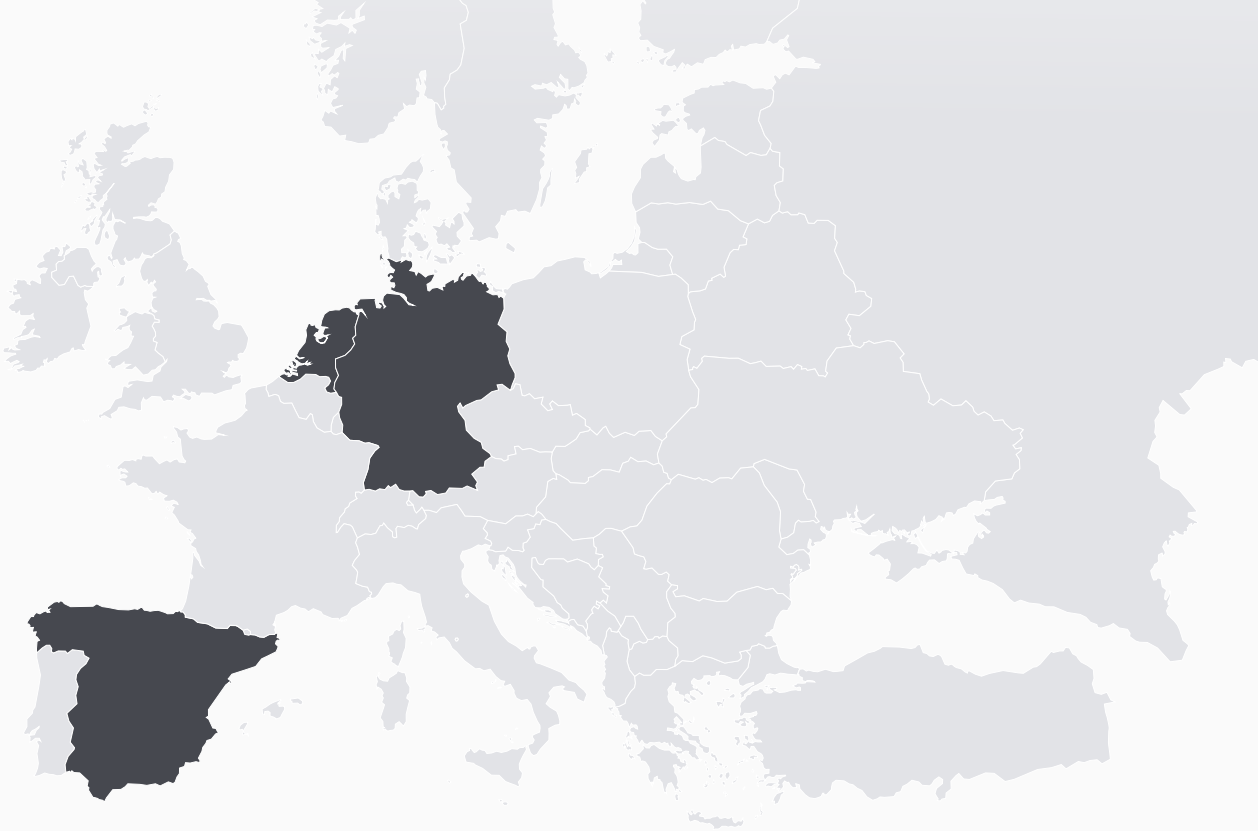
A major effort within safety and leadership training was performed, to improve skills and competence.

AERES HOGESCHOOL, ALMERE

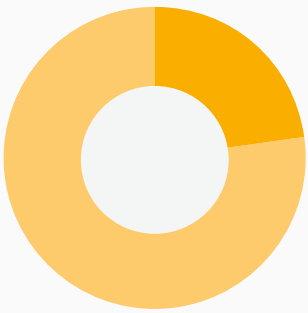
The customer needed a new university building which had to meet high demands in terms of sustainability and energy, and it had to be a circular building. Consolis hollow cores with long spans in order to create a building with flexible layout. Optimized hollow cores were used, cast with reused crushed concrete aggregated.

"2021 we significantly improved the operational performance and growth. Challenged by the strong competition, our increased focus on smart design and efficient solutions for our customers made the difference."

Marcelo Monteiro de Miranda – Managing Director Spain

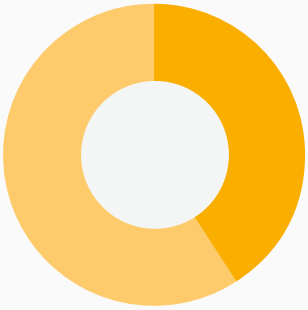


Segment share of Net Sales



Western Europe 23%

Segment share of EBITDA



Western Europe 41%

Eastern Europe

"2021 proved, that having a close and trustworthy collaboration with all our customers is the key to success. Our aim was and will always be, to keep our customers happy and satisfied with our products and services."

Bogdan Bulgaria – Managing Director Eastern Europe

1,045

Number of employees

Building operations in Hungary, Romania and Poland. Segment products include structural elements, walls, facades, hollow core and several floor elements. The main activities of the operating segment comprise the technical concept, design, manufacturing and assembly of non-residential buildings (industrial and logistics structures, sport objectives, public buildings and offices) building solutions.

MARKET AND BUSINESS SUMMARY 2021

Despite a competitive market in 2021, Eastern Europe reported increased sales in all markets. This was especially evident in Hungary, where we had the biggest size projects from the region during 2021. The markets in Romania and Poland recovered well after a tough start of the year. Profit margins were negatively affected by the increase in raw material prices. Eastern Europe began 2022 with a good backlog in Hungary and Poland.

PROFITABILITY

To strengthen our profitability, we have been focusing on having close dialogues with major customers in all three countries to increase sales. In Romania, securing non-residential projects in new geographical areas proved valuable, while in Poland we contributed with a significant part of the precast structure for the biggest plant in Germany producing electrical cars, in the near future. Being agile, made us able to deliver precast industry structures with short lead times to a customer in Hungary that is building production plants for batteries and mobile phone equipment. Our skilled workforce is the key to safeguard a high-quality production process.

PRODUCT LEADERSHIP

To mitigate the sharp increase in raw material prices, especially in second half of 2021, we have taken several measures to optimize the design of the tailor-made products as well as develop our concrete mixes. The lack of materials was also tackled by maintaining a fair partnership and close contact with our major suppliers, and by helping each other with cross-border supply chain options.

The trends seen in Hungary, but also in Poland, are showing strong growth in the industrial building market, driven by an increase in foreign investments. The market in Romania, which is also focused on the non-residential segment, remained positive, mainly driven by strong investments in warehousing, distribution and logistics buildings.

COST MANAGEMENT / CONTINUOUS IMPROVEMENTS

In Romania, activities have been centered round optimizing our processes and increasing efficiency during 2021.

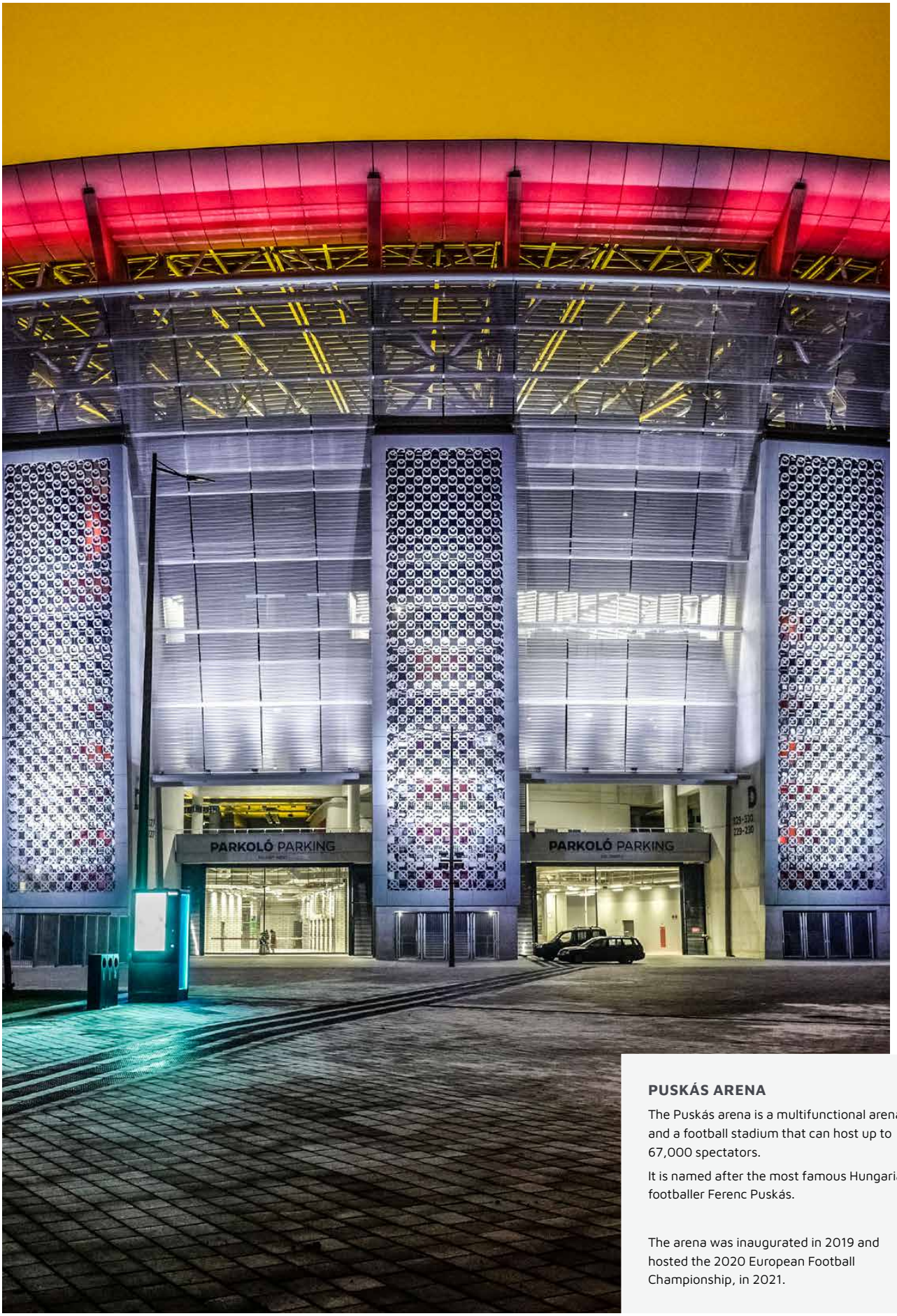
Continuous improvements are a part of the daily work, implementing lean processes, and also reducing the energy consumption in the production plants in Hungary and Romania. In Romania, preparations were made for a solar panel system that will be implemented in 2022, which is expected to produce three quarters of the plant's energy consumption.

SUSTAINABILITY

The countries in this segment are ISO certified, in quality, safety and environment, which is a good foundation for continued development for future customer and market requirements relating to sustainability.

The countries have during 2021 initiated a number of different activities to reduce for example energy consumption. From usage of more efficient heating solutions and improved insulation of the production halls, both to provide our employees with a more energy efficient and sustainable production environment, to smaller initiatives such as replacing old energy-inefficient lights with new and modern LED solutions, in both production halls and external warehouses.

The production units in Hungary are beginning to reuse concrete their waste.



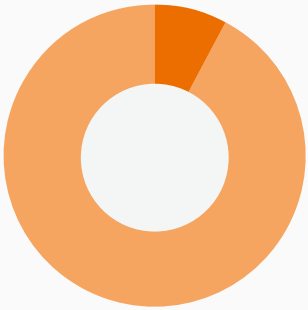
PUSKÁS ARENA

The Puskás arena is a multifunctional arena, and a football stadium that can host up to 67,000 spectators.

It is named after the most famous Hungarian footballer Ferenc Puskás.

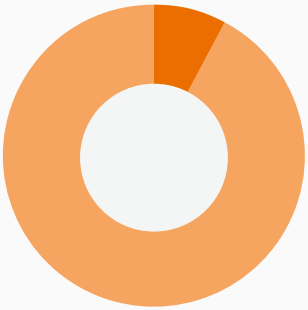
The arena was inaugurated in 2019 and hosted the 2020 European Football Championship, in 2021.

Segment share of Net Sales



Eastern Europe 8%

Segment share of EBITDA



Eastern Europe 8%

Emerging markets

"In 2022 we see a high potential for growth across all markets driven by sustained infrastructure investments."

Nermine Safraou – Managing Director Emerging Markets

2,969

Number of employees

Emerging markets operations are mainly focused on the supply of high-pressure water systems to the utilities segment. They are key to transfer potable water, irrigation water, sewage water as well as water for power plants cooling systems. Operations are based in Tunisia, Egypt, Indonesia and France. In Egypt and Indonesia, operations are structured as Joint Ventures with local partners.

MARKET AND BUSINESS SUMMARY 2021

In 2021, Consolis business in Emerging markets was characterized by a strong commercial and operational performance that translated into a strong order intake and a sustained financial results in all countries. During the year, Indonesia successfully delivered one of its biggest contracts to date in terms of value, volume, and production output. In Egypt, France and Tunisia, orders of major infrastructure projects were secured for the coming years.

Consolis began 2022 with a strong position in all four countries, and we see a good potential for growth leveraging the strong relationship with our customers.

PROFITABILITY

Consolis' growth in the Emerging markets is driven by the increased demand for water induction systems. Thanks to a systemic prescriptive work of our products and services to our customers, and supported by an upstream tailor-made design collaboration with them, Consolis is well positioned to capture growth.

In Indonesia, Consolis has a strong position. This was further proven by the assignment to produce the biggest precast concrete pipes for the water-cooling system for a powerplant in Southeast Asia to date. Optimizing the workshop and the workforce organization were both key to improve productivity and to meet this new challenge.

In Egypt, a new production workshop was commissioned in order to secure the supply for a major contract for a water system in Sinai region. Retaining the skilled workforce and deploying an agile organization were key to ensure high-quality products and high productivity.

Consolis holds a leading position in Tunisia, where long-term contracts for producing and building water systems have been secured with the support of foreign funds.

In France, multi-year maintenance contracts for powerplants and major overseas contracts have been secured and delivered.

PRODUCT LEADERSHIP THROUGH INNOVATION

In Indonesia, one of the key challenges was to design and produce the large intake head of the power plant water system while complying with the customer specifications, the site conditions and the surrounding associated environment. This was successfully achieved thanks to the efficient collaboration between the Emerging markets design office in Paris and the production and commercial teams in Indonesia.

CONTINUOUS COST REDUCTIONS

During 2021, Consolis continued to focus on the internal organization with the aim to have an optimized and skilled workforce.

The Emerging markets design office, in collaboration with the local production teams, has successfully managed to optimize concrete formulas to reduce the steel content in our products while maintaining their durability and mechanical performance. This achievement mitigated the increase of raw material prices and maintained profitability.

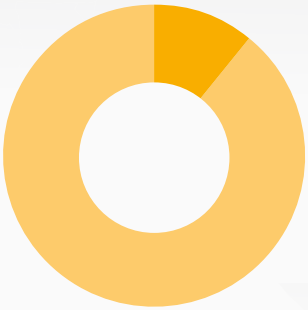
SUSTAINABILITY

The countries in Southeast Asia and Northern Africa are facing challenges when it comes to infrastructure for energy and water supply. Consolis plays an important role as a developing partner and supplier of concrete solutions to these projects, that aims to support local communities.

In Tunisia, a special project for Modular Housing Units was developed. The final product is modular and circular, meaning that all elements of the buildings are dismountable, transportable, and easy to rebuild at a lower cost.

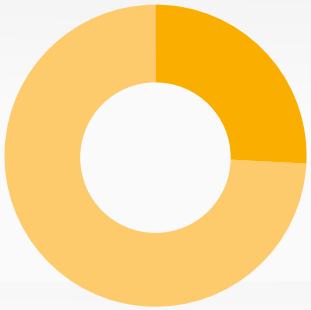
In Indonesia, one of the key challenges was to design and produce the large intake head of a power plant water system while complying with the customer specifications, the site conditions and the surrounding environment. This was successfully achieved through efficient collaboration between the Emerging markets design office in Paris and the production and commercial teams in Indonesia.

Segment share of Net Sales



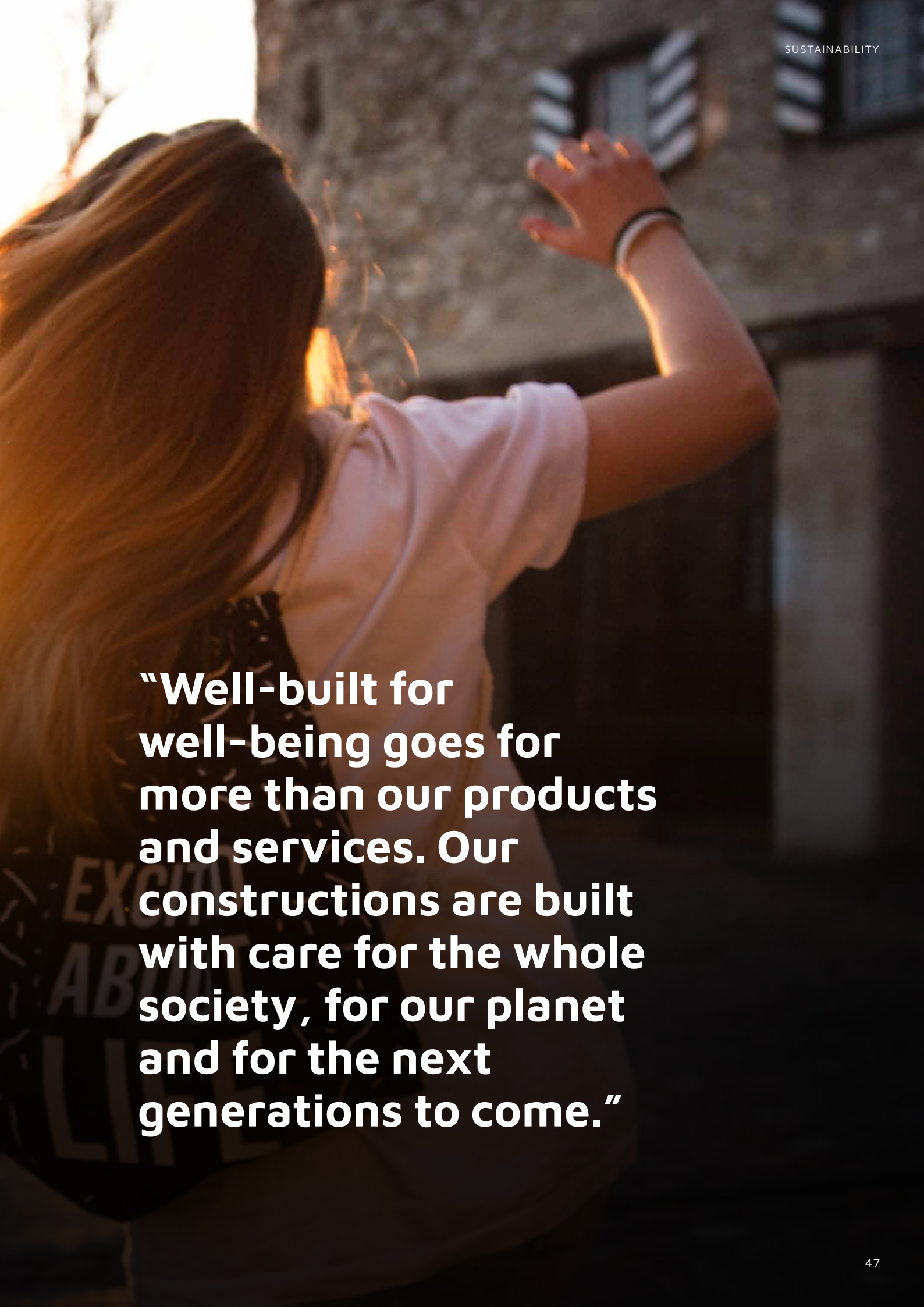
Emerging Markets 11%

Segment share of EBITDA

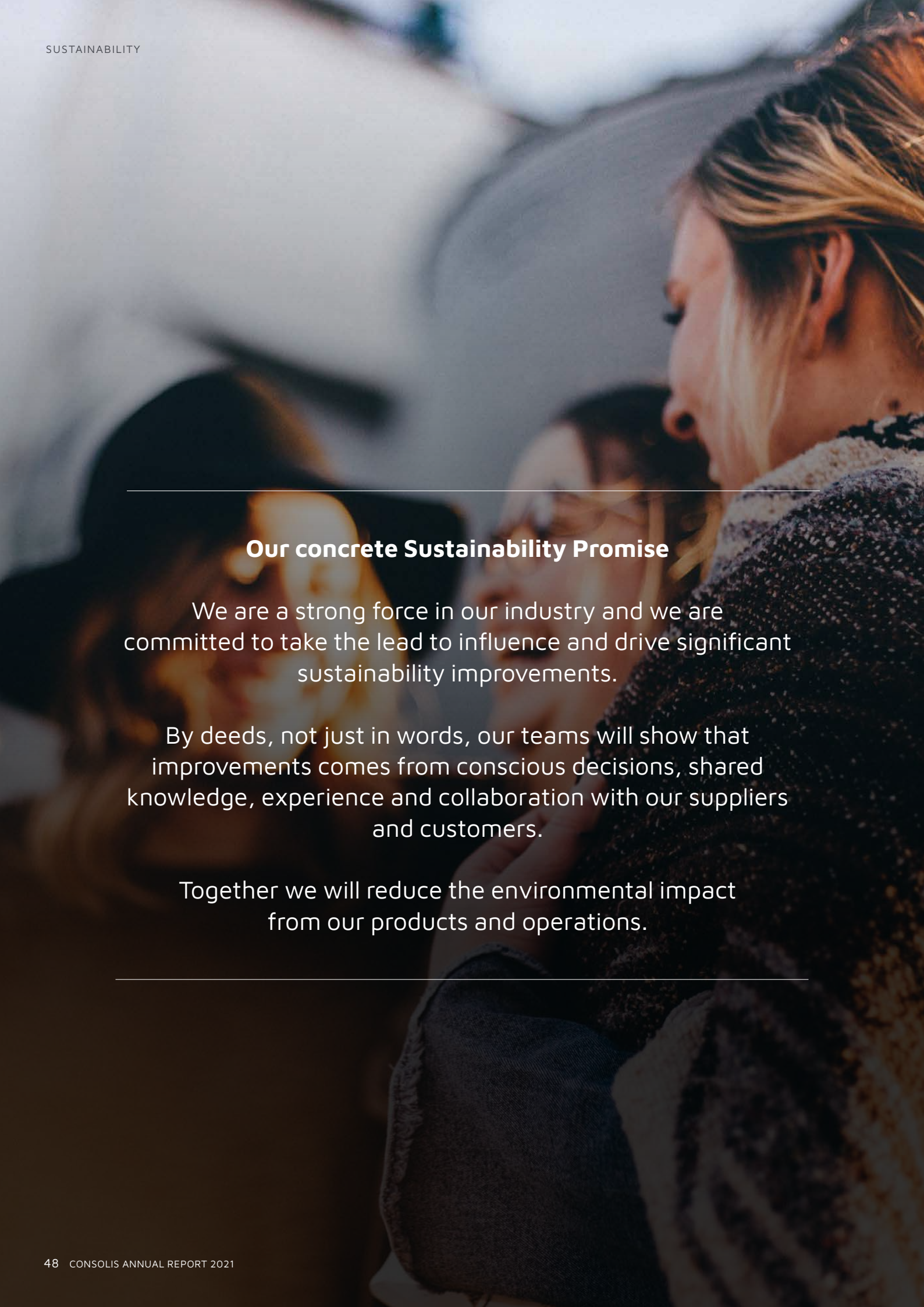


Emerging Markets 26%

Sustainability



“Well-built for well-being goes for more than our products and services. Our constructions are built with care for the whole society, for our planet and for the next generations to come.”



Our concrete Sustainability Promise

We are a strong force in our industry and we are committed to take the lead to influence and drive significant sustainability improvements.

By deeds, not just in words, our teams will show that improvements comes from conscious decisions, shared knowledge, experience and collaboration with our suppliers and customers.

Together we will reduce the environmental impact from our products and operations.

ENVIRONMENTAL, ECONOMIC AND SOCIAL IMPACT

Consolis sustainability framework

For Consolis, sustainability is about balancing environmental, economic and social impact throughout the whole value chain. We are committed to be a force in our industry and to take the lead by conducting our business in a responsible way, taking all our various stakeholders' perspectives into account. Sustainability is embedded in our business and operations. When focusing on value creation, we take responsibility and ensure that our business practices meet the highest standards of compliance concerning products, environment, ethics and people.

BY DEEDS AND NOT JUST WORDS

As a leading provider of precast concrete elements and solutions, Consolis is taking an active role in key sustainability areas in the industry, reducing the carbon footprint of precast concrete operations. Understanding the significant opportunities there are with sustainable precast concrete solutions, the commitment on continuing the design and development of innovative products and a production aiming towards a net zero CO_2 impact is a key focus for Consolis. During 2021, the Executive Management spent several focus days revitalizing Consolis strategic sustainability work with a clear ambition to:

- Deliver safe, sustainable and high-quality products. New products will be designed for low-carbon and the circular economy while maintaining high-quality and maximizing the product lifetime.
- Improve environmental impact through the responsible use of raw materials, energy and water as well as lower emissions, improved waste management and ensure there are no harmful materials used.
- Responsible sourcing and business practices securing human rights, acceptable labor practices and business ethics throughout the value chain.
- Safe, diverse and dynamic workplaces where we work and develop together to achieve our goals and to create value for our stakeholders and for society.

A SUSTAINABLE BUSINESS – CONSOLIS' CONTRIBUTION TO SOCIETY

Consolis has, through its activities, products and services, an impact on the environment and society. Being located in 17 countries, with production sites in rural areas, Consolis is an active part of an infrastructure and contributes with job and development opportunities in these communities. With our products, we contribute to the design and creation of buildings that will stand and serve people and future generations in their daily lives, for centuries. Through a strong focus on products and solutions with significant capabilities to reduce the CO_2 emission in general, and hence Consolis' carbon footprint, the Group contributes to flourishing societies. Consolis' contribution to a better environment and society rest on its purpose - Well-built for well-being.

An open and ongoing dialogue with Consolis' stakeholders is a key component for the direction of Consolis' day-to-day operations as well as for its long-term business planning. Consolis engages both directly and indirectly with its key investors, owners, customers, business partners, employees, trade unions, industry associations and non-governmental organizations to gain insights and to offer transparency. Listening closely to their requirements and their views on where they find Consolis having significant critical impact, helps to shape our sustainability work and Consolis continues dialogues with its stakeholders.

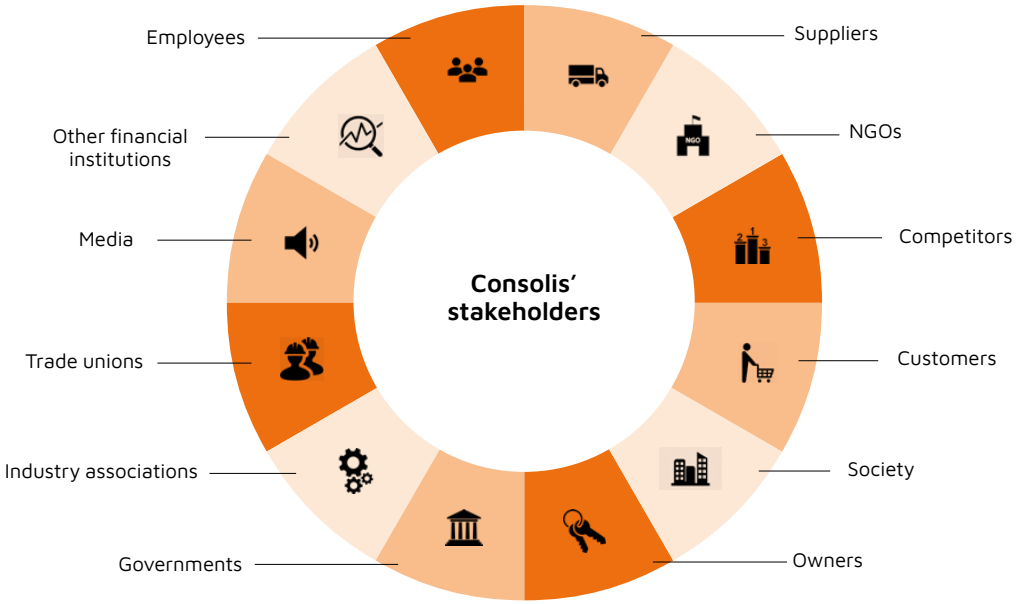


Figure 1: Consolis stakeholders

CONSOLIS' STAKEHOLDER AND MATERIALITY ANALYSIS

In 2021, Consolis performed a materiality analysis and engaged with its key stakeholders undertaken specifically as part of the report preparation process. Together with an external vendor, the Group initiated a stakeholder dialogue and analysis that, based on macro trends, established sustainability frameworks and gained valuable insights from key stakeholders, renewed and confirmed the direction for Consolis' sustainability focus areas.

The analysis was performed by applying a combination of desk research, one-on-one interviews and surveys and mapping of relevant international sustainability framework. The work covered dialogues and surveys with customers in our local countries, employees (white and blue collars) across the Group, work councils representatives, investors, ESG analysts, Industry Associations, Environmental organizations and Consolis' Board of Directors.

Identifying what Consolis' stakeholders view as being significant as well as gaining solid understanding of what areas they consider to have a strong impact on the business success and enterprise value, the analysis confirmed four sustainability focus areas; **Products**, **Environment**, **Ethics** and **People**. Consequently, to reduce environmental impact and mitigate sustainability risks, the Group actively works with relevant measures for each area to further enhance value creation and compliance.

A list of material topics that reflect Consolis' significant economic, environmental, and social impacts and substantively influence the assessments and decisions of its stakeholders have been identified and prioritized in the Consolis materiality matrix (see fig. 2). Important insights regarding needs, expectations and challenges were provided during the dialogues with different stakeholder groups and this will remain a regular activity of Consolis in the years ahead.

SUSTAINABILITY TARGETS

Consolis' Executive Management Team identifies and agrees on activities that support Consolis in driving the development and performance in each area of sustainability forward. Targets are set in line with definitions applied in the international sustainability reporting standards, such as the Global Reporting Initiative (GRI) Environmental, Social, and Governance (ESG). To ensure solid coordination across the Group, Consolis initiated the development and implementation of a new Group Sustainability Business Intelligence reporting tool in 2021.

With the stakeholder analysis as a foundation and a clear focus on the areas where Consolis can make a great difference, the Group has identified and actively chosen and focused on seven of the UN Sustainable Development Goals (SDG) that support the 2030 Agenda for Sustainable Development. Consolis supports the principles of the UN Global Compact. The Group joined as a formal participant and a committed contributor in 2021.

Consolis works in line with the Global Reporting Initiative (GRI) Standards. This report has been prepared in accordance with the GRI Standards: Core option and followed the Reporting Principles for defining report content for reporting period of year 2021. This first report is not externally assured but will be prepared and published on an annual basis going forward.

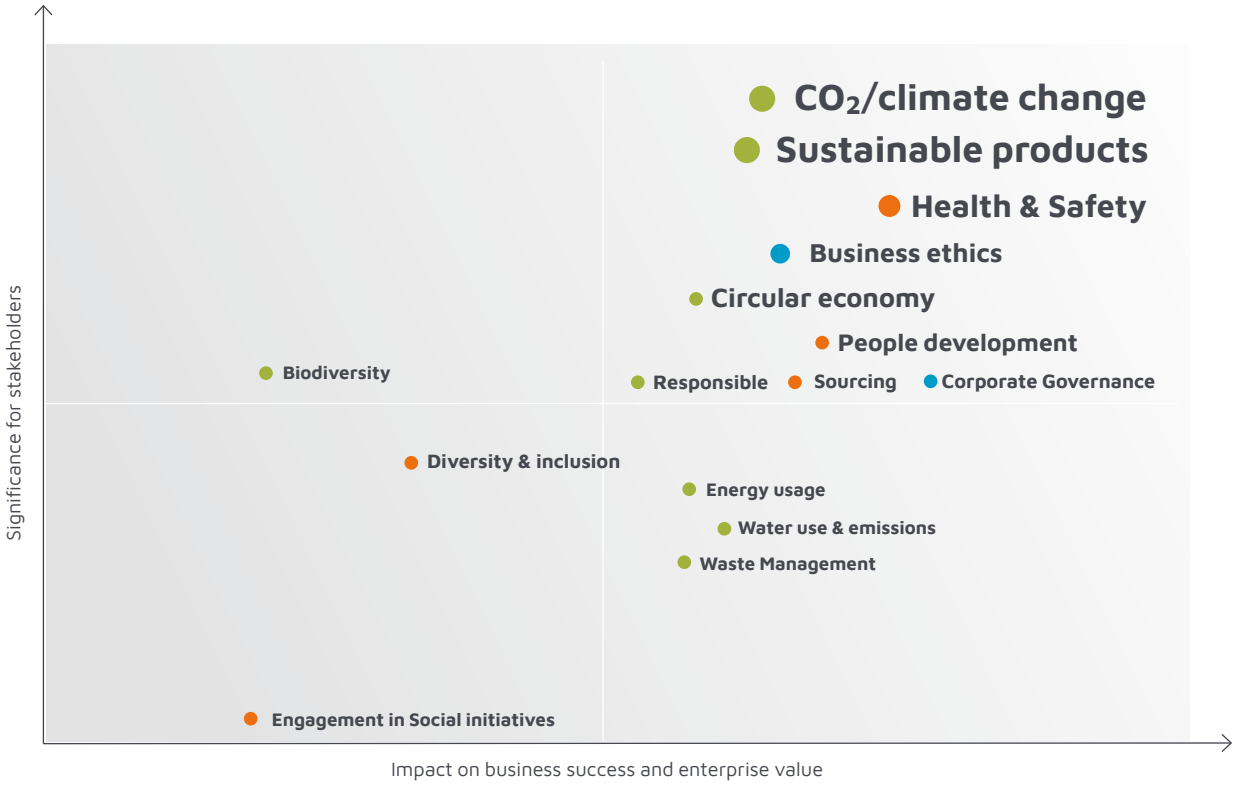


Figure 2: Consolis' materiality matrix

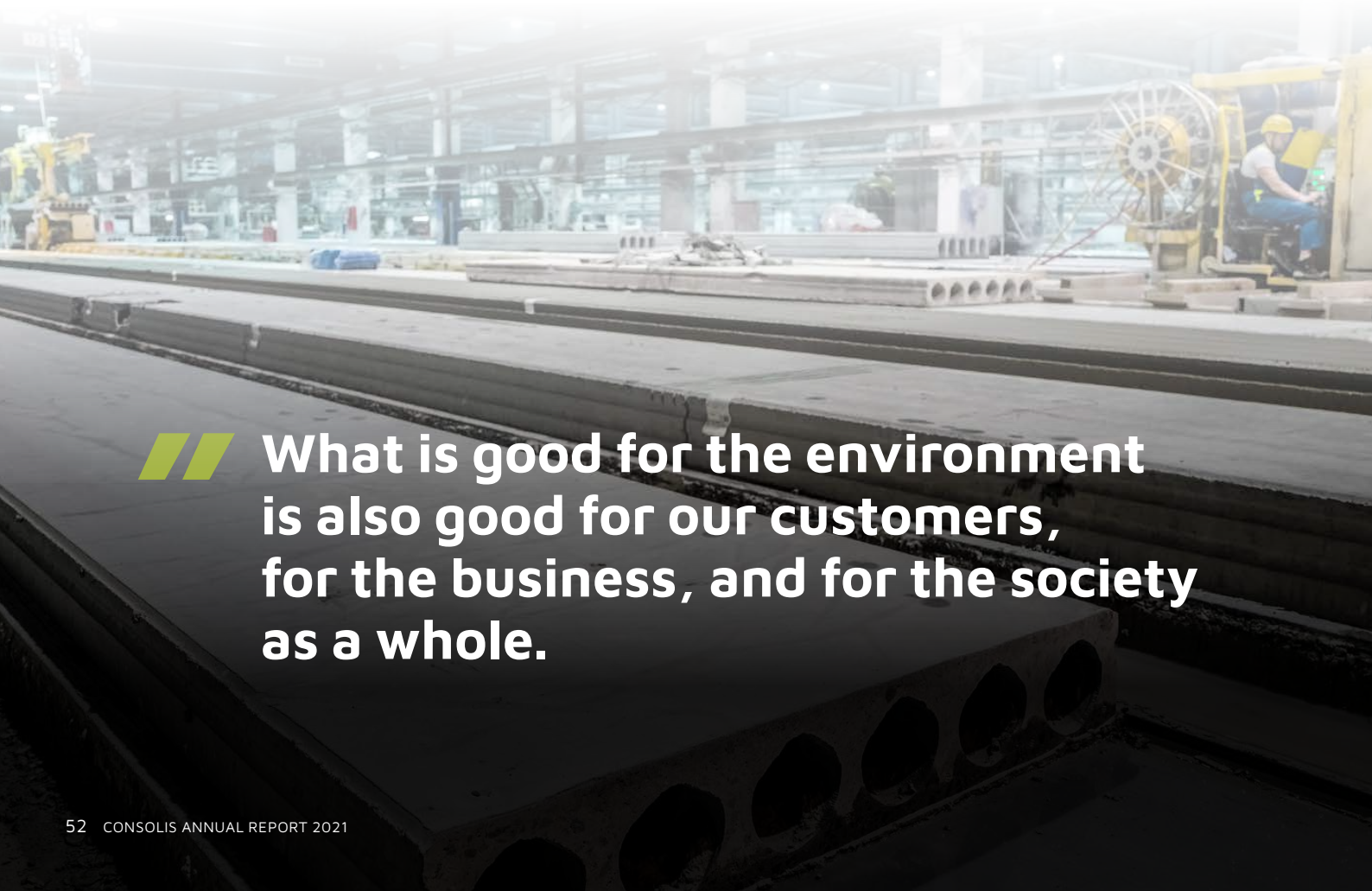
Figure 3: Consolis' Triple Bottom Line
Consolis applies a holistic perspective on its business, and has triple bottom line approach to how the business performance is managed.

Environment

For Consolis, concrete sustainable products, smart design and solutions can be an answer to the environmental challenge, while being the heart of our sustainable businesses.

With focus on reducing CO_2 emissions and by taking the lead in the industry towards net-zero targets, Consolis helps reduce the environmental footprint for its customers. In a way, it is easy. What is good for the environment is good for our customers. It is good for the business, and hence for the society as a whole. Consolis' way of looking at sustainability and the environment takes a holistic view where the Group ensures that its initiatives both have the well-being of coming generations, as well as the planet in mind.

As a European leader in precast concrete solutions, Consolis provides highly engineered and sustainable solutions for the building and utilities sectors. Consolis believes in responsible industry leadership, and is committed to lead the sustainable transformation of its industry.



What is good for the environment is also good for our customers, for the business, and for the society as a whole.

CONSOLIS' CLIMATE FOCUS

Precast concrete production in itself is a CO_2 reducing alternative with up to 40 percent less CO_2 emission compared to cast in-situ solutions. Knowing the difference that Consolis products and efficient production methods can make, is an inspiration for the Group to continue focusing on innovations that even further can reduce the CO_2 footprint towards net zero.

Key environmental sustainability topics

Consolis has, together with its stakeholders, identified the different topics that are of significant importance for stakeholders, and that are considered to have substantial influence and impact on Consolis' business success and enterprise value. The following topics were identified as material when it comes to the environmental sustainability factors: Sustainable products, CO_2/ Climate change, Circular economy, Energy consumption, Water consumption and emissions, Waste management, and finally Biodiversity.

The material topics are clustered, measured and reported in three areas – **the product, the production** and **biodiversity**:

- Sustainable **product** development based on the following two drivers, i.e. CO_2/Climate Change and Circular Economy
- How efficient **production** of precast ensure minimal Energy and Water use, and Waste management
- **Biodiversity**

74%

Precast concrete production locations that have a certified Environmental Management System (ISO 14001) in place.

SMART SUSTAINABLE PRECAST PRODUCTS WITH LOW CARBON AND HIGH CIRCULARITY

Development of sustainable products and solutions with low-carbon impact and high circularity is a priority and a key focus on Consolis' strategic agenda (Figure X).

The low-carbon slab developed and launched 2021 in Consolis Parma, Finland has more than 40 percent lower carbon impact in comparison to conventional slabs.

One of the projects with hollow core slabs, designed and built in Consolis Dutch operation, VBI, is fully circular.

By using dry joints between the elements allows a fast construction and de-construction. Also, with cast-in anchors, assembly was done much faster than in a traditional way.

Precast products including slabs, can be designed not only for re-assembly but also for flexibility and adaptability. Elements using pre-stressed reinforcement can have very long lifespans, which makes it possible to have column and partition free floor layouts. The lifetime of buildings can be prolonged to a maximum and the function of the building can change over time. By simply, reusing a building.

Also, what was once the spine of one building, for example residential building, may tomorrow have another function or have another purpose when de-assembled and re-assembled into a new construction and becomes the spine of for example an office building.

Precast products can also contain a significant amount of recycled as well as secondary material content to minimize the need for primary raw materials. This and many other initiatives, are examples of the continuous work that Consolis carries out to reduce its CO_2 emissions.

Low-carbon hollow cores in Consolis Parma, Finland.

THE PRODUCTION OF HIGHLY EFFICIENT PRECAST PRODUCTS

The production of precast concrete elements including pre-stressed hollow core slabs is performed in a controlled industrial environment. This facilitates control of waste, emissions, noise levels, and compared to traditional production processes it is utilizing the energy very efficiently. For example, the heat used for accelerating the hardening of concrete is also utilized for heating the production halls.

Consolis has the long-term ambition to make the majority of its production facilities zero-waste. There are several production sites in Consolis that already work with a closed production system, where all waste material is processed and reused (Figure 4). The residues of fresh concrete, slurry from sawing the concrete units to length, cleaning of mixers and machines, all this material is separated in sedimentation reservoirs, and the water is cleaned for reuse in the process. The hardened concrete waste is crushed and recycled back into the production process. The waste steel goes back to the steel furnaces.

The residue of fresh concrete from mixing, emptying of casting machines, casting bed ends, holes and cut-outs in fresh concrete etc., is fully recycled. The recycling consists in separating the sand and the gravel from the cement slurry. The reclaimed sand and gravel is reused immediately. The cement slurry is transferred to sedimentation basins to eliminate the surplus water before reuse in production processes.

Recycling of hardened concrete, coming from bed ends, slab fragments and rejected units is carried out in the production sites. A crushing unit processes the waste concrete. The waste material is separated into fine and coarse recycled aggregates and the reinforcement is removed.

Commonly, recycling of hardened concrete costs about the same as purchasing natural aggregates. Hence, disposal costs and taxes are saved. Recycled coarse aggregates can be used in reinforced and pre-stressed concrete, including slabs, up to 20 percent of the total aggregates without any loss of the concrete performance. Recycled fine aggregates are often too silty to be used in production. It can also be used in road foundations or other applications.

BIODIVERSITY

With the exception of the few sites with quarries for aggregate excavation, biodiversity is an area where Consolis does not have direct impact. Consolis' opportunity is to influence through its supply chain, specifically when it comes to cement and aggregate suppliers.

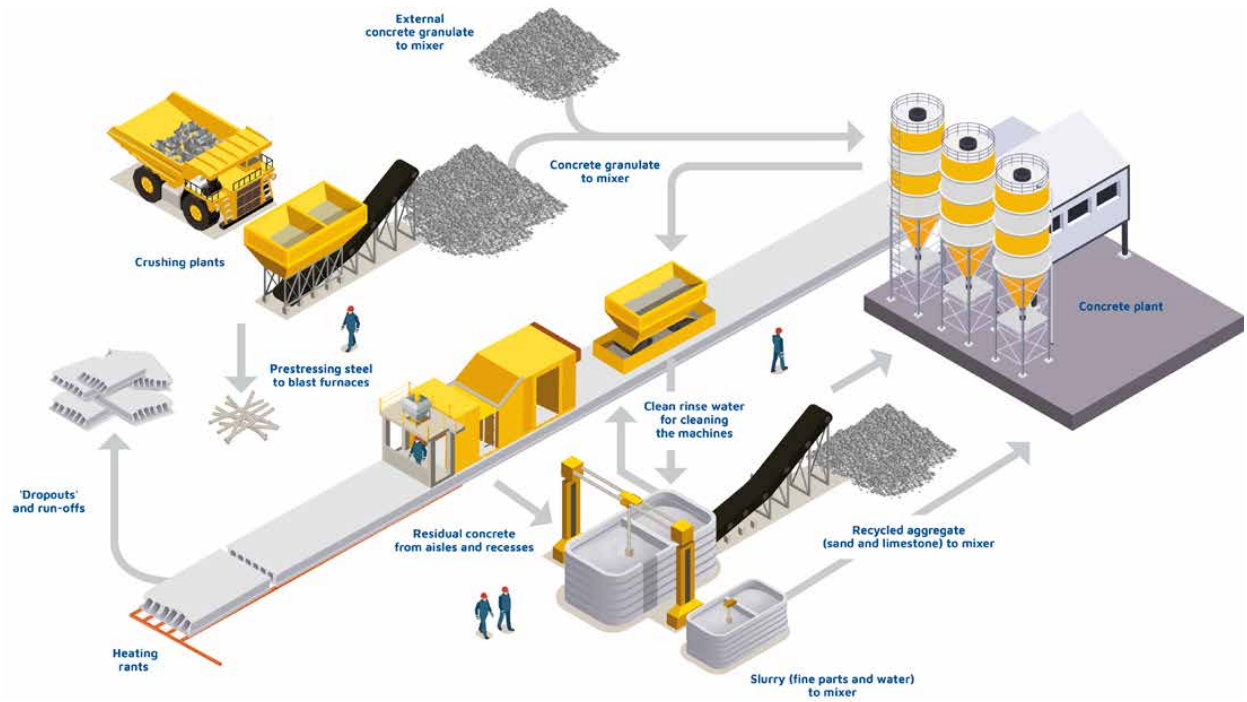


Figure 4. The hollow core production process and how we ensure recycling.

When going into 2022, suppliers' biodiversity measures and management is something that the Group will address even further through responsible sourcing, i.e. screening suppliers using environmental and social criteria where Consolis will ensure that at the key suppliers of the Group have proper biodiversity measures in place.

CONSOLIS' CLIMATE ROADMAP

The Consolis Group environmental sustainability strategy is is shaped around four focus areas:

- Full transparency of carbon impact of our products across all markets
- World class ambitions, combined with determined actionable efforts in all markets
- Customer-driven partnering in the quest for minimizing environmental impact
- Visible as front runner with world class environmental ambitions

Transparency and openness are key to building a credible position for Consolis' environmental efforts. The Group is working to make its climate impact more transparent by measuring the carbon footprint of its operations and of its supply chain. Consolis is developing Environmental Product Declarations (EPDs) for all its core products (Figure 5) and equally expects this from its key suppliers, specifically for binder and reinforcement products as these account for a major part of the product climate footprint.

During 2021, Consolis initiated a review of its Group policies, including the Sustainability policy. The Environmental Group Guideline as a related document that will be updated in 2022 to provide guidance and even further support Consolis to take the lead in the industry.

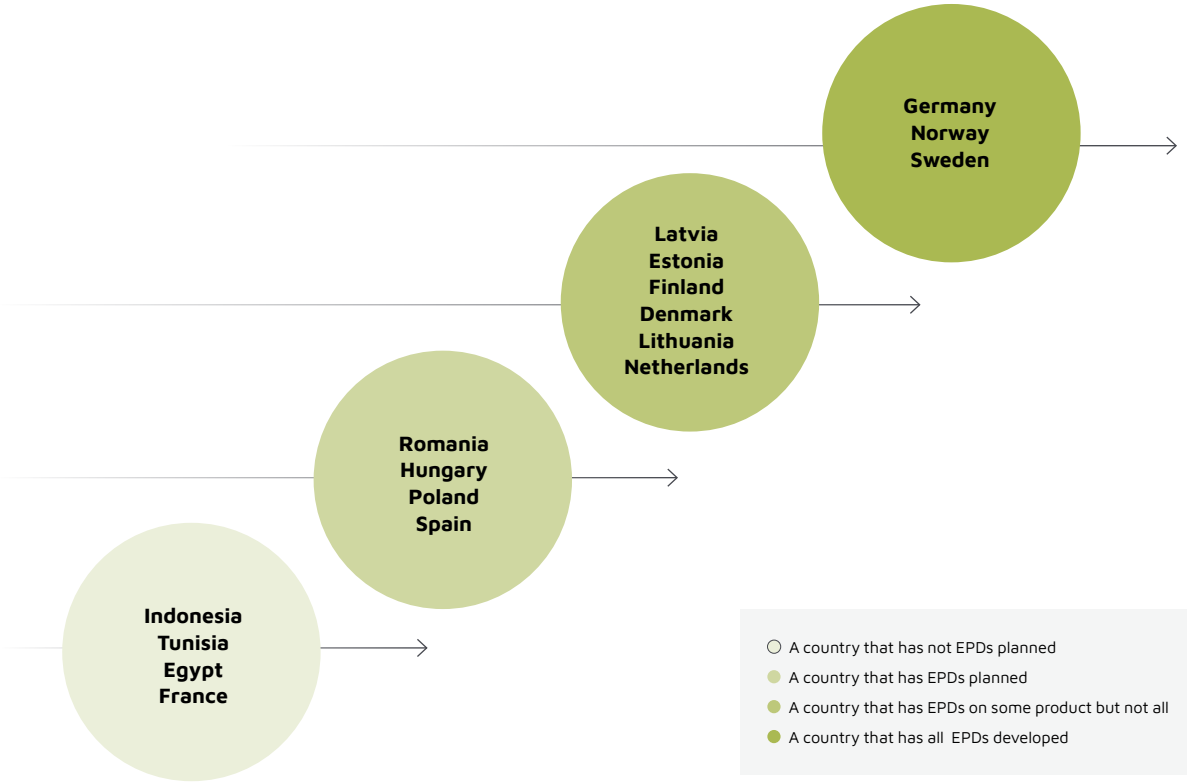


Figure 5: Consolis' progress on development of Environmental Product Declarations (EPDs).

	Reduce (use less material)	Replace (substitute material)	Recycle/Reuse (material)
Material	1. Reduce cement by **better quality/process control & additions**	2. Replace cement by **secondary cementitious materials & alternative binders**	3. **Recycle** concrete, water, slurry, cement & reinforcement
Element design	4. Design our elements with **optimal use** of concrete & reinforcement	5. Replace concrete & reinforcement with **low-carbon alternatives**	6. Design building elements for **reuse and flexibility** (extend lifetime)
Building design	7. Design our buildings for **maximum utilization of elements** and their **functionality**	8. Substitute building elements and components with **low-carbon options**	
Energy	9. **Reduce energy use** in production & transport	10. **Source low carbon/renewable energy** in production / transport	

Table 1: Consolis' ten pathways to reduce the carbon impact.

We are reducing the carbon impact of our products and solutions through various pathways (Table 1), e.g. optimizing solutions and element design, using alternative binders, decarbonizing concrete mixes by using less cement, increasing recycling of waste and reuse of elements.

Collaboration throughout the supply chain is essential in driving progress in reducing carbon impact and improving environmental performance. Being in a leading position requires Consolis to take the lead and drive the development in the industry. During 2021, Consolis actively collaborated with its customers in a series of different environmental projects and initiatives to join forces in the quest for minimizing the environmental impact of our products and solutions. Examples include:

- Consolis Parma, Finland, developed low-carbon precast products with more than 40 percent lower carbon emissions comparing to conventional solutions. A work that is supported by a third party verified Environmental Product Declaration.
- Consolis Strängbetong, Sweden, has been developing and testing different hybrid/timber concrete composite solutions to introduce timber both on product and on building level.
- Consolis Spenncon, Norway, has been investigating how to replace conventional reinforcement with steel fibers.
- Consolis Spaencom, Denmark, introduced recycled concrete in their products.
- Consolis VBI, Netherlands, investigated possibilities to introduce different alternative binders such as re-activated GGBS and calcinated clay based cement replacing traditional cement.
- Consolis Tecnyconta, Spain, investigated possibilities to introduce carbon directly into structural precast elements.

Having excellent environmental ambitions, Consolis manage many significant initiatives and activities across its countries to proactively communicate and engage both with our internal and external stakeholders. The sustainability managers' network plays an essential role

40 %

lower carbon emission than conventional products

– via regular meetings and workshops, exchanging best-demonstrated practice on reduction of the environmental impact and improvements of other sustainability measures. In spring of 2021, we successfully held the first Consolis Group-wide Environmental Sustaina-

bility week with a full week of seminars and dialogues. The Environmental Sustainability week is an initiative to create even stronger awareness and understanding, bring inspiration through successful projects and initiatives that is ongoing in Consolis' various markets. This will be an event that will continue on an annual basis.

Consolis will continue to invest in Environmental R&D and innovative solutions that contribute to the company reaching its targets and being able to drive change in the industry. This means collaborating with like-minded customers and providers, to actively influence and lead the transformation of the industry.

LEGISLATION, INDUSTRY STANDARDS AND GOVERNANCE

Consolis' products and operations are subject to significant numbers of regulations and legislations across all our markets. The Group has a clear direction for the adherence of the local standards as a minimum. Consolis is constantly following the development of current as well as future legislation to ensure alignment. This is considered a priority since the environmental focus, and hence the development of standards and regulations quickly are growing across the markets.

Consolis' Code of Conduct as well as its Consolis Policies Book and Suppliers Code of Conduct, set direction and communicates the Group's principled approach.

Consolis aligns its environmental measurements with internationally recognized reporting principles and standards in the markets in order to make the information transparent and the development possible to follow over time. During 2021, the Group applied and became a confirmed member of the UN Global Compact. Participating in forums with companies that share values, have equal interest for the environment and care for the climate is a natural development for Consolis.

The Group will, when going into 2022 continue its path towards net zero products and production. This means an ambition to align Consolis' initiatives for reduced environmental impact with tracking according to the "Science Based Targets initiative". To align with climate science, our near-term objective is to reduce our Scope 1 and Scope 2 emissions consistent with the 1.5°C pathway and major Scope 3 emissions with well below 2°C pathway towards net zero operations in 2050 or sooner.

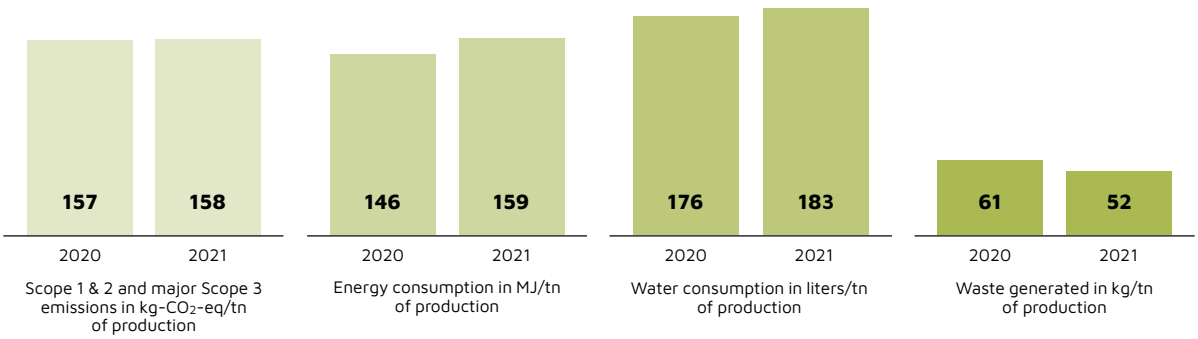
Reporting principles and standards that Consolis align with:

Global Reporting Initiative

UN Global Compact

ESG reporting

Environmental indicators 2021



Consolis is committed to providing a safe and attractive work environment where competence matters and where individuals together can develop and engage in achieving great results.

HEALTH, SAFETY AND WELL-BEING

People

Consolis is committed to providing a safe and attractive work environment where competence matters and where individuals together can develop and engage in achieving great results.

With operations in 17 countries across Eastern and Western Europe, the Nordics, Tunisia, Egypt and Indonesia, we offer a diverse environment with great development opportunities. Many of Consolis production sites are located in rural areas where Consolis is often the main employer. Hence, the company is not only an employer, but also a contributor or even an enabler for flourishing local societies. Consolis is committed to be a sustainable employer and to offer a great place to work, for both current and future employees. Consolis' work environment and culture are built on a framework of shared Values, the Code of Conduct, Consolis' Policies and other governing documents on e.g. health, safety and well-being. For Consolis, our employees are the most essential resource.

Together, we deliver high-quality products and we differentiate ourselves through our design of leading sustainable precast concrete solutions. To be a differentiator, we ensure strong customer relationships, and we utilize the benefit of competencies and knowledge in the Group. Working at Consolis means working with the leaders and experts of our industry. It means belonging to a work environment where development is core for employees as well as customers.

OUR VALUES

Three shared values provide guidance to how we work and interact with each other and with customers and partners. The values describe the essence of Consolis when it comes to its culture as well as behaviors identified as critical for business success.

During 2021, the Group reviewed its existing values and, with reference to the new business strategy, jointly aligned the Group around three values that clarify the core of Consolis and our beliefs when it comes to way-of-being and working together.

In the coming year, all Consolis business units and entities will run local workshops to align employees around the three shared values and in addition ensure that the values are fully implemented and embedded in our HR processes, such as recruitment, performance management and talent management.

DIVERSITY AND INCLUSION

At Consolis, we aim to have engaged and motivated employees, offering them equal opportunities. With operations in 17 countries, Consolis acknowledges the value of diversity in the broadest sense. We believe that in order to be successful, we need to ensure a welcoming work environment where it is not who you are or where you come from that counts, but what you bring in terms of knowledge and experience. Diversity and equality are prioritized areas throughout the organization and are taken into account in everything from recruitment processes to employee dialogues and career development. In a male dominated industry, the Group works on its gender diversity and in 2021 Consolis had a proportion of 28 percent female leaders out of its 120 top managers. In Consolis Executive Management Team, 3 out of 12 were women.

EMPLOYEE RELATIONS

The majority of Consolis' countries are covered by collective agreements. The Group has ongoing local dialogues with employee representatives as well as directly with its employees. There is a European Works Council where the Group on inform and consult on significant business information and updates on an annual basis.

Employee communication is core for the Group and internal communication channels well developed.

COMPETENCE, LEADERSHIP AND PEOPLE DEVELOPMENT

We are committed to being an attractive employer with safe, collaborative workplaces and environments where individuals and teams together learn, grow and reach great results. For Consolis to sustain a leading position in the industry, it means that the company needs to continuously focus on growing its expertise and competence.

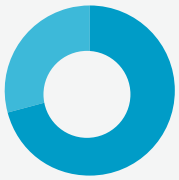
Consolis provides leadership and employee training both locally and at Group level. These initiatives range from people and management training to technical and operational development. E-learnings have been part of the development portfolio. During the pandemic, this has been an increasingly successful way to offer a broad number of people learning opportunities. This is why the Group at the end of 2021, invested in and started the implementation of an upgraded e-learning solution. Consolis applies a well-established Performance Management process where employees and leaders together set objectives, follow up on progress and bring learning from the end-year evaluation into the next performance cycle. In addition to the individual development, we celebrate achievements by others, the team and the whole Group. The company actively uses social media and internal channels that on a running basis recognize and celebrate teams or individuals that through their work contribute to Consolis' business strategy and make a difference.

During 2021, a new HR strategy was established to support Consolis' new business strategy where priorities going forward will be an even stronger focus on people engagement, leadership development and talent management.

8,959

Total number employees 2021

Permanent/Temporary Employees 2021



Permanent employees 71%
Temporary employees 29%

Age structure 2021

18–30 years
31–40 years
41–50 years
51–60 years
>61 years

SAFE AND FRIENDLY

We have a safe culture where people can achieve their full potential. We put health and safety first.

We communicate in an open and friendly way where we show attention and listen to others. We believe that supporting each other to grow and learn happens through giving and accepting honest and constructive feedback. We treat each other fairly, equal and respectfully. We are loyal to each other and to our customers.

COLLABORATIVE

We have a sharing culture where we help each other to become stronger as a Group.

We apply "we thinking" over "they thinking", interact with an open mind and embrace different viewpoints. We involve each other to ensure good collaboration with colleagues and customers. We innovate and evolve together, to achieve this we mix skills, knowledge and backgrounds. We celebrate achievements by others, the team and the whole Group. We bring energy, ownership and personal commitment to what we do.

RESULTS ORIENTED

We have an action oriented culture, where we focus on getting things done.

We are driven by deeds, not just words, exceeding individual and common goals. We proactively focus on and respond to our customers needs, taking pride in keeping promises. We identify what needs to get done and in what steps, in order to reach results. In striving to contribute to something bigger, we seek new opportunities to create value for the company and put effort into creating sustainable solutions, both for our customers and our planet.

HEALTH, SAFETY AND WELL-BEING

The safety and well-being of our employees, partners, customers or anyone visiting our production sites is our top priority, and we aim for a zero accident culture. Our health and safety work originates with the Executive Management Team and is implemented in all our local businesses across all countries. We proactively build risk awareness, prevent work-related incidents and share best practices to continuously increase awareness and control of the work environment. Our "don't walk by" principle calls upon everyone to constantly be vigilant for their own safety, and for the safety of others.

In addition to local health and safety audits, Consolis arranges an annual safety week across all business entities, which allows all employees to engage with all dimensions of safety.

Well-built for well-being

During 2021, Consolis, similar to other organizations around the world, had to respond to the effect of the Covid-19 pandemic. Ensuring the well-being of all our employees was during 2021 a top priority for Consolis and it continues to be. During the year, preventive measures were taken and best-demonstrated practices shared across all countries and sites to efficiently ensure the safest work environment possible to achieve. With a strong commitment and focus on customer promises, Consolis managed to run its operations without any major disruption at all the 47 production sites.

The Occupational Health and Safety (OHS) work at Consolis encompasses all our employees, with a key focus on the production sites, stockyards and warehouses where the exposure to potential risks are higher. The production is complex and change is instant, why we strive to be one-step ahead to prevent accidents. By applying our key principle; "don't walk by" we collaboratively work to reduce hazards by engaging employees to identify and report potential risks for their safety and for the safety of others. We are strongly committed to occupational health and safety where everyone should feel encouraged to speak up to ensure we always work safely.

Safety first

Occupational Health and Safety is one of the core pillars of Consolis' business strategy, and throughout 2021 the Group continued to work with an increased focus on safety awareness and safety leadership. As we proceed, there is a clear expectation on being even more proactive in managing risks in all our activities, sharing good practice and acknowledging the successes that inherently will contribute to create a safe and productive workplace.

Due to Covid-19 and related restrictions, Consolis was partly prevented from fully implementing and fulfilling the Group Health and Safety Audit program, but the intention is to continue running the reviews and ensure that all sites are audited during the coming three years and to further enforce our Health & Safety Program.

Consolis' Health & Safety program is a set of activities that take a stand in behavioral based safety inductions and trainings. In addition, it contains common principles for way-of-working in the health and safety field, such as the "don't walk by" principle and standards for reporting where reports are shared across the group to enhance learning and proactively prevent similar risk situations. Local health and safety work and reviews continued as usual during the period when the Group Audits had to be put on hold.

Consolis' Safety program has been widely communicated by senior leaders throughout the Group and it has been

Don't walk by!

"Don't walk by is a principle that is applied to keep everybody safe when working at Consolis. If something looks unsafe, colleagues are encouraged to make each other aware and to take preventive action. We put health & safety first - We don't walk by!"

repeatedly emphasized that health, safety and well-being are Consolis' first priority and will remain so going into 2022.

In line with the Consolis Health and Safety policy, safety is coordinated at business unit level with support from Consolis Group functions. Local managing directors and line management define priorities, set targets, ensure effective implementation and monitor progress against Group benchmarks. Every business unit and site has safety professionals to manage preventive measures and corrective actions. Most sites apply common standards that address risk areas such as equipment operation, stockyard safety, and protective equipment use. Management teams regularly visit the production sites and report performance monthly to both functional- and business management. We escalate any serious incidents to Group level and, consequently, implement a recommended action plan across all sites.

Through the establishment of a Health and Safety Excellence Network, we collectively identify risks, monitor progress on health and safety objectives, review incidents leading to lost time and share corrective actions and best practice. By meeting on a monthly basis, this network has supported Consolis to strengthen its focus on preventing serious and fatal incidents with a targeted approach towards high-risk activities.

Lost Time Injury Frequency Rate (LTIFR)

Target:	Less than 2 by end of 2023
Performance 2021:	6.9
Current baseline:	2.5

Calculation based on 1,000,000 hours worked.

Total Recordable Injury Frequency Rate (TRIFR)

Target:	Less than 6 by end of 2023
Performance 2021:	13.7
Current baseline:	7.5

Calculation based on 1,000,000 hours worked.

Risk observations 2021

33,980 Risk Observations were performed during 2021 where proactivity and dialogue is key to ensure a healthy and safe working environment.[1)]

[1)] Excluding the French Civil Works unit.

KPI	2020	2021
% of female employees in EMT (Executive Management Team)	23%	25%
% of female employees in TMT (Top Management Team)	no data	28%
% of female employees in Consolis Group	10%	10%

Business Ethics

Consolis has made compliance and ethics key elements of its business principles. The definition of compliance for Consolis equals behaviors in line with all internal company guidelines and applicable laws and fully respecting ethical principles. Our commitment to compliance and ethics requires all employees to play an active role in ensuring that we behave in an exemplary manner towards the company and in our business relationships. This is done by rejecting all forms of corruption, avoiding conflicts of interest, complying with competition law and other applicable laws and protecting our assets and resources.

Consolis has a Code of Conduct and policies that apply to all its employees, setting out strict rules and clear governance regarding business ethics. The Group has a zero-tolerance approach to non-compliance as reflected in Consolis' Code of Conduct and policies. The Code reflect Consolis shared values and sustainability commitments, international and national legislation, and it supports the UN Global Compact as well as other international ethical guidelines. The requirements of the Code of Conduct apply to all Consolis employees, leaders and board members, in all markets and at all times.

During 2021, Consolis revised its Code of Conduct and in addition, it's Supplier Code of Conduct. After Board approval, the revised versions are to be rolled out to employees and partners during 2022 to ensure continued shared commitment and praxis.

Consolis support the **UN Global Compact** and is committed working with the ten universally accepted principles in the areas of human rights, labor, the environment and anti-corruption.

COMPLIANCE

Consolis' Code of Conduct and related internal policies set out strict rules and clear governance regarding business ethics. Consolis' relationships with business partners are based on high ethical standards and practices that aim to prevent unethical behaviors throughout the value chain. As a market leader, Consolis contributes to fair market conditions and through a strict application of the Code of Conduct and related internal policies protect its brand.

TRAINING AND AWARENESS

Significant resources are deployed within the Group on matters of compliance, with the assistance of the best-ranked law firms and compliance-training providers in all jurisdictions where it operates. This training includes e-learning modules on compliance-related topics (such as Anti-Bribery & Anti-Corruption, and European and national Competition Law), as well as the physical on-site training of our local teams. To ensure full understanding of what compliance means and how we can ensure that each employee conducts Consolis' daily business ethically and with integrity, our Code of Conduct is available in 17 working languages. During 2021, Consolis reviewed and updated its Code of Conduct training for implementation during 2022.

ALERT CHANNEL

Consolis is keen to provide its employees with a safe and friendly environment where people, policies, law and regulations are respected, where any violation of the Code of Conduct and related policies is not tolerated. We are committed to ensure that our business is conducted ethically, based on our values, and in compliance with all laws and regulations.

To prevent and tackle any potential misconduct within Consolis, the Group has an alert channel hosted by a third-party service provider to ensure full confidentiality for the individual subject to local legislation requirements and integrity around the process.

Employees are encouraged to communicate any breach of the Code of Conduct, related policies and more broadly any laws and regulations, either internally to their direct manager, HR manager or in cases where anonymity is preferred via the alert channel. A renewed awareness campaign for the alert channel will accompany the roll out of the new revised Code of Conduct in 2022.

Contents

Governance

GOVERNANCE

Consolis Group S.A.S. (the "Company") is a French company created in 2007. The address of its registered office is 4 Rue du Général Foy, 75008 Paris. The consolidated financial statements comprise Consolis Group S.A.S. and its subsidiaries. Consolis is organized in five segments: West Nordic, East Nordic, Western Europe, Eastern Europe and Emerging Markets. With operations in 17 countries throughout the world, the Group generated 1.1 bn EUR sales in 2021 excluding the assets that have been divested.

Consolis Group S.A.S. is ultimately owned by Bain Capital at 94.55 percent as of December 31, 2022. Bain Capital means Bain Capital, L.P. and its affiliates and, where applicable, the funds and limited partnerships managed or advised by them. The remaining part is owned by other investors and management.

THE SUPERVISORY BOARD

The Supervisory Board includes:
Mr. Pierre Brousse, Co-chairman
Mr. Matthias Boyer Chammard, Bain Capital, Co-chairman
Mrs. Birgit Noergaard, Independent board member
Mr. Philippe Kamel, Bain Capital

The Supervisory Board has the responsibility for monitoring the Company's and the Group's organization and administration by the CEO and the Executive Management Team and continuously supervises the operations, management, governing documents and internal control. The Supervisory Board's prior authorization is required on certain strategic and important decisions. The Supervisory Board includes two Co-Chairs, who have a co-leading role and are responsible for ensuring that the Supervisory Board's work is well organized and performed efficiently.

COMMITTEES OF THE SUPERVISORY BOARD

According to the terms and conditions of the articles of association of the Company, the Supervisory Board may set up committees, including but not limited to (i) an Operating Committee, (ii) a Compensation and Nomination Committee, (iii) an Audit Committee and (iv) a Strategy and M&A committee, that shall look into issues that the Supervisory Board may submit to them, for information purposes and whose rules and regulations are established by the Supervisory Board.

The Supervisory Board has established an Audit Committee and a Compensation and Nomination Committee. The major tasks of these committees are preparatory and advisory, but the Supervisory Board may delegate decision-making powers on specific issues to the committees.

- **The Audit Committee** supports the Supervisory Board in monitoring that the Company and the Group are organized and managed in such a way that their respective accounts, management of funds and financial conditions in all aspects are controlled in a satisfactory manner in accordance with laws, rules and regulations as well as internal governing documents.
- **The Compensation and Nomination Committee**'s primary task is to prepare the Supervisory Board's proposal concerning guidelines for remuneration for the CEO and the Group Management. The Compensation and Nomination Committee monitors and evaluates the applied remuneration structure and remuneration levels in the Group for the CEO and the Group Management. The Head of Human Resources and the CEO participate in the Compensation and Nomination Committee meetings.

EXTERNAL AUDITOR

PricewaterhouseCoopers (PwC) is the external auditors of the Company. The external audit is conducted in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in France. Audits of local statutory financial statements for legal entities are performed as required by law or applicable regulations in the respective countries and as required by IFAC GAAS, including issuance of audit opinions for the various legal entities.

EXECUTIVE MANAGEMENT TEAM

The Executive Management Team includes the CEO, the four functional heads (CFO, Operational Development, HR & Communication, General Counsel) and the seven managing directors (Finland & Baltics, Sweden, Norway & Denmark, the Netherlands, Eastern Europe, Spain and Emerging Markets), all composing Executive Management Team. The Supervisory Board appoints the CEO, who in turn appoints members of the Executive Management Team. The CEO shall administer the Company's and the Group's ongoing operations under the control of the Supervisory Board. Executive Management Team holds monthly meetings to review the previous month's results, to update forecasts and plans and more generally to discuss Group matters and strategic issues. The CEO reports to the Supervisory Board and ensures that the Supervisory Board receives the information required to be able to monitor properly the affairs of the Company and the Group.

Executive Management team

Mikael Stöhr

Born 1970. Chief Executive Officer since 2020.
Master of Law
President & CEO, Coor (Publ), 2013–2020
President & CEO, Green Cargo, 2010–2013
President & CEO, AxIndustries, 2005–2010
Prior to the above: consultant McKinsey & Company and lawyer at Mannheimer Swartling

Daniel Warnholtz

Born 1973. Chief Financial Officer since 2020.
Master of Science

Group CFO and Deputy CEO, Ambea (Publ), 2011–2020
CFO, Vice President, Sweden and later Nordic market, AstraZeneca, 2007–2011
Various global management positions, Procter & Gamble, 1996–2007

Liselotte Bergmark

Born 1966. Chief Human Resources Officer since 2021.
Master of Science
Head of Group Human Resources, Medicover (Publ), 2018–2021
Executive VP and Head of HR, Dometic (Publ), 2015–2018
Executive VP and Head of HR, Sanitec Group (Publ), 2014–2015
VP Management and Organizational Development, Telia Group (Publ), 2008–2014

Bogdan Bulgaria

Born 1971. Managing Director Eastern Europe since 2017.
Master of Science. Joined Consolis in 2012.
Managing Director, Megaprofil Romania, 2011–2012
Industrial Operations Director, Lafarge Romania, 2008–2011
Sales Director Eastern Europe, Saint Gobain Romania, 2004–2008

Emmanuelle Cochard

Born 1969. General Counsel since 2006.
Master of Law
Private legal practice at Wilde Sapte, Ayache & Ixis CIB, 1995–2005

Marcelo Monteiro de Miranda

Born 1977. Managing Director Spain since 2018.
MBA & Master of Science
CEO, Precon Engenharia, 2010–2018

Stefan Ohlsson

Born 1972. Managing Director Sweden since 2020.
Master of Science. Joined Consolis in 2017.
Head of Project Management Office, Swedavia, 2014 – 2017
Chief Engineer, Swedish Defense Material Administration (FMV), AK Led, Teknisk Ledning, 2012 – 2014

Stefan Rinaldo

Born 1963. SVP, Operational Development since 2020.
Bachelor of Science
COO and Deputy CEO, Alimak Group (Publ), 2016–2020
CFO & SVP Operational Development, Alimak Group (Publ), 2007–2016
Various global management positions, ABB, 1987–2007

Nermine Safraou

Born 1981. Managing Director Emerging Markets since 2021.
Master of Science. Joined Consolis in: 2017
Supply Chain Director, LafargeHolcim Morocco, 2016–2017
Head of CEO Office, LafargeHolcim, 2013–2016

Magnus Ström

Born 1970. Managing Director Denmark & Norway since 2019.
Bachelor of Science.
Group Vice President ABB Power Grids, Site Manager ABB Ludvika, 2017–2019
CEO, Liljedahl Bare wire, Helsingborg Sweden, 2016
Senior Vice President, Head of ABB Transformers, Sweden, 2011–2016

Hannu Tuukkala

Born 1965. Managing Director Finland & the Baltics since 2011.
Master of Science.
Commercial director Fenestra Group, 2008–2011
Vice President Metsäliitto Finnforest, 2001–2008

Eduard van der Meer

Born 1960. Managing Director Netherlands & Germany since 2010.
MBA & Master of Science
Interim Manager at Tennet, 2009–2010
General Manager at Eneco, 2003–2008
General Manager at GMB, 1992–2002
Project & Process Engineer at Dow Chemical, 1988–1992

CONSOLIDATED STATEMENT OF INCOME

(€ in millions)	Notes	2021	2020
Net sales	5.1 / 8.1	1,106.1	1,036.7
Production cost of goods sold	8.2	(888.3)	(812.2)
SALES MARGIN		**217.7**	**224.5**
Production overheads	8.2	(76.1)	(78.7)
Sales and marketing costs	8.2	(29.2)	(26.6)
Administrative costs	8.2	(70.9)	(66.9)
Research and development costs	8.2	(4.9)	(5.2)
OPERATING INCOME FROM ORDINARY ACTIVITIES		**36.7**	**47.0**
Other income and expenses from operations	9	0.6	(28.9)
OPERATING INCOME		**37.3**	**18.1**
Financial (loss) / income	13.5	(35.9)	(44.8)
RESULT BEFORE TAXES		**1.4**	**(26.7)**
Income taxes	16.1	(12.7)	(14.9)
NET PROFIT / (LOSS) from continued operations		**(11.3)**	**(41.7)**
NET PROFIT / (LOSS) from discontinued operations	5.2	(1.0)	(44.1)
NET PROFIT / (LOSS)		**(12.3)**	**(85.8)**
NET PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Shareholders of Consolis Group		(16.6)	(88.0)
Non-controlling interest		4.3	2.2
EARNINGS PER SHARE			
Basic earnings per ordinary share (€)	19	(0.03)	(0.18)
Diluted earnings per ordinary share (€)	19	(0.03)	(0.18)
Earnings per ordinary share from continued operations (€)		(0.02)	(0.09)
Earnings per ordinary share from discontinued operations (€)		(0.00)	(0.09)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ in millions)	2021	2020
From continued operations		
NET PROFIT / (LOSS)	**(11.3)**	**(41.7)**
Other comprehensive income (loss) to be reclassified to statement of income in subsequent periods:		
Currency translation adjustments	1.9	(1.8)
Other comprehensive income (loss) not to be reclassified to statement of income in subsequent periods:		
Change in actuarial gains and losses	3.1	(3.4)
Change in actuarial gains and losses – tax effect	(0.4)	0.8
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX	**4.6**	**(4.4)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX	**(6.7)**	**(46.1)**
From discontinued operations		
NET PROFIT / (LOSS)	**(1.0)**	**(44.1)**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX	**2.1**	**(2.3)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX	**1.1**	**(46.4)**
Total		
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX	**(5.6)**	**(92.5)**
ATTRIBUTABLE TO:		
Shareholders of Consolis Group	(11.2)	(93.7)
Non-controlling interest	5.7	1.2

Group development
Net sales from continued operations amounted to € 1,106 million (1,037), corresponding to 7 percent sales growth. Exchange rates had a positive impact of 1 percent. The year-on-year increase is mainly explained by organic growth and the post pandemic economic recovery from Covid-19. Order intake in the full year 2021 amounted to € 1,352 million (974), up 39 percent vs. last year, explained by strong demand across markets.

Adjusted EBITDA[1)] from continued operations amounted to € 81.7 million (95.3), a decline by 14 percent vs. last year, of which the mix of exchange rates had a neutral impact. The adjusted EBITDA-margin was 7.4 percent (9.2). The pressure on margins were mainly explained by increasing raw material prices.

West Nordic
Net sales amounted to € 402 million (380), corresponding to a sales growth of 6 percent. The adjusted EBITDA-margin in the period was 1.9 percent (5.3). The decline in profit margins is mainly explained by higher raw material costs continuing to be visible in the results.

East Nordic
Net sales (external) amounted to € 239 million (240) corresponding to a negative sales growth of -0.4 percent. The adjusted EBITDA-margin in the period was 5.2 percent (6.5). EBITDA 2020 was positvely affected by reversal of guarantee provisions.

Western Europe
Net sales amounted to € 257 million (256). Sales growth was 8 percent adjusted for terminated bridge activities in the Netherlands (€ 4.7 million in 2021 and € 21.8 million in 2020). The adjusted EBITDA-margin in the period was 13.1 percent (14.9).

Eastern Europe
Net sales amounted to € 89 million (66), corresponding to a sales growth of 35 percent, of which 36 percent organic and minus 2 percent currency effects. The adjusted EBITDA-margin in the period was 7.6 percent (10.4).

Emerging markets
Net sales amounted to € 122 million (98), corresponding to a sales growth of 24 percent, of which 27 percent was organic and minus 2 percent currency effects. The adjusted EBITDA-margin in the period was 17.2 percent (13.4).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ in millions)	Notes	2021	2020
ASSETS			
Goodwill	11.1	204.6	204.8
Intangible assets	11.1	57.8	57.5
Property, plant and equipment	11.2	236.5	238.5
Long-term financial assets including derivative assets	13.4	3.4	3.3
Other non-current assets	14	10.8	12.1
Deferred tax assets	16.2	4.6	5.9
TOTAL NON-CURRENT ASSETS		**517.7**	**522.2**
Inventories	8.4	61.3	42.6
Accounts receivables and other receivables	8.5	235.2	195.6
Current tax receivables		1.4	3.7
Other current assets	8.5	8.9	10.9
Cash and cash equivalents	13.2	51.8	80.3
TOTAL CURRENT ASSETS		**358.6**	**333.1**
Assets classified as held for sale	5.2	51.2	292.9
TOTAL ASSETS		**927.6**	**1.148.2**
EQUITY AND LIABILITIES			
Share capital and share premium	18	403.3	403.3
Retained earnings and other reserves	18	(419.6)	(412.2)
SHAREHOLDERS' EQUITY		**(16.2)**	**(8.9)**
NON-CONTROLLING INTERESTS		**17.4**	**16.5**
TOTAL EQUITY		**1.2**	**7.6**
Non-current financial debts	13.1	382.4	466.2
Employee benefit obligations	10.2	16.2	32.2
Non-current provisions	12	11.2	12.5
Other non-current liabilities		1.1	1.2
Deferred tax liabilities	16.2	4.0	1.8
TOTAL NON-CURRENT LIABILITIES		**414.8**	**513.9**
Current financial debts	13.1	76.6	60.5
Accounts payables and other liabilities	8.6	329.9	291.5
Employee benefit obligations	10.2	4.4	4.7
Current provisions	12	5.8	8.5
Income tax payables		5.3	4.9
TOTAL CURRENT LIABILITIES		**422.1**	**370.0**
Liabilities classified as held for sale	5.2	89.5	256.6
TOTAL EQUITY AND LIABILITIES		927.6	**1.148.2**

[1)] Adjusted EBITDA is a non-GAAP measure. For definition, reconciliation and purpose refer to note 24.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ in millions)	Share Capital	Share Premium	Currency Translation Reserve	Actuarial Reserve	Retained Earnings & Other Reserves	Share-holders' Equity	Non-Controlling Interests	Total Equity
				As of December 31, 2021				
Balance as of January 1, 2021	**191.3**	**212.1**	**(24.3)**	**(22.5)**	**(365.4)**	**(8.9)**	**16.5**	**7.6**
Net (Loss) income for the period	-	-	-	-	(16.6)	(16.6)	4.3	(12.3)
Other comprehensive income/ (loss)								
Items that will not be reclassified to profit or loss								
Change in actuarial gains and losses	-	-	-	4.1	-	4.1	-	4.1
Tax on items that will not be reclassified to profit or loss	-	-	-	(0.8)	-	(0.8)	-	(0.8)
Items that will be reclassified to profit or loss								
Currency translation adjustments	-	-	2.0	-	-	2.0	1.3	3.3
Other comprehensive income/ (loss), net of tax	-	-	**2.0**	**3.3**	**0.0**	**5.4**	**1.3**	**6.7**
Total comprehensive income/ (loss)	**-**	**-**	**2.0**	**3.3**	**(16.6)**	**(11.2)**	**5.7**	**(5.6)**
Transactions with owners								0.0
Dividend	-	-	-	-	-	-	(0.7)	(0.7)
Others	-	-	-	-	3.9	3.9	(4.0)	(0.1)
Balance as of December 31, 2021	**191.3**	**212.1**	**(22.3)**	**(19.2)**	**(378.1)**	**(16.2)**	**17.4**	**1.2**
				As of December 31. 2020				
Balance as of January 1, 2020	**188.4**	**186.0**	**(21.9)**	**(19.2)**	**(277.6)**	**55.8**	**16.6**	**72.4**
Net (Loss) income for the period	-	-	-	-	(88.0)	(88.0)	2.2	(85.8)
Other comprehensive income/ (loss)								
Items that will not be reclassified to profit or loss								
Change in actuarial gains and losses	-	-	-	(3.4)	-	(3.4)	-	(3.4)
Tax on items that will not be reclassified to profit or loss	-	-	-	0.0	-	-	-	0.0
Items that will be reclassified to profit or loss								
Currency translation adjustments	-	-	(2.4)	-	-	(2.4)	(1.0)	(3.4)
Other comprehensive income/ (loss), net of tax	**0.0**	**0.0**	**(2.4)**	**(3.4)**	**0.0**	**(5.8)**	**(1.0)**	**(6.8)**
Total comprehensive income/ (loss)	**0.0**	**0.0**	**(2.4)**	**(3.4)**	**(88.0)**	**(93.7)**	**1.2**	**(92.5)**
Transactions with owners								0.0
Capital increase / decrease	2.9	26.0	-	-	-	28.9	-	28.9
Dividend	-	-	-	-	-	-	(1.2)	(1.2)
Others	-	-	-	-	0.2	0.2	(0.2)	(0.0)
Balance as of December 31, 2020	**191.3**	**212.1**	**(24.3)**	**(22.5)**	**(365.4)**	**(8.9)**	**16.5**	**7.6**

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ in millions)	Notes	2021	2020
Cash flows from operating activities			
Net income		(11.3)	(41.7)
Adjustments for income and expenses:		72.5	125.0
Depreciation and amortization expenses	11	45.1	48.0
Impairment of intangible / tangible assets	9	2.4	29.2
Financial income and expenses	13.5	35.9	44.8
Taxes	16.1	12.7	14.9
Other non-cash (expenses) / income, net		(23.6)	(11.9)
Change in working capital		(8.9)	22.4
Income tax paid		(6.3)	(9.6)
Net cash from (used in) operating activities – continued operations		**46.1**	**96.2**
Net cash from (used in) operating activities – discontinued operations	5.2	(30.0)	(16.7)
Net cash from (used in) operating activities		**16.0**	**79.5**
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	11	(21.3)	(15.1)
Acquisitions of intangible assets	11	(4.7)	(2.9)
Proceeds from the sale of non-current assets		2.0	7.1
Impact in consolidation scope change		-	(4.5)
Disposals of business (net of cash divested)		114.8	(0.0)
Change in financial assets and other assets		0.1	(0.0)
Interests received		1.3	1.3
Net cash from (used in) investing activities – continued operations		**92.2**	**(14.1)**
Net cash from (used in) investing activities – discontinued operations	5.2	(5.2)	(0.5)
Net cash from (used in) investing activities		**87.0**	**(14.6)**
Cash flows from financing activities			
Proceeds from issuance of shares		(0.0)	20.0
Proceeds from borrowings	13.1	257.2	120.8
Repayment of borrowings	13.1	(360.3)	(110.6)
Net proceeds from factoring	13.1	21.0	(13.1)
Other changes in financial liabilities		(5.0)	(3.6)
Interest paid		(33.6)	(14.9)
Dividends paid		(1.3)	(0.4)
Net cash from (used in) financing activities – continued operations		**(122.1)**	**(1.7)**
Net cash from (used in) financing activities – discontinued operations	5.2	(5.8)	(13.8)
Net cash from (used in) financing activities		**(127.9)**	**(15.5)**
Cash and cash equivalents at beginning of the period		**80.3**	**49.5**
Change in cash and cash equivalents		16.2	80.5
Change in cash and cash equivalents – discontinued operations		(40.9)	(31.0)
Cash classified as held for sale		(4.5)	(16.5)
Exchange gains (losses) on cash and cash equivalent		0.7	(2.5)
Net Cash and cash equivalents at end of the period		**51.8**	**80.0**
Bank overdraft		0.0	0.3
Cash and cash equivalents at end of the period		**51.8**	**80.3**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. INFORMATION RELATING TO THE COMPANY

Consolis Group S.A.S. (the "Company") is a French company created in 2007. The address of its registered office is 4 Rue du Général Foy, 75008 Paris.

The consolidated financial statements comprise Consolis Group S.A.S. and its subsidiaries. Unless the context indicates otherwise, when we refer to "we", "our", "us", "Consolis", and the "Group" in this document we are referring to Consolis Group S.A.S. and its subsidiaries.

Consolis Group S.A.S. is ultimately owned by Bain Capital at 94.55% as of December 31, 2021. Bain Capital means Bain Capital, L.P. and its affiliates and, where applicable, the funds and limited partnerships managed or advised by them. The remaining part is owned by other investors and management.

Consolis is a European leader in precast concrete solutions providing highly engineered and sustainable solutions for the building and utilities sectors. Together with our customers we create beautiful buildings and infrastructure with the qualities to serve local communities for centuries to come. Well-built for Well-being, that is our reason to be.

We believe in responsible industry leadership, and we are committed to lead the sustainable transformation of our industry.

2. SIGNIFICANT EVENTS OF THE PERIODS PRESENTED

2.1. Significant events that occurred in 2021

Rail activity divestment

On March 31, 2021, Consolis completed the transaction regarding the sale of the Rail division. The total consideration amounted to € 192 million, fully cash-settled on the transaction date. The net gain from the divestment that amounted to €26.6 million is classified as discontinued operations, refer to note 5.2. In accordance with IFRS 5, the Rail business is presented as Discontinued operations in the income statement until March 31, 2021 (refer to Note 5.2).

Civil Works France activities

On April 14, 2021, Consolis received a binding offer from EIM Capital to buy the Civil Works France business. The Civil Works France business of the Consolis consisted mainly of (i) precast concrete drainage products, funeral elements and urban planning business and (ii) precast concrete tunnel elements manufacturing business. The carve out process continued for the entire year of 2021. Closing of the transaction took place after reporting period, refer to Note 23. In accordance with IFRS 5, the Civil Works France business (Drainage and Tunnels) is presented as an Asset held for Sale as well as Discontinued operations in the income statement. Consolis' intention was to use an estimated € 45 million of cash in order for the CWF Business to be self-sufficient between the issue date of the senior secured notes and the completion date of the disposal. In total, including cash injections and expected proceeds from real estate disposal, we expect to be within the previously communicated € 45 million.

Refinancing

On May 7, 2021, Compact Bidco B.V. (the parent company of Consolis Group S.A.S) issued € 300 million Senior Secured Notes (Bonds) listed at The International Stock Exchange "TISE" in Guernsey. The fixed interest on the Bonds is 5.75 percent and the interest is payable twice a year. The Bonds are due on 1.5.2026. The proceeds from the bond emission was cascaded down to Consolis as Shareholder loans.

In conjunction with the bond emission a new loan (PIK Loan) amounting to €50 million were raised by Compact Midco 2 B.V., parent of Compact Bidco B.V. and Consolis, from GSO. The cash was then cascaded to Compact Bidco B.V. by capital injection.

The debt included in the books of Compact Bidco B.V. and a part of the cash from the capital injection of Compact Midco 2 B.V. (via Compact Midco 3 B.V.) was then cascaded down to Consolis through a shareholder financing.

Following the bonds emission and the PIK Loan emission, the previous GSO Loan and the state guaranteed loan in France were reimbursed.

Raw material price increases

During 2021, raw material costs increased and the impact was clearly visible on the results in comparison to previous year. Although Consolis has had a certain protection from indexation and re-negotiations, pricing of new tenders is the primary mitigating tool and pass through mechanism for cost increases. However Consolis has not been able to offset fully raw material cost increase through pricing, which have had a negative impact on our margins.

Covid 19 crisis

The Covid situation, mainly related to constraints on labor during the different waves, continued during 2021 but with a far less impact compared to 2020.

2.2. Significant events that occurred in 2020

Covid 19 crisis

The spread of the Covid-19 pandemic across the world and related containment measures initiated by the governments (including travel bans, border closings and stay-at-home directives) sharply affected economies, notably the construction industry over the year 2020. The Group's operations were impacted with approximately 20 percent of Consolis sites closed in April and May and a gradual restart in June. Despite a rebound in activity during summer season, the decline in construction projects, combined with the implementation of new travel restrictions due to the second wave of the pandemic, notably in Europe, slowed down the recovery over the second semester. At December 31, 2020 all sites were operating at full capacity.

Facing the COVID-19 health crisis, the main concern of Consolis' management has been to protect its employees and safeguard the business. The Group continued to closely monitor the Covid-19 situation and evaluated any potential impacts to production and deliveries, while trying to mitigate via alternative plans when necessary.

In this unprecedented situation, Consolis implemented mitigation measures to adapt its variable costs to the drop in business and preserve its liquidity position, including reduction in SG&A expenses and recurring investments. The Group also benefited from government supports in term of delayed payments of tax and social charge in some countries (mainly in Nordic countries and the Netherlands). Overall, the Group strictly piloted its allocation of resources to maintain its operational performance.

In April 2020, the Group completed a number of initiatives to ensure sufficient financial resources, and notably entered into additional facilities with financial institutions for a total of €40 million (State Guaranteed Loan), benefited from a waiver to pay in kind its financial interest for the last quarter of 2020 and received the support of its ultimate shareholder for €20 million.

New Executive Management

Consolis Supervisory Board announced the appointment of Mikael Stöhr as Chief Executive Officer of the Group, as from third quarter of 2020. Mikael Stöhr has a strong international experience in managing and transforming companies in various sectors. As from December 2020, Mikael Stöhr has set up an Executive Management Team, with a clear intention to focus the Group on strategic Building activities.

In line with the change in the Management Team, segment information was updated to better reflect the Group's strategic shift toward Building activities.

Rail activity divestment

As of December 3, 2020, Consolis received a binding offer for the Rail division. Consolis engaged the social dialogue with employees' representatives.

As of December 2020, this project was subject to the completion social dialogue with employees' representatives, customary antitrust and regulatory approvals. Consolis continues to operate the Rail business until completion of the transaction, that took place at March 31, 2021.

In accordance with IFRS 5, the Rail business is presented as an Asset held for Sale as well as Discontinued operations in the income statement (cf Note 5.2).

Civil Works France activities

At the end of 2020, Consolis considered the launch of a process of disposal, and started to seek a reactive buyer able to maximize the certainty to enter into an agreement and close a transaction in a timely manner. As of December 31, 2020, the interest from potential buyers had been confirmed to Consolis. On this basis, management deems the sale of the French activities as highly probable.

In accordance with IFRS 5, the Civil Works France business (Drainage and

Tunnels) is presented as an Asset held for Sale as well as Discontinued operations in the income statement (cf Note 5.2).

Sites disposals
In 2020, Consolis engaged a large number of initiatives to divest idle industrial sites, in various locations across Europe, mainly France, Lithuania and the Netherlands. Transactions completed as of December 2020 amount to €21 million (selling price – on which €11 million are classified as Discontinued Operations).

Holding reorganzation
In second semester 2020, Consolis launched a reorganization of its holding companies with the intention to simplify and streamline its Corporate structure.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Consolis Group S.A.S and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards ("IFRS") published by the International Accounting Standards Board ("IASB"), as adopted by the European Union as of December 31, 2021.

These consolidated financial statements have been prepared based on the accounting books used for the preparation of the consolidated financial statement.

4. STATEMENT OF COMPLIANCE

Standards and interpretations adopted by the IASB whose application is mandatory as of January 1, 2021

- Amendments to IFRS 16 Leases: Covid-19- Related Rent Concessions beyond June 30, 2021
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9
- IFRIC decision on IAS 19 Attributing Benefit to Periods of Service

These amendments or interpretations do not have a significant impact on the Group's consolidated financial statements.

The Group has also made an assessment of impact from IFRS IC decision published in April 2021 "Configuration or Customisation Costs in a Cloud Computing Arrangement" (IAS 38 "Intangible assets"). This did not have any signifcant impact on the Group's consolidated financial statements.

Standards issued but not yet effective
IFRS 17 Insurance Contracts, effective by January 1, 2023. This standard will not have any material impact on the Group consolidated financial statements.

The following amendments and interpretations are effective for annual periods beginning after January 1, 2022 and have not been early adopted by the Group:

Amendments to IAS 1; IAS 8; IAS 12; IFRS 3; IAS 16; IAS 37; and Annual Improvements 2018-2020

These amendments and interpretations are not expected to have a significant impact on the Group consolidated financial statements.

The Group will review impact on presentation due to amendments to IAS 1.

Significant judgements and estimates
The consolidated financial statements have been prepared using the historical cost convention, except for certain categories of assets and liabilities as indicated, in accordance with IFRS principles.

All consolidated companies have a December 31 year-end, except for entities divested as parts of Civil works France, where the fiscal year was prolonged to March 31 2022. For these entities, the closing per December 2021 was used for consolidation purposes. Unless otherwise stated, the consolidated financial statements are presented in millions of Euros (m€) with one decimal and all amounts are rounded to the nearest hundred thousand. Thus, numbers may not sum precisely due to rounding.

The preparation of financial statements in compliance with IFRS requires the use of certain significant accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Estimates are made based on a going concern assumption and on information available at the date of their preparation. Estimates and judgements are continuously evaluated and are based on management's best knowledge of the relevant facts and circumstances, giving consideration to previous experience and other factors, including expectations about future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances. When the Group makes estimates and assumptions concerning the future, the resulting accounting estimates will, by definition, seldom equal the related actual results and actual results may differ from the amounts included in the consolidated financial statements. These judgment and estimates are made in the uncertain context created by the war in Ukraine.

Key sources of estimation uncertainty which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year include the items presented below:

- **Long term contracts** – percentage of completion is based on the ratio between costs incurred to date and estimated total costs at completion. Revenues are recognized applying a calculated margin to costs incurred. Inaccurate assumptions of total cost will impact the quality of earnings, as this will impact the aplied margin. If the margin is too high, potential losses will be recorded at end of contract. If increases in costs, such as raw material cost, between initial calculation and executing of project are not anticipated there is a risk that onerous contracts are not identified and properly accounted for. To anticipate the increased cost base as we move towards an economic environment with inflation in most markets and a high level of uncertainty due to the war in Ukraine, Consolis have started to work more actively with the markets to ensure that order book, ongoing contract and tenders are reflecting this.
- **Impairment of non-financial assets** – assumptions underlying the estimation of value in use in respect of cash-generating units for impairment testing purposes require the use of estimates such as discount rates (WACC) and long-term growth rates. Using a higher WACC would decrease the value of the CGU, as would a lower long term growth rate. See Note 11.3 "Impairment" for sensitivity analysis on applied assumptions. In 2021, management reassessed the definition of its CGU, moving from segment to country level. This reassessment resulted in a smaller headroom compared to the previous year's test for some markets, but overall the headroom was not impacted.
- **Employee costs and benefits** – liabilities and costs for defined benefit pension plans and other post-employment benefits are determined using actuarial valuations; the actuarial valuations involve making assumptions about discount rates, expected future salary increases and mortality rates which are subject to significant uncertainty due to the long-term nature of such plans. See Note 10 "Employee Benefit expenses".
- **Restructuring provisions and other provisions** – the recognition and measurement of provisions requires an estimate of the expenditure and timing of the settlement. See Note 12 "Provisions".
- **Deferred tax assets** – the recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which the unused tax losses can be utilized. See Note 16 "Income taxes".
- **Covid-19** – assumptions underlying the Covid-19 health and economic crisis and the related impact on the business as well as order intake.
- **Application of IFRS 16** – the calculation of the rights-of-use and lease liabilities required the following judgments and estimates (see Note 15 "Leases"):
  - Discount rate – the discount rate applicable to each lease agreement has been determined by the Group based on the incremental borrowing rate in each location and for each lease term, using estimates, especially regarding the credit spread added to the risk-free rate
  - Lease terms - The Group estimated date up to which it is reasonably certain to remain in the premises, taking into account the facts and circumstances that are specific to each contract.

5. SEGMENT INFORMATION

5.1. Continued Operations

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are reviewed regularly by the Group's chief operating decision maker ("CODM") in order to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete information is available.

Within Consolis, the segments are grouped on a geographical basis, where smaller countries/markets are grouped together with larger countries that share characteristics and/or management. Since 2020, the segments within Consolis are West Nordic, East Nordic, Western Europe, Eastern Europe and Emerging Markets. These segments reflect the internal reporting that is used for review by the Chief Executive Officer in his role as CODM for determining the allocation of resources and assessing performance.

The financial and accounting policies applied to the business lines disclosed as operating segments are similar to those used for the preparation of the consolidated financial statements. Transfer prices between segments are set at an arm's length, in a manner similar for transactions with third parties.

The CODM assesses the performance of the operating segments based on Adjusted EBITDA which is defined as net profit or loss for the period from continued operations before income taxes, finance loss/(income) costs, depreciation and amortization, impairment loss/(reversal), (Profit)/ loss from sale of fixed assets, restructuring and transformation costs, IPO costs and M&A related costs, management equity plan and other items which have been identified as specific and adjusted by virtue of their size, nature or incidence. In determining whether an event or transaction is specific, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

The CODM does not review nor is presented a balance sheet.

West Nordic
Building operations in Sweden, Denmark and Norway. Segment products include hollow core floors, structural elements, stairs, walls and facades. The main activities of the operating segment comprise the design, manufacturing and assembly of non-residential (public buildings, offices, industrial and logistics sites) and residential (multi-family housing) building solutions.

East Nordic
Building operations in Finland and the Baltics. Segment products include hollow core floors, structural elements, stairs, walls and facades. The main activities of the operating segment comprise the design, manufacturing and assembly of non-residential (public buildings, offices, industrial and logistics sites) and residential (multi-family housing) building solutions.

Western Europe
Building operations in the Netherlands, Germany and Spain. Segment products include hollow core floors and structural elements, stairs, walls and facades. The main activities of the operating segment comprise the design, manufacturing (the Netherlands) and assembly of non-residential (public buildings, offices, industrial and logistics sites) building solutions.

Eastern Europe
Building operations in Poland, Romania and Hungary. Segment products include hollow core floors, structural elements, walls and facades. The main activities of the operating segment comprise the design, manufacturing and assembly of non-residential (public buildings, offices, industrial and logistics sites) building solutions.

Emerging Markets
Utilities operations such as pressure pipes used in water supply, irrigation and sewerage systems as well as in power stations. Operations are based in Tunisia, Egypt, Indonesia and France. In Egypt and Indonesia, operations are managed with local partners.

Information by segment

2021	West Nordic	East Nordic	Western Europe	Eastern Europe	Emerging Markets	Central costs and unallocated [3]	Elim	Consolis
(€ in millions)								
Net sales	**401.0**	**238.3**	**256.4**	**88.3**	**122.2**	**-**	**-**	**1,106.1**
Adjusted EBITDA (non-GAAP measure)[1]	7.7	12.5	33.5	6.7	21.0	0.4		81.7
Depreciation and amortization						(45.0)		(45.0)
Profit (loss) from sales of fixed assets						0.4		0.4
Impairment loss						(2.4)		(2.4)
Restructuring costs						(5.3)		(5.3)
Other items[2]						7.9		7.9
Operating income	**7.7**	**12.5**	**33.5**	**6.7**	**21.0**	**(44.0)**		**37.3**
Financial loss						(35.9)		(35.9)
Result before taxes	**7.7**	**12.5**	**33.5**	**6.7**	**21.0**	**(79.9)**		**1.4**
Capex	(4.9)	(2.1)	(9.8)	(1.8)	(4.1)	(3.2)	-	(26.0)
Total assets	235.0	162.3	241.7	63.1	148.2	26.1	-	876.4

[1] Adjusted EBITDA is a non-GAAP measure. For definition, reconciliation and purpose refer to note 24
[2] Mainly related to curtailment gain due to change in pension plans in the Netherlands
[3] The costs below Adjusted EBITDA is not allocated over the segments. This is aligned to how the CODM review the performance of the Group

Note 5, cont.

2020	West Nordic	East Nordic	Western Europe	Eastern Europe	Emerging Markets	Central costs and unallocated	Elim	Consolis
(€ in millions)								
Net sales	**378.5**	**238.8**	**255.7**	**66.2**	**97.5**	**-**	**(20.7)**	**1,036.7**
Adjusted EBITDA (non-GAAP measure)	20.3	15.6	38.2	6.9	13.1	1.2		95.3
Depreciation and amortization						(48.3)		(48.3)
Profit (loss) from sales of fixed assets						6.1		6.1
Impairment loss						(29.2)		(29.2)
Transformation cost						3.1		3.1
Restructuring costs						(8.3)		8.3
Merger & Aqusition related costs						0.6		0.6
Other items						(1.2)		(1.2)
Operating income	**20.3**	**15.6**	**38.2**	**6.9**	**13.1**	**(76.0)**		**18.1**
Financial net						(44.8)		(44.8)
Result before taxes	**20.3**	**15.6**	**38.2**	**6.9**	**13.1**	**(120.8)**		**(26.7)**
Capex	(3.4)	(2.1)	(8.7)	(1.5)	(2.3)	(0.0)	-	(18.0)
Total assets	176.9	176.0	275.2	47.7	130.0	50.8	(1.3)	855.2

Information by geographic region

Net sales	Year ended December 31,	
(€ in millions)	2021	2020
East Nordic Europe	**238.3**	**238.8**
Finland	183.5	182.8
Latvia	20.0	31.8
Estonia	20.9	14.5
Lithuania	13.8	9.6
West Nordic Europe	**401.0**	**378.5**
Sweden	235.4	215.4
Denmark	96.3	94.0
Norway	69.2	69.1
Eastern Europe	**88.3**	**66.2**
Hungary	38.5	26.3
Poland	26.1	21.2
Romania	23.7	18.6

Net sales	Year ended December 31,	
(€ in millions)	2021	2020
Western Europe	**256.4**	**255.7**
Netherlands	173.7	180.2
Spain	65.2	59.4
Germany	17.5	16.1
Emerging Markets	**122.2**	**97.5**
Tunisia	46.5	40.5
Egypt	40.7	32.1
France	22.1	18.7
Indonesia	14.0	4.7
Malaysia	(0.0)	(0.0)
Others	(1.2)	1.5
Total Net Sales[1)]	**1,106.1**	**1,036.7**

[1)] Net sales are based on the origin of the sales (location of the entity generating the external revenue).

Information by customer

The Group does not have any customer that individually accounted for over 10% of its sales in 2021 or 2020.

Note 5, cont.

5.2. Discontinued Operations

Accounting policy

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets or investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale, and:

- represents either a separate major line of business or a geographical area of operations.
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale and the disposal involves loss of control.

In the consolidated financial statements, discontinued operations are presented as follows:

- The assets held for sale and associated liabilities are presented separately from the Group's other assets and liabilities on specific lines in the consolidated statement of financial position as of December 31, 2021 and 2020. They have been measured at the lower of their carrying amount and fair value less costs to sell. As of December 31, 2021 and 2020, a comparison of these two amounts did not reveal the need for any additional impairment.
- The net profit for the year is reported on a separate line in the consolidated income statement under "Net profit or loss from discontinued operations", and items of comprehensive income are presented separately.
- Cash flows are presented on separate lines in the consolidated statement of cash flow.
- Net result from divestment of Rail operations is included in "Net profit or loss from discontinued operations" .The detail of assets and liabilities classified as held for sale at December 31, 2021 and 2020 and their contribution to the Group's consolidated net profit and cash flows for the years 2021 and 2020 are presented below.
- When preparing the financial statements, management adopted the following approach on the footnotes relating to the financial position for the year ending December 31, 2021 and 2020. In roll forward tables, each line item such as additions/acquisitions or reductions/reversals reflects the operations of the Group as a whole, with the exception of the net in/(out) flows related to the discontinued operations as at December 31, 2020 which are isolated in a separate line.

Note 5, cont.

A. Rail operations

As described in Note 2.1 "Significant events that occurred in 2021" Rail operations were divested as of March 31, 2021. Results and cash flow from rail operations have been effecting the net income and cashflow for the period January 1, 2021 until March 31, 2021. Net gain from the divestment, amounting to € 26.6 million is included on the line item NET PROFIT / (LOSS) from discontinued operations.

As described in Note 2.2 "Significant events that occurred in 2020", the Group had entered on December 3, 2020 into a binding sales agreement for its Rail division.

Following this agreement and as those operations constitute a separate major line of business as defined by the standard, the Group considerd that the conditions for applying IFRS 5 "Non-current assets held for sale and Discontinued operations" have been met. Assets and liabilities related to the Rail operations (excluding Sateba Maroc Srl, which is not included in the transaction) have been classified as held for sale as of December 31, 2020. Accordingly, it is reported as a discontinued operation in the statement of income and statement of cash-flows.

Rail Consolidated statement of financial position

	As of December 31,
(€ in millions)	2020
ASSETS	
Goodwill	79.0
Intangible assets	3.8
Property, plant and equipment	76.5
Investments in associates	0.4
Long-term financial assets including derivative assets	0.1
Other non-current assets	2.1
Deferred tax assets	0.5
TOTAL NON-CURRENT ASSETS	**162.2**
Inventories	27.0
Accounts receivables and other receivables	15.6
Current tax receivables	0.8
Other current assets	1.2
Cash and cash equivalents	15.2
TOTAL CURRENT ASSETS	**59.7**
TOTAL ASSETS	**222.0**
LIABILITIES	
Non-current financial debts	80.3
Employee benefit obligations	4.8
Non-current provisions	2.2
Deferred tax liabilities	4.5
TOTAL NON-CURRENT LIABILITIES	**91.8**
Current financial debts	3.0
Accounts payables and other liabilities	38.7
Current provisions	0.0
Income tax payables	0.6
TOTAL CURRENT LIABILITIES	**42.3**
TOTAL LIABILITIES	**134.0**

Rail Consolidated statement of income

(€ in millions)	2021	2020
Net sales	43.8	188.2
Production cost of goods sold	(28.2)	(129.7)
SALES MARGIN	**15.5**	**58.5**
Production overheads	(5.7)	(18.7)
Sales and marketing costs	(0.7)	(2.5)
Administrative costs	(4.5)	(12.7)
Research and development costs	(0.4)	(1.0)
OPERATING INCOME FROM ORDINARY ACTIVITIES	**4.7**	**23.6**
Other income and expenses from operations	0.0	(5.7)
OPERATING INCOME	**4.7**	**17.9**
Financial (loss) / income	(0.9)	(8.8)
Share of profit of associates	-	0.2
Income taxes	(1.1)	(1.6)
NET PROFIT / (LOSS)	**2.7**	**7.7**

Rail Consolidated statement of cash flows

	Year ended December 31,	
(€ in millions)	2021	2020
Cash flows from operating activities		
Net income	2.7	7.7
Adjustments for income and expenses:	1.9	17.4
Depreciation and amortization expenses	-	8.5
Impairment of intangible / tangible assets	-	0.1
Financial income and expenses	0.9	8.8
Share of profit of associates and joint-ventures	-	(0.2)
Taxes	1.1	1.6
Other non-cash (expenses) / income, net	(0.0)	(1.6)
Change in working capital	(1.3)	4.3
Income tax paid	(0.6)	(1.6)
Net cash from (used in) operating activities	**2.7**	**27.7**
Cash flows from investing activities		
Purchase of Property, Plant and Equipment	(1.5)	(7.8)
Acquisitions of intangible assets	-	(0.0)
Proceeds from the sale of non-current assets	0.0	0.1
Impact in consolidation scope change	-	-
Disposals of business (net of cash divested)	-	(0.0)
Change in financial assets and other assets	-	-
Change in loan receivables	-	-
Dividends received	0.0	0.1
Interests received	0.0	0.1
Net cash from (used in) investing activities	**(1.4)**	**(7.6)**
Cash flows from financing activities		
Proceeds from issuance of shares	0.0	0.1
Proceeds from borrowings	0.1	(0.0)
Repayment of borrowings	(0.9)	(2.6)
Net proceeds from factoring	1.4	(0.8)
Other changes in financial liabilities	(0.2)	-
Interest paid	(0.3)	(2.5)
Dividends paid	-	(0.7)
Net cash from (used in) financing activities	**0.1**	**(6.5)**
Net cash flow	**1.4**	**13.6**

Note 5, cont.

B. Civil Works France (Drainage and Tunnels)

On April 14, 2021, Consolis received a binding offer from EIM Capital to buy the Civil Works France business. The carve out process continued for the entire year of 2021, but the transaction was not closed as of December 31, 2021. Closing did take place after the reporting period but before issuance of the financial statements, hence management's assessment was that the probability of the sale remained high.

In accordance with IFRS 5, these activities are presented as an Asset held for Sale as well as Discontinued operations in the income statement.

These operations constitute a separate major line of business as defined by the standard, the Group considers that the conditions for applying IFRS 5 "Non-current assets held for sale and Discontinued operations" have been met. Assets and liabilities related to the Drainage and Tunnel operations were classified as held for sale from December 31, 2020. Accordingly, it was reported as a discontinued operation in the statement of income and statement of cash-flows.

Civil Works France Consolidated statement of financial position

	As of December 31,	
(€ in millions)	2021	2020
ASSETS		
Goodwill	-	0
Intangible assets	0.0	0.0
Property, plant and equipment	0.9	0.7
Investments in associates	-	-
Long-term financial assets including derivative assets	0.4	2.1
Other non-current assets	-	-
Deferred tax assets	1.2	-
TOTAL NON-CURRENT ASSETS	**2.6**	**2.9**
Inventories	21.0	18.2
Accounts receivables and other receivables	21.4	43.5
Current tax receivables	0.0	0.3
Other current assets	1.7	4.7
Cash and cash equivalents	4.5	1.4
TOTAL CURRENT ASSETS	**48.6**	**68.1**
TOTAL ASSETS	**51.2**	**71.0**
LIABILITIES		
Non-current financial debts	3.5	4.5
Employee benefit obligations	5.8	6.8
Non-current provisions	21.2	20.9
Deferred tax liabilities	0.3	0.2
TOTAL NON-CURRENT LIABILITIES	**30.8**	**32.4**
Current financial debts	2.0	2.5
Accounts payables and other liabilities	43.8	73.2
Current provisions	12.5	14.5
Income tax payables	0.4	0.0
TOTAL CURRENT LIABILITIES	**58.7**	**90.2**
TOTAL LIABILITIES	**89.5**	**122.6**

Civil Works France Consolidated statement of income

(€ in millions)	2021	2020
Net sales	119.5	133.5
Production cost of goods sold	(98.8)	(132.1)
SALES MARGIN	**20.7**	**1.4**
Production overheads	(6.3)	(17.6)
Sales and marketing costs	(9.5)	(8.6)
Administrative costs	(9.9)	(13.0)
Research and development costs	(0.6)	(0.2)
OPERATING INCOME FROM ORDINARY ACTIVITIES	**(5.5)**	**(38.0)**
Other income and expenses from operations	(22.7)	(11.3)
OPERATING INCOME	**(28.2)**	**(49.0)**
Financial (loss) / income	(2.4)	(1.8)
Income taxes	0.3	(0.9)
NET PROFIT / (LOSS)	**(30.3)**	**(51.7)**

Civil Works France Consolidated statement of cash flows

	Year ended December 31,	
(€ in millions)	2021	2020
Cash flows from operating activities		
Net income	(30.3)	(51.7)
Adjustments for income and expenses:	7.6	13.7
Depreciation and amortization expenses	-	8.4
Impairment of intangible / tangible assets	9.5	23.0
Financial income and expenses	2.4	1.8
Share of profit of associates and joint-ventures	-	-
Taxes	(0.3)	0.9
Other non-cash (expenses) / income, net	(3.9)	(20.4)
Change in working capital	(9.9)	(6.0)
Income tax paid	(0.2)	(0.5)
Net cash from (used in) operating activities	**(32.8)**	**(44.4)**
Cash flows from investing activities		
Purchase of Property, Plant and Equipment	(5.5)	(3.5)
Acquisitions of intangible assets	(1.6)	(1.5)
Proceeds from the sale of non-current assets	2.3	12.1
Impact in consolidation scope change	0.0	-
Disposals of business (net of cash divested)	(0.0)	0.0
Change in financial assets and other assets	1.1	(0.0)
Change in loan receivables	0.1	(0.0)
Dividends received	-	-
Interests received	0.0	0.0
Net cash from (used in) investing activities	**(3.7)**	**7.1**
Cash flows from financing activities		
Proceeds from issuance of shares	-	(0.0)
Proceeds from borrowings	-	(0.1)
Repayment of borrowings	(4.0)	(4.6)
Net proceeds from factoring	(0.1)	0.0
Other changes in financial liabilities	(0.9)	(0.4)
Interest paid	(0.9)	(2.3)
Dividends paid	-	-
Net cash from (used in) financing activities	**(5.9)**	**(7.3)**
Net cash flow	**(42.4)**	**(44.6)**

6. FINANCIAL RISK MANAGEMENT

6.1. Capital Management - Balance sheet structure and cost of capital

The balance sheet and capital structure of the Group should be maintained strong enough to ensure the Group's ability to fund its operations in all business conditions. The Chief Financial Officer is responsible for the equity and interest bearing liabilities structure of the Group companies. Group Treasury supports the Chief Financial Officer in this task. The Group does not set separate equity ratio or gearing targets to its subsidiaries but it takes into account the specific local conditions of each of them.

The Group companies are responsible for optimizing return on the capital employed. Group Treasury is responsible for minimizing the cost of external debt with respect to the limits defined in the financing and interest rate risk management principles of the Treasury Policy.

6.2. Currency risk management

The Group has operations in several countries, mainly in Europe. The Group entities operate to a large extent in their local markets and, consequently, purchases and sales are mainly denominated in their own local currency. The objective of the foreign exchange risk management is to mitigate the adverse effects caused by fluctuations in exchange rates on the Group's cash flows and earnings.

In the course of its operations, the Group is exposed to currency risk in commercial tenders in foreign currency, awarded contracts and any future cash-out transactions in foreign currency.

Currency risk management is centralized at Group Treasury level, which is the counter party of the subsidiaries in the hedging operations. The subsidiaries are responsible for identifying and hedging their positions with Group Treasury and Group Treasury is responsible for identifying and hedging the consolidated net position. The most significant currency exposures relate to operations in:

- Europe with British Pound (GBP) until Rail divestment in March 2021, Danish Krone (DKK), Hungarian Forint (HUF), Norwegian Krone (NOK), Polish Zloty (PLN), Romanian Leu (RON) and Swedish Krona (SEK)
- Emerging markets countries with Egyptian Pound (EGP), Indonesian Rupiah (IDR), Moroccan Dirham (MAD) and Tunisian Dinar (TND), Malaysian Ringgit (MYR).

Hedging activities are focused on the transaction risk exposure arising from assets and liabilities denominated in other currencies than the functional currency. The Group does not hedge its conversion exposure. Even if the overall foreign exchange currency exposure is limited, the Group uses foreign exchange forward and option contracts (calls and/or puts) when needed to hedge a foreign exchange risk on some specific transactions. The Group does not apply hedge accounting.

As of December 31, 2021, all of these contracts also had a maturity of less than twelve months and their market values were nil, €0.0 million (0.0).

For the periods ended December 31, 2021 and 2020, a currency appreciation of 10 percent would have impacted net sales by:

(€ in millions)	2021	2020
Change in EUR exchange rate	+/-10%	+/-10%
Impact on sales	+/- 58.9	+/- 52.4

The sensitivity analysis is based on net sales denominated in currency other than Euro. Thus, the sensitivity analysis excludes future exposures (for example forecasted highly probable contracted future cash flows or other forecasted currency cash flows). The reasonable possible change in exchange rates has been estimated to 10 percentage points in the value of the euro against the local currencies.

The following table summarizes the principal exchange rates that have been used for translation purposes.

		Consolidated statement of income (Average rate)	
Country	In EUR	2021	2020
Great Britain	GBP – British Pound	0.86	0.89
Denmark	DKK – Danish Krone	7.44	7.45
Hungary	HUF – Hungarian Forint	358.52	351.25
Norway	NOK – Norwegian Krone	10.16	10.72
Poland	PLN – Polish Zloty	4.57	4.44
Romania	RON – Romanian Leu	4.92	4.84
Sweden	SEK – Swedish Krona	10.15	10.48
Egypt	EGP – Egyptian Pound	18.57	18.07
Indonesia	IDR – Indonesian Rupiah	16,920.72	16,627.37
Maroc	MAD – Moroccan Dirham	10.63	10.82
Tunisia	TND – Tunisian Dinar	3.29	3.20
Malaysia	MYR – Malaysian Ringgit	4.90	4.80

		Consolidated statement of financial position (Closing rate)	
Country	In EUR	2021	2020
Great Britain	GBP – British Pound	0.84	0.90
Denmark	DKK – Danish Krone	7.44	7.44
Hungary	HUF – Hungarian Forint	369.19	363.89
Norway	NOK – Norway Kroner	9.99	10.47
Poland	PLN – Poland Zloty	4.60	4.56
Romania	RON – Romanian Leu	4.95	4.87
Sweden	SEK – Swedish Krona	10.25	10.03
Egypt	EGP – Egyptian Pound	17.80	19.32
Indonesia	IDR – Indonesian Rupiah	16,100.42	17,240.76
Maroc	MAD – Moroccan Dirham	10.48	10.92
Tunisia	TND – Tunisian Dinar	3.26	3.29
Malaysia	MYR – Malaysian Ringgit	4.72	4.93

Note 6, cont.

6.3. Interest rate risk management

The Group's interest rate risk arises from uncertainty created by changes in interest rates affecting the value of the Company, cash flows and financial expenses. The management of interest rate risk is the responsibility of the Group Treasury.

Interest rate sensitivities

		Interest rate sensitivity	
(€ in millions)	Net debt	+1.0%	-1.0%
As of December 31, 2021	407.2	1.2	(0.8)
As of December 31, 2020	446.4	1.2	(0.8)

The net debt is composed by interest-bearing debt less cash and cash equivalents.

6.4. Liquidity risk management

Liquidity risk arises when the finance sources available for a company are insufficient for covering business operations or when funding would turn out to be unreasonably costly. To manage this risk, the Group aims at building and maintaining long-term relationships with financial institutions, balancing the debt maturities over different periods and limiting the concentration over a limited number of financial institutions.

The additional working capital and investment financing needs are covered by committed facilities.

The Group follows up its liquidity on a regular basis and prepares Group-wide liquidity forecasts to monitor cash available at all time. As of December 31 Cash and cash equivalents amounted to € 51.8 million (80.3)

The Group's forecasts and projections, taking into account reasonably possible changes in operating performance, indicate that the Group has sufficient financial resources, together with assets that are expected to generate free cash flow to the Group. As a consequence, the Group has reasonable expectation to be well placed to manage its business risks and to continue in operational existence for the foreseeable future (at least for the twelve month period starting from April 7, 2022). Accordingly, the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

6.5. Credit risk management

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or a customer contract, leading to a loss.

Credit risk arises in Group's normal business activities and is on the responsibility of the Group's operative companies. In order to manage the credit risks related to financial transactions, the Group operates with those counter parties that have sufficient credit ratings and uses highly liquid instruments. In various countries, an insurance has been subscribed with some leading credit insurance companies.

6.6. Inflation risk management

The cost for components used in the production process such as raw material (for example steel and cement), labor and energy prices are all impacted by the inflationary environment that have been increasing during 2021. The prices are expected to further increase during 2022.

In an inflationary environment, it is important for Consolis to have rigorous processes for its cost calculations encompassing updated cost assumptions, as well as to use appropriate commercial terms with various cost pass-through mechanisms, to protect profit margins.

7. CONSOLIDATION SCOPE

7.1. Consolidation methods

Accounting policy

Subsidiaries

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated, including all of their assets, liabilities, revenues and expenses from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The allocation of the profit for the period attributable to equity holders of the parent company and non-controlling interests are presented separately in the income statement. In the balance sheet, the non-controlling interests are also disclosed as a separate equity line item.

All transactions and balances between consolidated companies, as well as intra-group profits (including dividends), are eliminated.

Associates and joint ventures

Investments in associates
An associate is an entity over which the Group has significant influence (which is presumed when the Group holds voting interests over 20%).

The results, assets and liabilities of associates are incorporated to the consolidated financial statements using the equity method. The Group share in the net income of an associate company is recognized on a separate line "Share of profit of associates" in the consolidated statement of income.

Investments in such entities are recorded on the basis of the acquisition cost, adjusted for the Group Share of the profits and other changes in the shareholders' equity of the entity arising after the acquisition and reduced by impairment losses, if any.

When the Group shares in an associate incurred losses exceeds its interest value in the associate, the Group's carrying amount is zero and no further losses are recognized except to the extent that the Group has legal or constructive obligations towards the associate or made any payment on its behalf.

Arrangements
According to IFRS 11, there are two types of joint arrangements: joint operations and joint ventures.
- Joint operations: The Group recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. French « Sociétés En Participations » (SEP) within the Group are considered as joint operations.
- Joint ventures: A joint venture is a joint arrangement in which the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

Note 7, cont.

Foreign currency translation

(a) Translation of foreign companies' financial statements
Functional currency is the currency of the primary economic environment in which a reporting entity operates, which in most cases, corresponds to the local currency. However, some reporting entities may have a functional currency different from local currency when that other currency is used for the entity's main transactions and faithfully reflects its economic environment.

In preparation of the consolidated financial statements, the income statement and cash flow of those foreign subsidiaries whose functional currency is other than euro are translated into euro applying the average exchange rate from the period (if no significant change during the period). Their balance sheets are translated at the closing rate from the balance sheet date.
All translation differences arising from the consolidation of foreign subsidiaries are presented in other comprehensive income. If an interest in a foreign entity is disposed, the conversion differences shown in the equity are recognized in the income statement as part of the gain and loss on the sale.

(b) Goodwill arising from foreign acquisitions
Goodwill and fair value adjustments arising on acquisitions of foreign operations are treated as part of the foreign operations assets and liabilities and are translated using the closing rate of the period.

(c) Conversion of foreign currency transactions
Transactions in foreign currencies are translated at the rate prevailing on the date the transaction occurs between the functional currency of the reporting unit and the foreign currency at the date of the transaction.
At the end of the accounting period, currency units held, assets to be received and liabilities to be paid resulting from those transactions are translated at the closing exchange rate.

Gains and losses resulting from transactions in foreign currencies and translation of monetary items are recognized in the income statement. Other foreign exchange gains and losses are presented as financial income and expenses.

7.2. Acquisitions

Accounting policy

Business combinations are recorded in accordance with IFRS 3, by applying the acquisition method.

The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred and liabilities incurred by the acquirer at the acquisition date,
- equity instruments issued by the buyer,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The costs directly attributable to the acquisition are recorded as expenses during the period in which they are incurred.
Goodwill arising from a business combination is measured as:

- the fair value of the consideration transferred for an acquire
- plus the amount of any non-controlling interests of the acquire and
- plus the fair value of any pre-existing equity interest in the subsidiary and
- less the net fair value of the identifiable assets acquired and liabilities assumed at the acquisition date
- initial estimates of consideration transferred and fair values of assets acquired and liabilities assumed are finalized within twelve months after the date of acquisition and any adjustments are accounted for as retroactive adjustments to goodwill if they reflect conditions that pre-existed at the acquisition date. Beyond this twelve-month period, any adjustment is directly recognized in the income statement.

Goodwill is expressed in the functional currency of the foreign operation or grouping of operations and is translated at the closing rate in the Group financial statements (IAS 21).

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as of the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financing under comparable terms and conditions.

Earn-outs are initially recorded at fair value. Earn-out that meet the definition of financial liabilities are subsequently remeasured at fair value and subsequent changes of fair value are recorded in profit or loss.

Any acquisition or disposal of an investment that does not affect control and takes place after the business combination is considered as a transaction between shareholders and must be recorded directly in equity in application of IFRS 10.

In case of a step-acquisition that leads to the Group acquiring control of the acquiree, the equity interest previously held by the Group is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in profit or loss.

Note 7, cont.

As of December 31, 2021 and 2020, the scope of consolidation was as follows:

		2021		2020	
Group Companies	Country	Ownership % Group	Consolidation Method	Ownership % Group	Consolidation Method
Consolis Group SAS (formerly Consolis Holding SAS)	France	100.00 %	Parent company	100.00 %	Parent company
Addtek Holding International AB	Sweden	100.00 %	Full	100.00 %	Full
Addtek International AB	Sweden	100.00 %	Full	100.00 %	Full
AESIS Sarl (i)	France	100.00 %	Full	99.99 %	Full
ASA Cons Romania SRL	Romania	100.00 %	Full	100.00 %	Full
ASA Èpítoipari Kft	Hungary	100.00 %	Full	100.00 %	Full
OÜ House Holding	Estonia	100.00 %	Full	100.00 %	Full
BBMP SA	Tunisia	89.23 %	Full	89.23 %	Full
Betonika UAB	Lithuania	100.00 %	Full	100.00 %	Full
Betonimestarit Invest Oy	Finland	100.00 %	Full	100.00 %	Full
Bonna Genève SA	Swiss	99.99 %	Full	99.99 %	Full
Bonna Sabla SA (i)	France	99.99 %	Full	99.99 %	Full
Bonna Sabla SNC (i)	France	-	-	99.99 %	Full
Bonna Travaux Pression	France	99.99 %	Full	99.99 %	Full
Bonna Tunisie SA	Tunisia	91.03 %	Full	91.03 %	Full
Bouwstoffen Industrie Weurt B.V	The Netherlands	100.00 %	Full	100.00 %	Full
CES OÜ	Estonia	100.00 %	Full	100.00 %	Full
CES Romania Srl	Romania	100.00 %	Full	100.00 %	Full
Concrete Iberia Holding S.L.U	Spain	100.00 %	Full	100.00 %	Full
Condita GmbH	Germany	100.00 %	Full	100.00 %	Full
CES Polska Sp. z o.o.	Poland	100.00 %	Full	100.00 %	Full
Consolis Denmark A/S	Denmark	100.00 %	Full	100.00 %	Full
Consolis Elements Sverige AB	Sweden	100.00 %	Full	-	-
Consolis Finance SAS	France	100.00 %	Full	100.00 %	Full
Consolis Hormifuste SA	Spain	-	-	84.99 %	Full
Consolis International SAS	France	100.00 %	Full	100.00 %	Full
Consolis Latvija SIA	Latvia	100.00 %	Full	100.00 %	Full
Consolis Malaysia Sdn. Bhn	Malaysia	100.00 %	Full	100.00 %	Full
Consolis Netherlands BV	The Netherlands	100.00 %	Full	100.00 %	Full
Consolis Oy Ab	Finland	100.00 %	Full	100.00 %	Full
Consolis Polska Sp. z o.o.	Poland	100.00 %	Full	100.00 %	Full
Consolis Rail International SAS (ii)	France	-	-	100.00 %	Full
Consolis SAS	France	100.00 %	Full	100.00 %	Full
DW Beton GmbH	Germany	100.00 %	Full	100.00 %	Full
DW Schwellen GmbH (ii)	Germany	-	-	100.00 %	Full
DW Systembau GmbH	Germany	100.00 %	Full	100.00 %	Full
E-Betoonelement OÜ	Estonia	100.00 %	Full	100.00 %	Full
ECPC Plc	Egypt	60.00 %	Full	60.00 %	Full
Forssells Prefab AB	Sweden	-	-	100.00 %	Full
Leenstra Machine en Staalbouw B.V.	The Netherlands	100.00 %	Full	100.00 %	Full
MPB SAS (i)	France	99.99 %	Full	99.99 %	Full
Nebi Verkoopmaatschappij B.V.	The Netherlands	100.00 %	Full	100.00 %	Full
OOO Betoonelement SpB	Russia	100.00 %	Full	100.00 %	Full
Parastek Holding Oy	Finland	100.00 %	Full	100.00 %	Full
Parma Oy	Finland	100.00 %	Full	100.00 %	Full
Parma Rail Oy (ii)	Finland	-	-	100.00 %	Full
Philbert Tunisie SA	Tunisia	91.71 %	Full	91.71 %	Full
Prefabricados Tecnyconta S.L	Spain	100.00 %	Full	100.00 %	Full
PT Bonna Indonesia	Indonesia	50.99 %	Full	50.99 %	Full
Rajaville Oy	Finland	100.00 %	Full	100.00 %	Full
Sateba Maroc Srl	Morocco	100.00 %	Full	100.00 %	Full
Sateba SA (ii)	France	-	-	98.34 %	Full

Note 7, cont.

		2021		2020	
Group Companies	Country	Ownership % Group	Consolidation Method	Ownership % Group	Consolidation Method
Satepor (ii)	Portugal	-	-	51.14 %	Full
SBC Rail (ii)	Great Britain	-	-	99.99 %	Full
SEN SAS (i)	France	99.99 %	Full	99.99 %	Full
SIA Consolis Elements	Latvia	100.00 %	Full	100.00 %	Full
Siteba SA (ii)	France	-	-	49.17 %	Equity
Spaencom A/S	Denmark	100.00 %	Full	100.00 %	Full
Spaencom Betonfertigteile GmbH	Germany	99.99 %	Full	99.99 %	Full
Spaencom Betonfertigteile Verwaltungs GmbH	Germany	100.00 %	Full	100.00 %	Full
Spanbeton B.V.	The Netherlands	100.00 %	Full	100.00 %	Full
Spanbeton N.V.	Belgium	100.00 %	Full	65.06 %	Full
Spanbeton Onroerend Goed B.V.	The Netherlands	100.00 %	Full	100.00 %	Full
Spenncon A/S	Norway	100.00 %	Full	100.00 %	Full
Spenncon Rail AS (ii)	Norway	-	-	100.00 %	Full
Stanton Bonna Plc (ii)	Great Britain	-	-	99.99 %	Full
Strängbetong AB	Sweden	100.00 %	Full	100.00 %	Full
Strängbetong Rail AB (ii)	Sweden	-	-	100.00 %	Full
Strängbetong Rail Holding AB	Sweden	100.00 %	Full	100.00 %	Full
Swetrak OÜ (ii)	Estonia	-	-	100.00 %	Full
T.C.R. SAS	France	99.99 %	Full	99.99 %	Full
Tonful AB	Sweden	100.00 %	Full	100.00 %	Full
Tonful Oy	Finland	100.00 %	Full	100.00 %	Full
Tubo Fabrega SA	Spain	99.99 %	Full	99.99 %	Full
UAB Swetrak (ii)	Lithuania	-	-	60.00 %	Full
VBI Huissen B.V.	The Netherlands	100.00 %	Full	100.00 %	Full
VBI Kampen B.V.	The Netherlands	100.00 %	Full	100.00 %	Full
VBI Ontwikkeling B.V.	The Netherlands	100.00 %	Full	100.00 %	Full
VBI Oss B.V.	The Netherlands	100.00 %	Full	100.00 %	Full
VBI Schuilenburg B.V.	The Netherlands	100.00 %	Full	100.00 %	Full
VBI Verkoopmaatschappij B.V.	The Netherlands	100.00 %	Full	100.00 %	Full
VBI Verenigde Bouwprodukten Industrie B.V	The Netherlands	100.00 %	Full	100.00 %	Full
Verbin Baufertigteile GmbH	Germany	100.00 %	Full	100.00 %	Full
Waalwijk Elementen Betonindustrie B.V	The Netherlands	100.00 %	Full	100.00 %	Full
WPS SA (ii)	Poland	-	-	100.00 %	Full
ZAO Parastek Beton	Russia	100.00 %	Full	100.00 %	Full

Certain entities are not consolidated due to the limited information available and the reduced size of their operations.

(i) Classified as held for sale and divested in January 2022
(ii) Divested together with Rail disposal in March 2021

8. OPERATING PERFORMANCE

8.1. Net sales

Accounting policy

The Group has two types of contracts: (1) contracts for customized projects that combine one or more of, design (customizing of precast concrete elements or design of project structure), manufacturing and assembly services, which satisfied performance obligations over time (referred to herein as "**custom contracts**"), and (2) contracts for the sale of standardized finished manufactured products, which satisfied obligations at a point in time (referred to herein as "**standard product contracts**").

For custom contracts, the Group determined that it generally transfers control of products manufactured and services performed over time as the products / services do not have an alternative use and the Group has an enforceable right to payment for the work performed in the event the contract is terminated by the customer for reasons other than the Group's failure to perform its obligations. As a result, the Group recognizes revenue on custom contracts over time, applying the cost-to-cost method. For each custom contract, the Group establishes a project budget, which is reviewed and updated at regular intervals or otherwise as necessary, and budget changes could impact the rate of revenue recognition. Custom contracts' duration is generally comprised between three months and two years. The customer is invoiced based on a calendar defined in the contract based on technical milestones of the project.

For standard product contracts, revenue is recognized at a point in time, typically upon a product's shipping or delivery, which is when ownership of the product is transferred to the customer according to the relevant contract's terms. Most of the Group's standard product contracts provide for transfer of ownership upon delivery.

The Group recognizes contract revenue on a gross basis, as Group subsidiaries act as principals on their respective contracts and the vast majority of activities related to contract performance are performed in-house, including substantially all design and manufacturing activities. While certain product components may be purchased externally or certain activities, such as assembly, may be subcontracted, they generally represent an insignificant portion of the contract's value and the budgeted costs of contract performance.

The Group does not incur significant cost of obtaining customer contracts.

The Group's contract composition by segment is summarized below.

Identification of performance obligations

The Group evaluated its custom contracts to identify the number of distinct performance obligations in the contracts and determined that each custom contract only has a single performance obligation. According to IFRS 15, performance obligations under a contract are not to be separated where the goods or services under the contract are not distinct.

The Group's custom contracts relate to a project, which in turn relates to the construction or development of a single comprehensive asset. Further, the Group does not offer design, delivery or assembly services on standalone basis, but only in conjunction with its custom product manufacturing. When projects include these services, each service (design, manufacturing, delivery then assembly, in this order) cannot be performed without the following one and vice versa. The risks of performing each phase are not separable from the risks of performing the other phases of each project. There is no stand-alone price for each service given the specificity of each phase of the project. Contracts include a price for the project as a whole. Further, the Group's contracts do not entitle customers to terminate the contract at the end of a single phase and a contract's phases are typically highly interdependent, in that one phase is a direct prerequisite of another.

The Group's guarantees or warranties have also generally been considered to be part of the overall performance obligation because, in the vast majority of cases, the guarantees or warranties are based on industry standard quality and compliance standards that apply to the project overall, rather than a single phase or component of a project.

On the other hand, the Group records a separate performance obligation under standard product contracts for each product to be delivered to the customer, since each product delivered has a specific price, the products can typically be purchased from other entities and the products can typically be used in combination with other readily available products and there is no transformative relationship between the products promised in the contract. With respect to these contracts, the price allocated to each product is defined in the contract and corresponds to the market price of the product. Consequently, the Group has no need to reallocate the contract price from one performance obligation to another.

There is no financing component in the contracts as the time between revenue recognition and payment is typically short.

Note 8, cont.

The Group has recognized €1,106.1 million (1,036.7) relating to sales of finished goods and construction contracts for continued operations. Group revenue by segment is described in Note 5 "Segment Information".

The Group's net sales increased by 7 percentage in 2021, due to a broad based post-pandemic recovery.

Remaining performance obligations pursuant to customer contracts for continuing operations

	As of December 31,	
(€ in millions)	2021	2020
East Nordic Europe	202.9	115.1
West Nordic Europe	391.6	307.1
Eastern Europe	34.4	22.3
Western Europe	136.9	111.6
Elimination	(24.9)	(15.4)
Building	**741.0**	**540.7**
Emerging Markets	**100.1**	**46.4**
Others businesses	**(0.0)**	**0.0**
Committed at the reporting date	**841.1**	**587.1**

Remaining performance obligations pursuant to customer contracts is an IFRS 15 metric.

8.2. Operating income and expenses

Analysis of operating income and expenses for continuing operations

	Year ended December 31,	
(€ in millions)	2021	2020
Production costs	(611.8)	(550.4)
Personnel costs	(249.2)	(232.3)
Depreciation and Amortization	(27.3)	(29.5)
Production cost of goods sold	**(888.3)**	**(812.2)**
Overhead costs	(36.2)	(38.1)
Personnel costs	(31.2)	(30.5)
Depreciation and Amortization	(8.6)	(9.8)
Other	(0.1)	(0.3)
Production overheads	**(76.1)**	**(78.7)**
Sales and marketing costs	(3.9)	(3.1)
Personnel costs	(22.7)	(20.9)
Depreciation and Amortization	(2.5)	(2.6)
Sales and marketing costs	**(29.2)**	**(26.6)**
Administrative costs	(33.2)	(35.0)
Personnel costs	(32.4)	(26.2)
Depreciation and Amortization	(5.9)	(5.6)
Other	0.5	0.0
Administrative costs	**(70.9)**	**(66.9)**
Research and development costs	(0.7)	(0.9)
Personnel costs	(3.4)	(3.6)
Depreciation and Amortization	(0.7)	(0.8)
Research and development costs	**(4.9)**	**(5.2)**

The Company capitalized certain research and development costs in accordance with IAS38 "Intangible assets" for a total of €0.8 million (2.2).

8.3. Working capital

Analysis of change in net working capital items

	As of December 31,	
(€ in millions)	2021	2020
(-) Change in inventories	(18.7)	54.0
(-) Change in accounts receivables, other receivables and contract assets	(39.6)	111.7
(-) Change in other current assets	2.1	1.9
(+) Change in accounts payables and other liabilities	38.4	(158.8)
(+) Change in current provisions	(2.7)	(22.2)
(-) Change in adjustments for working capital items	2.7	0.1
(+) Change in adjustments for non-working capital items[1)]	(3.9)	20.6
Change in working capital on BS	**(21.7)**	**7.4**
(-) Discontinued operation cash flow	-	1.6
(-) Adjustments for non cash elements	12.8	13.4
Change in working capital on CFS	**(8.9)**	**22.4**

[1)] Adjustments for non-working capital items include mainly (i) current financial assets, mainly the short-term portion of accounts receivable originally withheld for longer than one year, which are recorded in other current assets on the Group's balance sheet, (ii) restructuring-related provisions, mainly related to factory closings, which are recorded in current provisions on the Group's balance sheet, (iii) accrued financial income, which are recorded in other current assets on the Group's balance sheet, (iv) dividends payable, which are recorded in accounts payable and other liabilities on the Group's balance sheet, and (v) restructuring-related accruals, mainly related to factory closing-related severance obligations, which are recorded in accounts payable and other liabilities on the Group's balance sheet.

8.4. Inventories

Accounting policy

Inventories are stated at the lower value between their cost and the net realizable value. When the net realizable value is lower than the cost, an impairment is booked to write down the value of the inventories to its net realizable value. The cost is determined by using the weighted average cost calculation. The net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories comprises all direct costs incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

	As of December 31,	
(€ in millions)	2021	2020
Raw materials	46.5	30.4
Finished products	13.3	10.9
Others	6.1	6.0
Inventories (gross)	**65.9**	**47.3**
Provision for inventories	(4.7)	(4.8)
Inventories (net)	**61.3**	**42.6**

Other items correspond mainly to work in progress.

Note 8, cont.

8.5. Current assets and receivables

Accounting policy

The fair values of trade receivables and other receivables are deemed equal to their carrying values in light of their nature and short maturities.
The Group recognizes loss allowances at an amount equal to lifetime expected credit losses on trade receivables and contract assets. They are a probability-weighted estimate of credit losses.

At each reporting date, the Group assess whether receivables are credit-impaired. A receivable is credit-impaired when one or more observable events that have a detrimental impact on the estimated future cash flows of the asset have occurred, such as serious financial difficulties of the debtor.

The carrying amount of trade receivables is reduced using an allowance account. The impaired outstanding amounts are written off when they are deemed non recoverable. The Group uses an allowance matrix to measure the expected credit losses of trade receivables and contract assets from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a "roll rate" method based on the probability of a contract asset / receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics: geographic region, age of customer relationship and type of product purchased.

	As of December 31,	
(€ in millions)	2021	2020
Accounts receivables	158.7	138.2
Trade receivables	87.1	88.3
Factored receivables	71.6	49.9
Contractual payment retention	10.9	8.8
Construction contracts assets [1]	58.1	40.0
VAT receivables	10.6	8.9
Employee and social receivables	0.2	1.2
Other receivables	8.4	13.0
Accounts receivables and other receivables (gross)	**247.0**	**210.2**
Depreciation for trade receivables and contract assets	(11.8)	(14.5)
Accounts receivables and other receivables (net)	**235.2**	**195.6**

[1] Construction contracts assets reflect the amount of accrued revenue on construction contracts in excess of rights to invoice customers

Trade receivables
The carrying amounts represent the maximum credit risk exposure at the balance sheet date excluding the fair value of any collateral in the event that the other party fails to perform the obligation. There are no significant concentration of credit risk with respect to the receivables.

Due to the local nature of the business, local terms and conditions might apply for the trade receivables.

	As of December 31,	
(€ in millions)	2021	2020
Not past due	53.6	51.6
0–1 month	4.1	5.5
1–3 months	7.8	4.2
> 3 months	21.5	26.9
Carrying amount of trade receivables	**87.1**	**88.3**

Factoring
Consolis's factoring agreement is based on a non-recourse mechanism in case of a non-payment of the covered receivables. Consequently, all receivables covered by the credit insurance policy are now derecognized except for the following receivables: advance payment, interim billing and cash withheld for warranty retention.

As of December 31, 2021, the total carrying amount of the receivables factored is €94.4 million (65.8) out of which €30.2 million (23.4) were derecognized from the consolidated statement of financial position as the Group transferred substantially all the associated risks and rewards to the factor giving €71.6 million (49.9) of factored receivable not deconsolidated, including guarantee fund of €7.5 million (7.5).

A guarantee fund (to guarantee the repayment of the amounts of which Consolis may become debtor with CALF) was constituted at the beginning of the factoring contract. The guarantee fund is based on the total amount of financed receivables and doesn't generate interests. For the year ended December 31, 2021, the guarantee fund amounted to €7.5 million.

	As of December 31,	
(€ in millions)	2021	2020
Not past due	65.2	43.1
0–1 month	5.8	4.4
1–3 months	0.2	0.4
> 3 months	0.4	2.1
Carrying amount of trade receivables factored	**71.6**	**49.9**

Other current assets
Other current assets correspond mainly to prepaid expenses related to insurance premiums related to periods beyond the closing date.

Note 8, cont.

8.6. Current payables

Accounting policy

Accruals mainly consist in the periodization of salary-related costs, supplier invoices not yet received and rebate credit notes to be issued to customers.

Advance payments relate to contract liabilities: accrued revenue lower than billed amount (or rights to bill) to customers related to construction contracts.

The carrying amounts of accounts payable and other current liabilities are considered to be equal to their fair values because of their nature and short maturity.

	As of December 31,	
(€ in millions)	2021	2020
Trade payables	134.6	106.7
Advance payments	73.1	62.1
Employee and social payables	48.9	52.6
Withholding tax on salaries	9.2	9.7
VAT payables	31.6	30.4
Accruals	18.8	20.8
Others payables	13.7	9.2
Accounts payables and other liabilities	**329.9**	**291.5**

9. OTHER INCOME AND OTHER EXPENSES FROM OPERATIONS

Accounting policy

Other income and expenses from operations are reported on a separate line of the statement of income. They are defined as "items that are limited in number, clearly identifiable and that have a material impact on the consolidated results".

The classification is applied to certain material items of income and expenses that are unusual in terms of their nature and frequency, such as impairment charges, restructuring and transformation costs and, acquisition costs.

They are presented separately in the statement of income to help users of the financial statements to better understand the Group's underlying operating performance and provide them with useful information to assess the earnings.

	As of December 31,	
(€ in millions)	2021	2020
Profit/(loss) from sale of fixed assets	0.4	6.1
Restructuring costs	(5.3)	(8.3)
Impairment (charges) / reversal	(2.4)	(29.2)
Transformation costs	-	3.1
M&A related costs	(0.0)	0.6
Other items	7.9	(1.2)
Other income and expenses from operations	**0.6**	**(28.9)**

(i) Profit / (loss) from sale of fixed assets
Consists for the periods presented of gains or losses on sale of land, buildings and equipment in connection with manufacturing facility closures.

In 2021, the Group completed the disposal of one site in Lithuania and one site in Germany.

For the year ended December 31, 2020, the Group completed the disposal of two sites in Lithuania (Kaunas plant and Sirvintos site), one site in France, one site in Norway (Verdal plant) and a plot of land in the Netherlands (part of Koudekerk site) leading to a gain of respectively €3 million, €1.4 million, €0.8 million and €0.7 million.

(ii) Restructuring costs
Consists for the periods presented of severance costs and other manufacturing closures related costs.

In 2021, restructuring costs mainly relate to reallocating certain functions from head office in Paris to Stockholm.

In year 2020, in the context of exceptional circumstances of Covid-19 outbreak, some factories adjusted further their capacities in Finland, Norway, Denmark and Baltic countries, with an impact of approximately €4 million. In addition, restructuring costs were also incurred for the closure of the bridge activities in the Netherlands (approximately €3 million).

(iii) Impairment (loss) / reversal
Consists, for the periods presented, of the impairment (charges) / reversals on intangible assets and property, plant and equipment.

For the year ended December 31, 2021, an impairment charge of €3.3 million linked goodwill, intangible assets and PPE within CGU Poland was recorderd. This partially off set by a impairment reversal related to leased assets within CGU East Nordic.

For the year ended December 31, 2020, the Group recorded an impairment charge of €25.3 linked to CGU East Nordic goodwill, €2.5 million related to leased assets in Finland (Ylöjärvi and Rusko factories) and €1.1 million linked to the sale of Verdal factory in Norway.

(iv) Transformation costs
Consists principally of transformation-related consulting fees, related to the large business transformation program, named Go2, launched following the Bain Acquisition. Subsequent to the end of the program in 2020, the Group finally benefitted from an adjustment on success fees and recorded a gain of € 4.0 million in 2020.

(vi) M&A related costs
Consists principally of costs related to consulting fees regarding Mergers & Acquisitions activities.

(vi) Other items
For 2021, this related to a curtailment gain due to change in pension plans in the Netherlands.

If items classified as other income and expenses from operations would have been split over the functions in PL, the consolidated income statement would have looked like the tabel below.

Proforma	As of December 31,	
(€ in millions)	2021	2020
Net sales	1,106	1,037
Production cost of goods sold	(882.7)	(819.2)
SALES MARGIN	**223.4**	**217.5**
Production overheads	(75.4)	(78.7)
Sales and marketing costs	(28.7)	(26.6)
Administrative costs	(77.3)	(88.8)
Research and development costs	(4.8)	(5.2)
OPERATING INCOME FROM ORDINARY ACTIVITIES	**37.3**	**18.1**
Other income and expenses from operations	-	-
OPERATING INCOME	**37.3**	**18.1**

10. EMPLOYEE BENEFIT EXPENSES

Accounting policy

Pension Plans
The Group companies have various types of post-employment benefits, such as pension plans in different countries. These pension plans are based on local circumstances and practices. Pension plans are classified as either defined contribution plans or defined benefit plans.

(1) For defined contribution plans, the Group pays contributions to independently administered funds. These contributions are recognized as an expense in the income statement when employees have rendered service entitling them to the contributions.

(2) For defined benefit retirement plans, the Group's cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. This method considers the actuarial assumptions' best estimates (for example, the expected turnover, the expected future salary increase and the expected mortality). The plan assets are measured at their fair value at the balance sheet date. The calculation of the Group's obligations under defined benefit schemes give rise to actuarial gains and losses. The amount of the provision corresponds to the value of obligations less the fair value of the fund assets that cover those obligations. The net expense booked during the year for employee benefit obligations includes:

- in the consolidated statement of income
  - the current service cost, corresponding to additional benefit entitlements earned during the year;
  - the net interest expense classified in financial expenses;
  - the past service cost, including the income or expense related to amendments or settlements of benefit plans or introduction of new plans;
  - the actuarial gains and losses relating to other long-term benefits.
- in the consolidated statement of comprehensive income:
  - the actuarial gains and losses relating to post-employment benefits obligations;
  - the effect of the limitation to the asset ceiling if any;
  - the difference between the actual return on plan assets, and interest income determined based on at the discount rate used to measure the defined benefit obligation.

Past service costs are recognized immediately.
The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

10.1. Personnel cost and number of personnel

The total annual compensation of Group's employees from continued operations was as follows:

	As of December 31,	
(€ in millions)	2021	2020
Personnel expenses by function in the consolidated statement of income:		
Production cost of goods and services sold	(249.2)	(232.3)
Production and services overheads	(31.2)	(30.5)
Sales and marketing costs	(22.7)	(20.9)
Administrative costs	(32.4)	(26.2)
Research and development costs	(3.4)	(3.6)
Employee benefits expense	**(338.9)**	**(313.5)**
Personnel expenses in other income and expenses from operations		
Restructuring costs	(5.1)	(7.5)
Other personnel expenses	-	(0.1)
Total personnel expenses	**(344.0)**	**(321.1)**

The Group FTE is constituted of 9,935 employees as of December 31, 2021 and distributed as follows:

	As of December 31,	
(in number)	2021	2020
East Nordic	1,678	1,635
West Nordic	1,954	1,870
Eastern Europe	1,045	811
Western Europe	1,252	1,232
Emerging Markets	2,969	2,680
Holding & Other businesses	61	68
Total FTE – Continued operations	**8,959**	**8,297**
Discontinued operations	976	2,235
Total FTE	**9,935**	**10,531**

Note 10, cont.

10.2. Retirement benefit plans and other long term benefits

Description of the plans
The Group has defined benefit pension plans for all or part of the employees in Finland, France, Germany, Norway, Sweden, Tunisia and Poland. In all other countries where the Group is operating, the post-employment benefit plans are defined contribution plans. The Group has appointed independent qualified actuaries to perform a valuation of its defined benefit pension plans.

In countries where the Group offers defined benefit pension plans, the plans may take the form of pension schemes, end-of-career indemnities (legal or contractual), or other long-term benefits (jubilee awards).

Except in the Netherlands, these commitments are not covered by any plan assets.

The entities in the Netherlands (VBI and Spanbeton) offer an average pay pension plan and a jubilee plan. Participants and employer contribute to the pension plan. Retirement pension is based on a rate 1.875%; 1.313% for spouse pensions assumptions as of December 31, 2021 of average pensionable salary (maximized at €100,000 for VBI and Spanbeton) for each year of service until age 67.

In France, employees benefit from statutory retirement indemnities and seniority awards. Both plans consist in a lump sum payable to employees.

In other countries, pension plans (Germany, Norway), retirement indemnities (Tunisia, Poland) and jubilees (Germany, Sweden, Poland and Finland) are in place.

In all other countries where the Group is operating, the post-employment benefit plans are defined contribution plans.

Change in plans in the Netherlands
During this year the pension plan was changed going forward, changing it in to a defined Contribution arrangement. As a result of the amendment of the pension arrangement a curtailment gain of €7.6 million was accounted for in the income statement as a non-recurring income.

Changes in defined benefit obligations and plan assets

	As of December 31, 2021		
(€ in millions)	Netherlands	Other	Total
Obligation as of January 1	**(165.0)**	**(5.8)**	**(170,8)**
Current service cost	(3.0)	(0.4)	(3.4)
Plan amendments	8.2	-	8.2
Interest cost	(1.8)	-	(2.0)
Plan participant contributions	(0.8)	(0.2)	(0.8)
Return on plan assets excluding interest income	-	-	(0.8)
Actuarial gains/(losses) on financial assumptions	8.5	0.7	9.2
Actuarial gains/(losses) on demographic assumptions	(0.5)	-	(0.5)
Actuarial gains/(losses) on long-term benefits	0.8	0.6	1.4
Benefits paid by plan assets	3.8	-	3.8
Benefits paid by employer	0.0	0.6	0.6
Changes in scope, exchange rates and other	-	(0.1)	(0.1)
Discontinued activities	-	(1.0)	(1.0)
Obligation as of December 31	**(149.8)**	**(5.5)**	**(155.2)**
Plan assets as of January 1	**133.9**	**0.0**	**133.9**
Interest income	1.6	-	1.6
Employer's contribution	8.2	0.6	8.8
Plan participant contributions	0.8	-	0.8
Benefits paid by plan assets	(3.8)	-	(3.8)
Benefits paid by employer	(0.0)	(0.6)	(0.6)
Experience gains/(losses)	(5.9)	-	(5.9)
Changes in scope, exchange rates and other	(0.2)	-	(0.2)
Discontinued activities	-	-	-
Plan assets as of December 31	**134.6**	**0.0**	**134.6**
Provisions as of December 31	**(15.2)**	**(5.5)**	**(20.7)**

Note 10, cont.

Changes in defined benefit obligations and plan assets, cont.

	As of December 31, 2020				
(€ in millions)	Netherlands	UK	France	Other	Total
Obligation as of January 1	**(153.8)**	**(33.1)**	**(9.5)**	**(5.5)**	**(201.9)**
Current service cost	(2.5)	-	(0.9)	(0.3)	(3.7)
Interest cost	(2.2)	(0.6)	(0.1)	(0.2)	(3.1)
Plan participant contributions	(0.9)	-	-	(0.0)	(0.9)
Return on plan assets excluding interest income	-	-	-	-	-
Actuarial gains/(losses) on financial assumptions	(8.2)	(4.4)	(0.5)	(0.2)	(13.4)
Actuarial gains/(losses) on demographic assumptions	2.8	-	-	0.0	2.8
Actuarial gains/(losses) on long-term benefits	(0.7)	-	0.5	-	(0.2)
Benefits paid by plan assets	3.7	1.0	-	(0.1)	4.6
Benefits paid by employer	0.1	-	0.6	0.4	1.0
Changes in scope, exchange rates and other	(3.4)	1.8	-	0.2	(1.4)
Discontinued activities	-	35.3	8.1	1.9	45.3
Obligation as of December 31	**(165.0)**	**-**	**(2.0)**	**(3.8)**	**(170.8)**
Plan assets as of January 1	**128.1**	**32.1**	**-**	**-**	**160.2**
Interest income	1.8	0.6	-	-	2.5
Employer's contribution	4.2	0.5	0.6	0.4	5.7
Plan participant contributions	0.9	-	-	-	0.9
Benefits paid by plan assets	(3.7)	(1.0)	-	-	(4.8)
Benefits paid by employer	(0.1)	-	(0.6)	(0.4)	(1.0)
Experience gains/(losses)	3.0	3.5	-	-	6.5
Changes in scope, exchange rates and other	(0.2)	(2.0)	-	-	(2.2)
Discontinued activities	-	(33.7)	-	-	(33.7)
Plan assets as of December 31	**133.9**	**-**	**-**	**0.0**	**133.9**
Provisions as of December 31	**(31.1)**	**-**	**(2.0)**	**(3.8)**	**(36.9)**

The actuarial losses are mostly due to the decrease of the discount rate.

Allocation of plan assets

	Netherlands, % allocation at		United Kingdom[1], % allocation at	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Equity instruments	-%	-%	-	27%
Debt instruments	-%	-%	-	38%
Investment funds	-%	-%	-	34%
Assets held by insurance company	100%	100%	-	-%
Other	-%	-%	-	1%

The above mentioned assets are quoted in an active market.

The actual and expected return on plan asset are as follows:

	Netherlands, % allocation at		United Kingdom[1], % allocation at	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Expected return on plan asset	1.10%	1.40%	-	2.05%
Actual return on plan asset	3.22%	3.75%	-	12.22%

[1] Consolis operatinons in United Kingdom was divested together vith rail divestment in March, 2021 hence not included as at December 2021. As at December 2020, this was classifed as held for sale.

Note 10, cont.

Components of the pension expense from continued operations
Amounts recognized in consolidation statement of income in respect of these defined benefit plans are as follows:

	As of December 31, 2021		
(€ in millions)	Netherlands	Other	Total
Current service cost	(3.0)	(0.3)	(3.3)
Actuarial gains and losses (on other long-term benefits)	0.1	0.2	0.3
Plan amendments	8.2	0.1	8.2
Plan administration costs	(0.2)	-	(0.2)
Total operating component of the pension expense	**5.1**	**(0.1)**	**5.0**
Interest cost on the net benefit obligation	(0.2)	(0.1)	(0.4)
Total financing component of the pension expense	**(0.2)**	**(0.1)**	**(0.4)**
Total	**4.8**	**(0.2)**	**4.6**

	As of December 31, 2020		
(€ in millions)	Netherlands	Other	Total
Current service cost	(3.2)	(0.4)	(3.6)
Actuarial gains and losses (on other long-term benefits)	-	-	-
Plan amendments	0.8	-	0.8
Plan administration costs	(0.2)	-	(0.2)
Total operating component of the pension expense	**(2.6)**	**(0.4)**	**(3.0)**
Interest cost on the net benefit obligation	(0.3)	(0.1)	(0.5)
Total financing component of the pension expense	**(0.3)**	**(0.1)**	**(0.5)**
Total	**(2.9)**	**(0.5)**	**(3.5)**

Estimates of future cash flows of continued operations
Estimates of future benefits payments to beneficiaries are as follows:

(€ in millions)	Netherlands	Other	Total
2022	4.1	0.3	4.4
2023	4.3	0.3	4.6
2024	4.5	0.4	4.9
2025	4.7	0.5	5.2
2026–2030	31.8	2.6	34.3

Main actuarial assumptions
The main assumptions taken into account in the actuarial valuations are the following:

As of December 31, 2021	Netherlands	Other
Discount rate	1.40%	0.85% - 7.32%
Salary increase	2.99%	2.00% - 8.00%
Pensions-in-payment increase rate	N/A	N/A & 1.50% - 1.75%
Inflation rate	1.75%	1.50% - 2.50%
Duration	**18.15**	**6 - 11.33**

As of December 31, 2020	Netherlands	UK	France	Other
Discount rate	1.10%	1.45%	0.69%	0.60% – 7.49%
Salary increase	2.99%	N/A	2.25%	1.75% – 8.00%
Pensions-in-payment increase rate	N/A	2.80%	N/A	1.50% – 1.75%
Inflation rate	1.75%	2.90%	1.75%	1.50% – 2.00%
Duration	**18.82**	**17.55**	**11.30**	**7.32 – 11.90**

The discount rate is based on the yield of high quality corporate bonds for all countries where there is a deep market for corporate bonds.

The long-term inflation assumption is determined considering market implied inflation and consensus economic forecasts.

Note 10, cont.

Sensitivity analysis of continued operation
An increase or a decrease of 25 basis points in the discount rate would result in the following defined benefit obligation:

	As of December 31, 2021		
(€ in millions)	Netherlands	Other	Total
Discount rate - 25 basis points	(156.9)	(5.3)	(162.2)
Discount rate + 25 basis points	(143.1)	(5.1)	(148.2)
Salary increase rate - 25 basis points	N/A	(2.6)	(2.6)
Salary increase rate + 25 basis points	N/A	(2.6)	(2.6)

	As of December 31, 2020			
(€ in millions)	Netherlands	France	Other	Total
Discount rate - 25 basis points	(172.5)	(2.0)	(3.7)	(178.2)
Discount rate + 25 basis points	(158.0)	(2.0)	(3.5)	(163.5)
Salary increase rate - 25 basis points	N/A	N/A	(2.2)	(2.2)
Salary increase rate + 25 basis points	N/A	N/A	(2.2)	(2.2)

11. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

11.1. Goodwill and other intangibles

Accounting policy

Goodwill
Goodwill on acquisitions represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the net identifiable assets acquired. Goodwill are booked in local currency and thus, currency exchange rate fluctuations affect the amounts of goodwill in the Group's reporting currency.

Intangible assets
Intangible assets include acquired intangible assets and internally generated intangible assets (mainly development).
An intangible asset is recognized only when it is probable that future economic benefits that are attributable to the asset will flow to the Group and if the cost of the asset can be measured reliably. All other expenditure is booked as cost in the income statement when incurred.

Intangible assets with an indefinite useful life correspond to trademarks, given the leadership market position of these trademarks in their respective geographical area and in their respective business.

Research expenditures are recognized as an expense when incurred. Development costs are capitalized if and only if the project they relate to meets the following criteria:

- the intention exists to complete the project and to use or sell it;
- adequate technical and financial resources are available to complete the project;
- it is probable that the future economic benefits attributable to the project will flow to the Group.

Capitalized development costs are costs incurred directly attributable to the project (materials, services, fees), including an appropriate portion of relevant overheads. Capitalized development costs are amortized on a straight-line basis over the estimated useful life of the asset.

Other Intangible Assets
Other intangible assets of the Group mainly consist of customer contracts and computer software licenses. These are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful life of the asset which ranges between 1 year, for the backlog and 10 years. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Note 11, cont.

	As of December 31, 2021				
(€ in millions)	Goodwill	Trademarks and patents	Development costs	Other intangible assets	Total
Gross value as of January 1, 2021	**230.2**	**54.3**	**12.4**	**19.5**	**316.3**
Additions	-	0.0	0.8	3.9	4.7
Disposals	0.0	(0.0)	0.0	(0.5)	(0.5)
Transfers	(0.1)	(0.0)	-	0.0	(0.1)
Exchange differences	(0.0)	(0.3)	(0.3)	(0.2)	(0.8)
Gross value as of December 31, 2021	**230.1**	**54.2**	**13.2**	**22.9**	**320.4**
Cumulative amortization & impairment as of January 1, 2021	**(25.3)**	**(10.1)**	**(6.2)**	**(12.4)**	**(54.0)**
Amortization	-	(0.4)	(2.3)	(1.4)	(4.1)
Impairment	(0.1)	(0.0)	-	(0.3)	(0.4)
Disposals	(0.0)	0.0	(0.0)	0.5	0.5
Transfers	-	-	0.0	-	0.0
Exchange differences	0.0	0.2	0.2	0.2	0.7
Amortization as of December 31, 2021	**(25.4)**	**(10.4)**	**(8.4)**	**(13.6)**	**(57.9)**
Net book value as of January 1, 2021	**204.9**	**44.2**	**6.2**	**7.1**	**262.3**
Net book value as of December 31, 2021	**204.6**	**43.8**	**4.8**	**9.3**	**262.5**

	As of December 31, 2020				
(€ in millions)	Goodwill	Trademarks and patents	Development costs	Other intangible assets	Total
Gross value as of January 1, 2020	**451.0**	**64.5**	**19.2**	**42.1**	**576.8**
Additions	-	-	2.2	2.2	4.4
Disposals	-	(0.0)	(0.9)	(19.5)	(20.4)
Transfers	-	-	0.6	0.1	0.6
Exchange differences	-	(0.4)	(0.3)	(0.5)	(1.0)
Discontinued activities	(220.8)	(9.9)	(8.4)	(4.9)	(244.1)
Gross value as of December 31, 2020	**230.2**	**54.3**	**12.4**	**19.5**	**316.3**
Cumulative amortization & impairment as of January 1, 2020	**(141.8)**	**(19.0)**	**(10.2)**	**(32.1)**	**(203.2)**
Amortization	-	(1.1)	(4.6)	(2.3)	(8.0)
Impairment	(25.3)	(0.0)	(0.1)	-	(25.5)
Disposals	-	0.0	0.9	19.4	20.3
Transfers	(0.0)	-	-	-	(0.0)
Exchange differences	-	0.3	0.2	0.4	1.0
Amortization as of December 31, 2020	**(141.8)**	**(9.7)**	**(7.7)**	**(2.2)**	**(161.4)**
Net book value as of January 1, 2020	**309.2**	**45.5**	**9.0**	**10.0**	**373.7**
Net book value as of December 31, 2020	**204.9**	**44.2**	**6.2**	**7.1**	**262.3**

Intangible assets with an indefinite useful life (trademarks) amount to €43.9 million as of December 31, 2021 (€43.7 million).

Note 11, cont.

11.2. Property, plant and equipment

Accounting policy

Property, plant and equipment
Property, Plant and Equipment are stated at cost less the accumulated depreciation and deducting any accumulated impairment losses that may have been booked. When an item of property, plant and equipment is made up of components with different useful lives, the total costs is allocated between the various components. Component are then separately depreciated.

The Group recognizes in the carrying amount of an item of property, plant and equipment costs when it considers that future economic benefits in excess of the originally assessed standard of performance of the existing asset may be brought to the Group and the cost incurred can be measured reliably.

Depreciation is booked using the straight-line method over the estimated useful life of the asset and taking its value as reference. The cost of acquired investments is depreciated on a straight-line basis to the estimated salvage value over the expected useful life. The estimated useful lives, residual values and depreciation method are reviewed every year at year-end, and any changes are accounted for on a prospective basis. The estimated useful lives applied by the Group are as follows:

Buildings and structures	10–40 years
Machinery and equipment	3–25 years

Land is not depreciated, except quarries which are amortized using the units-of-production method if effectively applicable.
Ordinary maintenance and repairs are expensed during the financial period in which they are incurred.

Gains and losses on sale and disposals of property, plant and equipment items are calculated as a difference between the sale proceeds and the carrying amount and are included in other operating income and expenses from operations respectively.

See detailed information in Note 15 "Leases" with regards to leased property, plant and equipment.

	As of December 31, 2021				
(€ in millions)	Land	Buildings	Machinery and Equipment	Other items of Property, Plant & Equipment	Total
Gross value as of January 1, 2021	**55.6**	**261.9**	**346.3**	**42.6**	**706.4**
Additions	0.8	1.8	11.7	7.7	22.1
Change in IFRS 16 during the period	0.7	5.6	2.9	6.6	15.8
Disposals	(0.2)	(5.0)	(8.4)	(5.6)	(19.2)
Transfers	(1.0)	(0.1)	(2.2)	(3.1)	(6.4)
Exchange differences	0.1	0.2	1.6	0.2	2.1
Change of perimeter	0.0	(0.0)	(0.0)	0.0	(0.0)
Gross value as of December 31, 2021	**56.0**	**264.4**	**352.0**	**48.3**	**720.7**
Cumulative amortization & impairment as of January 1, 2021	**(20.0)**	**(160.2)**	**(261.9)**	**(25.9)**	**(467.9)**
Depreciation	(1.3)	(16.6)	(16.7)	(6.3)	(41.0)
Impairment	(0.1)	1.6	(1.5)	(0.1)	(0.1)
Disposals	0.2	5.0	8.3	5.6	19.1
Transfers	0.1	0.4	4.5	1.3	6.4
Other	-	0.6	(0.2)	0.1	0.6
Exchange differences	0.0	0.0	(1.4)	(0.1)	(1.3)
Change of perimeter	0.0	(0.0)	(0.0)	0.0	(0.0)
Amortization as of December 31, 2021	**(21.0)**	**(169.2)**	**(268.7)**	**(25.3)**	**(484.2)**
Net book value as of January 1, 2021	**35.7**	**101.7**	**84.4**	**16.7**	**238.5**
Net book value as of December 31, 2021	**35.0**	**95.2**	**83.3**	**23.0**	**236.5**

Note 11, cont.

	As of December 31, 2020				
(€ in millions)	Land	Buildings	Machinery and Equipment	Other items of Property, Plant & Equipment	Total
Gross value as of January 1, 2020	**106.7**	**357.3**	**621.5**	**65.5**	**1,151.0**
Additions	0.4	3.1	14.6	6.1	24.2
Change in IFRS 16 during the period	0.8	11.7	6.1	4.0	22.6
Disposals	(5.6)	(19.0)	(62.3)	(8.2)	(95.1)
Transfers	0.0	0.6	8.8	(10.1)	(0.7)
Exchange differences	(0.6)	(3.6)	(5.8)	(0.6)	(10.7)
Change of perimeter	(46.0)	(88.2)	(236.5)	(14.1)	(384.9)
Gross value as of December 31, 2020	**55.6**	**261.9**	**346.3**	**42.6**	**706.4**
Cumulative amortization & impairment as of January 1, 2020	**(44.2)**	**(217.2)**	**(491.3)**	**(38.6)**	**(791.4)**
Depreciation	(1.6)	(18.6)	(28.8)	(8.0)	(57.1)
Impairment	(3.4)	(14.2)	(7.0)	(2.2)	(26.8)
Disposals	6.1	17.5	59.9	8.0	91.5
Transfers	(0.0)	-	(3.3)	3.3	0.0
Other	0.0	(1.3)	(0.2)	1.4	(0.1)
Exchange differences	0.0	1.9	4.7	0.3	7.1
Change of perimeter	23.2	71.8	204.1	9.8	308.9
Amortization as of December 31, 2020	**(20.0)**	**(160.2)**	**(261.9)**	**(25.9)**	**(467.9)**
Net book value as of January 1, 2020	**62.4**	**140.0**	**130.2**	**26.9**	**359.6**
Net book value as of December 31, 2020	**35.7**	**101.7**	**84.4**	**16.7**	**238.5**

Reconciliation of property, plant and equipment depreciation and amortization shown in the statement of cash flows

	As of December 31,	
(€ in millions)	2021	2020
Amortization of intangible assets	(4.1)	(8.0)
Depreciation of tangible assets	(41.0)	(57.1)
Discontinued operation	0.0	17.0
Depreciation and amortization expense recorded in the cash flow statement	**(45.1)**	**(48.0)**

Reconciliation of property, plant and equipment acquisitions shown in the statement of cash flows

	As of December 31,	
(€ in millions)	2021	2020
Acquisition of items of PPE	22.1	24.2
Less acquisition of PPE under finance leases	-	-
Discontinued operation	(7.0)	(11.3)
Others	6.2	2.1
Purchase of Property, Plant and Equipment	**21.3**	**15.1**

Note 11, cont.

11.3. Impairment

Accounting policy

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is performed, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's ('CGUs') fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. In this case, assets are grouped in CGUs which are the smallest group of assets that generate cash flows that are largely independent of the cash flows from other assets of CGUs.

The Group's CGUs correspond generally to its markets (defined as country), but some smaller markets that are closely attached to other markets have been grouped. The reasoning is cross-border trade or management setup.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use calculation is based on a Discounted Cash Flow ('DCF') model. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The cash flows are derived from the budget for the next four years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognized by the Group.

Impairment losses are recognized in the consolidated statement of income on the line "other income and expenses from operations".

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income.

Goodwill is tested for impairment annually as of December 31, and when circumstances indicate that the carrying value may be impaired. When it is not possible to allocate goodwill to individual CGUs, goodwill is allocated to a group of CGUs at a level not higher than the operation segment. See Note 5 "Segment information". Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized, first to reduce the carrying amount of any goodwill allocated to the CGU or group of CGUs, then to reduce the carrying amount of the other assets of the CGU or group of CGUs. Impairment losses relating to goodwill cannot be reversed in future periods.

Other intangible assets with indefinite useful lives are also tested for impairment annually as of December 31, at the group of CGUs level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Goodwill allocation per segment

	As of December 31,	
(€ in millions)	2021	2020
East Nordic Europe	1.0	1.0
West Nordic Europe	75.0	75.0
Eastern Europe	12.9	13.0
Western Europe	96.0	96.0
Emerging Markets	19.8	19.8
Total	**204.6**	**204.8**

Cash Generating Units (CGUs)

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Unit). Consolis have identified 12 CGUs. The main rule is that a single country/market is identified as a CGU, how ever for some markets that are that are closely connected to other markets (countries) they are viewed together with the other market. This is the case for the Baltic countries that are viewed together with Finland, and Germany that is viewed together with the Netherlands.

For presentation purposes, CGUs have been grouped together to reporting segment. East Nordic is equal to CGU East Nordic, comprising Finland, Latvia, Estonia and Lithuania. West Nordic consists of three CGUs; Sweden, Denmark and Norway. Eastern Europe consists of three CGUs; Hungary, Romania and Poland. Western Europe consists of two CGUs; Spain and the Netherlands together with Germany. Emerging Markets consists of three CGUs; Indonesia, Tunisia and Egypt.

Goodwill have been reallocated over the CGUs using its calculated value in use compared to goodwill per segment.

Outcome impairment test 2021

The impairment test for 2021 indicated an impairment situation on CGU Poland, within segment Eastern Europe. Impairment of goodwill, machinery and equipment and intangible assets for €3.3 million was recorded over profit and loss on the row "Other income and cost from operations". Except for recorded impairment on Poland, there were headroom on the other CGUs. '

Assumptions and estimates

The calculation of the value in use is based on assumptions and assessments in addition to the estimated growth beyond the forecast period. The most significant of these relate to the sales growth, the development of the EBITDA margin, the change in operating capital employed as well as the relevant Weighted Average Cost of Capital (WACC) for the valuation, that is, WACC after tax used to discount the future cash flows. These assumptions and judgments are also based on financial plans developed in each country and business segment and are built upon the strategic plan for the next three year which has been ascertained by Group Management and presented to the Board of Directors. Assumptions relating to WACC are calculated individually on a CGU-basis.

The value in use of CGUs is estimated using after-tax cash flow projections based on three-year strategic plans and a terminal value calculated by extrapolating data for the final year of the business plan. The growth rate used beyond the initial period of the business plans reflects long term inflation target for the CGUs concerned. Expected future cash flows are discounted at the weighted average cost of capital calculated for the group of CGU. The growth and discount rates used for impairment tests during the period are provided below.

Note 11, cont.

	As of December 31, 2021		
(€ in millions)	WACC 1)	Long Term Growth Rate (LTGR) 1)	Normative tax rate 1)
East Nordic	8.9%	2.1%	20.0%
West Nordic	8.5%	1.8-2.0%	20.6-22.0%
Eastern Europe	10.3-11.6%	2.6-3.3%	9.0-19.0%
Western Europe	8.5-9.6%	1.3%	25.0-30.1%
Emerging Markets	9.2-19.3%	1.5-5.0%	22.5-28.4%

1) Showing the range for CGUs within the segment.

	As of December 31, 2020		
(€ in millions)	WACC	Long Term Growth Rate (LTGR)	Normative tax rate
East Nordic	8.5%	1.0%	20.0%
West Nordic	8.3%	1.0%	21.6%
Eastern Europe	9.3%	2.0%	12.8%
Western Europe	7.6%	1.0%	25.0%
Emerging Markets	17.2%	1.2%	23.5%

Sensitivity analysis

The following sensitivity analyses have been made of the estimates of value in use in connection with impairment testing, assumption by assumption: general increase of 0.5 percentage points in the WACC and general decrease of the estimated growth after the forecasted period by 0.5 percentage points. A sensitivity analysis for changes in the assumptions used in the impairment testing has been performed for all CGUs. For conducted sensitivity analyses, the conclusion is that none of the adjustments of assumptions stand alone would result in an additional impairment loss in any CGU. For Poland, net value of goodwill is 0.0 after impairment charges recorded in 2021.

12. PROVISIONS

Accounting policy

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, a reliable estimate can be made of the amount of the obligation and if it is probable that an outflow of economic benefits will be required to settle this obligation. These liabilities are presented as provisions when they are of uncertain timing or amount. When this uncertainty is dispelled, they are presented as trade payables or other current liabilities.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. The amounts of the provisions at balance sheet dates reflect management's best estimate of the potential corresponding liabilities.

Restructuring
A provision for restructuring is recognized when the Group has a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly to those concerned. The plan identifies at least the following items: the business concerned, the main sites affected, the location, the function and the approximate number of employees who will be compensated for the termination of their services, the expenditures that will have to be undertaken as well as the timelines of the plan. Future operating costs are not provided for.

Environment
A provision for environmental risk is recognized when the Group has any legal or constructive obligation to restore once it has fully utilized the site.
The Group has environmental obligations in certain countries. Those obligations relate primarily to depollution of production's areas and remediation costs.
Other provisions
Other provisions mainly include:

- Claims and litigations, such as with customers, suppliers or employees.
- Other regulatory matters, including civil investigations by regulatory authorities.

	As of December 31, 2021			
(€ in millions)	Restructuring provisions	Environment	Others	Total
Balance as of 31 December 2020	**3.9**	**7.6**	**9.5**	**20.9**
Additional provisions recognized during the period	1.5	-	3.5	5.0
Reversal of provisions	(3.0)	0.0	(6.1)	(9.1)
Exchange differences and other changes	0.1	0.0	0.0	0.1
Balance as of December 31, 2021	**2.5**	**7.6**	**6.9**	**16.9**
Non-current	0.7	7.1	3.4	11.2
Current	1.8	0.5	3.5	5.8

	As of December 31, 2020			
(€ in millions)	Restructuring provisions	Environment	Others	Total
Balance as of 31 December 2019	**40.4**	**13.4**	**20.6**	**74.3**
Additional provisions recognized during the period	3.6	0.4	12.8	16.8
Reversal of provisions	(22.1)	(0.2)	(10.3)	(32.7)
Discontinued activities	(18.2)	(5.7)	(13.8)	(37.6)
Exchange differences and other changes	0.2	(0.3)	0.2	0.1
Balance as of December 31, 2020	**3.9**	**7.6**	**9.5**	**20.9**
Non-current	0.6	7.1	4.8	12.5
Current	3.2	0.5	4.7	8.5

Restructuring provisions
In 2021, the additional restucturing provisions are mainly related to moving certain functions from the headoffice in Paris to the Stockholm office.
In 2020, the additional restructuring provisions mainly relates to termination of bridge activities in the Netherlands. The reversal and the discontinued activities are mainly related to Civil Works France, the accrual of those costs was done in 2019.

Environment provisions
The sites for which an environment provision has been established mainly correspond to those subject to specific obligations for asbestos removal and groundwater remediation, probable outflow obligations or dismantling obligations at the end of the lease. These sites are mainly located in France, Finland and Netherland.

Other provisions
The addition of other provisions in 2020 includes mainly a provision related to a loss at completion of €5.4 million on Tunnels segment. It also includes various customers and employee litigations on Bonna Sabla SNC. Those provisions are reclassified as held for sale and therefore included in the line "Liabilities held for sale".

The movement in 2021 is mainly explained by reversal of provision for vacant lease premises in Finland amounting to € 2.5 million and reversal of € 0.8 million in Spain related to a dispute.

13. FINANCIAL ASSETS AND LIABILITIES

Accounting policy

Financial Assets
A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at fair value through profit and loss ("FVTPL"):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes payments withheld for guarantees included in non-current assets, trade receivables and other short term receivables.

Other financial assets are measured at FVTPL. This includes all derivative financial assets as well as equity investments.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

The application of IFRS 9 did not modify the classification of Group's financial assets compared to their classification under IAS 39.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost and contract assets.

Financial Liabilities
Financial liabilities are classified as either 'financial liabilities at fair value through the profit and loss statement' or as 'other financial liabilities'.

The financial liabilities at FVTPL includes derivative instruments not qualifying for hedge accounting under IFRS 9 "Financial Instruments".

The Group financial liabilities include loans, trade payables and other current financial liabilities. Financial liabilities are initially booked at fair value less any transaction costs directly attributable to the issuance of the liability. They are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest rate method calculates the amortized cost of a financial liability and allocates interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

Note 13, cont.

13.1. Group financing

Interest-bearing liabilities

	As of December 31,	
(€ in millions)	2021	2020
Non-current interest-bearing liabilities		
GSO loan	-	93.9
Shareholder loan	324.3	268.5
Lease liabilities	54.4	58.3
Revolving credit facilities	-	-
State guaranteed loan	-	40.0
Other loans	3.6	5.5
Total non-current interest-bearing liabilities	**382.4**	**466.2**
Current interest-bearing liabilities		
Factoring - net liability [1]	54.0	33.1
Accrued interests	4.2	6.7
Revolving credit facilities	-	-
Current portion of long-term loans	0.6	1.4
Lease liabilities	17.5	17.3
Bank overdrafts	0.0	0.3
Other loans	0.3	1.8
Total current interest-bearing liabilities	**76.6**	**60.5**
Total interest-bearing liabilities	**459.0**	**526.7**

[1] Factoring is presented net of guarantee reserve

Shareholder loans and refinancing 2021
On May 7, 2021, Compact Bidco B.V. (the parent company of Consolis Group S.A.S) issued € 300 million Senior Secured Notes (Bonds) listed at The International Stock Exchange "TISE" in Gurnsey. The fixed interest on the Bonds is 5.75 percentage and the interest is payable twice a year. The Bonds are due on 1.5.2026. The proceeds from the bond emission was cascaded down to Consolis as Shareholder loans.

In conjunction with the bond emission a new loan (PIK Loan) amounting to €50 million were raised by Compact Midco 2 B.V., parent of Compact Bidco B.V. and Consolis, from GSO. The cash was then cascaded to Compact Bidco B.V. by capital injection.

The debt included in the books of Compact Bidco B.V. and a part of the cash from the capital injection of Compact Midco 2 B.V. (via Compact Midco 3 B.V.) was then cascaded to Consolis through a shareholder financing. The back-to-back intra-Group loan receivables linked to the external funding of the Group are due in full on 29.4.2026. The interest is fixed to 6.58 percent and the accrued interest is payable in cash every six months.

GSO loan and state guaranteed loan
Following the bonds emission and the PIK Loan emission, the previous GSO Loan and the state guaranteed loan were reimbursed.

Lease liabilities
With regards to lease liabilities, see Note 15 "Leases".

Other loans
Other loans are bilateral facilities which include various loans with different durations and securities. These financing transactions are primarily variable-rate loans.

Revolving credit facilities
In conjunction with the issue of the Bonds on May 7, 2021, Compact Bidco B.V (the parent company of Consolis Group S.A.S) entered into an agreement of a € 75 million Super Senior Revolving Credit Facility to manage ordinary cash swings in Consolis's business. The interest rate is relevant IBOR + 3.50 percent (subject to ratchet from 7.2.2022) and the termination date of this credit facility is 7.11.2025.
The line is made up of a € 69 million Super senior RCF and a € 6 million Ancillary Facility. Syndicated banks are BNP, Credit Lyonnais, Natixis, Nordea and Societe Général.
The facility was undrawn at December 31, 2021.

Covenants
The Senior Secured Notes documentation includes a reporting covenant that requires the Issuer to publish a quarterly report within 60 days after the reporting period, an Annual Report within 120 after the reporting period and material events report. Quarterly reports and Annual report have been issued within the stipulated time frames. For 2021, no material events report was published, due to lack of such events.

The key covenants are based on "incurrence" tests, which means that the covenants are tested upon the occurrence of an event rather than on an ongoing basis; failure to maintain a specified level of financial health will not cause a default so long as interest payments can be made. As a result, the incurrence covenants can only be violated as a result of a voluntary action, such as incurring debt, paying a dividend or otherwise distributing value outside the restricted group, making a non-controlling investment and a number of other scenarios. Consolis has not undertakes such actions during 2021.

Factoring
With regards to the factoring, see details in Note 8.5 "Current receivables and assets"

Currency exposure
The interest-bearing liabilities are primarily denominated in Euro. The Group holds financial liabilities in various other local currencies such as NOK, SEK and DKK without a material currency exposure on the Group consolidated financial statements.

Note 13, cont.

Breakdown of borrowings and debts by maturity

	As of December 31, 2021			
(€ in millions)	Less than 1 year	Between 1 and 5 years	5 years and more	Total
Non-current interest-bearing liabilities				
Shareholder loans	-	324.3	-	324.3
Lease liabilities	-	41.7	12.7	54.4
State guaranteed Loan	-	-	-	-
Other loans	-	1.7	1.9	3.6
Total non-current interest-bearing liabilities	**-**	**367.7**	**14.6**	**382.3**
Current interest-bearing liabilities				
Factoring - net liability[1)]	54.0	-	-	54.0
Accrued interests	4.2	-	-	4.2
Current portion of long-term loans	0.6	-	-	0.6
Lease liabilities	17.5	-	-	17.5
Bank overdrafts	0.0	-	-	0.0
Other loans	0.3	-	-	0.3
Total current interest-bearing liabilities	**76.6**	**-**	**-**	**76.6**
Total interest-bearing liabilities	**76.6**	**367.7**	**14.6**	**458.9**

[1] Factoring is presented net of guarantee reserve.

	As of December 31, 2020			
(€ in millions)	Less than 1 year	Between 1 and 5 years	5 years and more	Total
Non-current interest-bearing liabilities				
GSO loan [2)]	-	93.9	-	93.9
Shareholder loans	-	268.5	-	268.5
Lease liabilities	-	40.3	18.0	58.3
State guaranteed Loan	-	-	40.0	40.0
Other loans	-	2.9	2.6	5.5
Total non-current interest-bearing liabilities	**-**	**405.6**	**60.6**	**466.2**
Current interest-bearing liabilities				
Factoring - net liability[1)]	33.1	-	-	33.1
Accrued interests	6.7	-	-	6.7
Current portion of long-term loans	1.4	-	-	1.4
Lease liability	17.3	-	-	17.3
Bank overdrafts	0.3	-	-	0.3
Other loans	1.8	-	-	1.8
Total current interest-bearing liabilities	**60.5**	**-**	**-**	**60.5**
Total interest-bearing liabilities	**60.5**	**405.6**	**60.6**	**526.7**

[1] Factoring is presented net of guarantee reserve.
[2] Reimbursed as part of refinancing in May 2021.

As of December 31, 2021 and 2020, the maturity of account payables and other liabilities is less than one year.

Note 13, cont.

Changes in borrowings and debts

(€ in millions)	As of December 31, 2021	2020
Interest bearing liabilities as of January 1,	**526.7**	**585.7**
Borrowings		
of which proceeds from borrowings	257.2	120.9
of which repayments of borrowings	(360.3)	(118.1)
of which increase due to interest capitalized	0.7	29.9
of which impact in consolidation scope[1)]	(0.0)	(89.4)
Factoring	**21.0**	**(10.8)**
Capital increase	**-**	**(8.9)**
Interest		
of which interest paid	(33.6)	(14.9)
of which increase in interest accrued from the period	31.6	44.3
of which increase in interest capitalized	(0.7)	(29.9)
of which impact in consolidation scope	0.0	(0.3)
Overdraft	**(0.3)**	**(3.4)**
Change in IFRS 16 balance	**16.4**	**22.6**
Change in other financial liabilities	**0.0**	**0.0**
Other (mainly FX changes)	**0.4**	**(1.2)**
Interest bearing liabilities as of December 31,	**459.0**	**526.7**
Shareholder Loan included in Discontinued activities	-	**72.0**

[1)] The consolidation scope impact is related to discontinued operation. It includes 72M€ of shareholder loan that we repaid in 2021 with the Rail activities divestment.

13.2. Cash and cash equivalents

Accounting policy

Cash and cash equivalents consist of cash on hand, deposits on demand and other short-term highly liquid investments with a maturity of no more than three months at the date of acquisition. They are classified as current assets. Bank overdrafts, if any, are included in current liabilities.

Cash and cash equivalents as stated in the statement of financial position include the following amounts:

(€ in millions)	As of December 31, 2021	2020
Cash at bank and on hand	38.0	66.0
Short-term deposits	13.9	14.3
Cash and cash equivalents in the statement of financial position	**51.8**	**80.3**
Bank overdrafts	(0.0)	(0.3)
Net Cash and cash equivalents at end of period - Cash flow statement	**51.8**	**80.0**

13.3. Derivatives

Accounting policy

Derivatives are recognized at fair value. Gains and losses arising from remeasurement are accounted for based on the purpose of the derivative instrument.

The Group uses derivative instruments to hedge the interest rate exposure on cash flows attributable to financial liabilities, and exposure to foreign currency risk on unrecognized firm commitments and off balance sheet items.

Derivative instruments are not qualified as hedging instrument, even if they are effective economic hedges according to the Group risk management policy.

Fair values are determined on the basis of market prices quoted in an active market, of rates at the balance sheet date or on the basis of generally used appropriate valuation techniques. Underlying information and assumptions are based on market prices from observable market data.

The fair values of derivative instruments equal the prices that the Group would pay or receive if derivative contracts were sold. They are calculated using quoted prices. Where such prices are not available, discounted cash flows using market data are utilized. Options are valued with a standard valuation model using market data.

The only instruments used for hedging purposes are forward currency purchases and sales, currency swaps and purchases of currency options for currency risk hedging purposes; interest rate swaps, future rate agreements, and purchases of caps and collars for interest rate risk hedging purposes; and forward commodity purchases and sales, commodity swaps and commodity options for commodities risk hedging purposes.

These instruments:

- are used solely for hedging purposes;
- are contracted solely with high-quality banks;
- carry no liquidity risk in the event of reversal.

The tables below show aggregate notional amounts for each type of derivative used, split by residual maturity and by currency.

(€ in millions)	As of December 31, 2021	2020
Foreign exchange forward contracts		
Market value	(0.1)	(0.1)
Nominal amount	4.5	5.2
Interest rate swaps contracts		
Market value	-	-
Nominal amount	-	-

Given the materiality of such hedging instruments, the Group did not perform a sensitivity analysis to assess the impacts of a variation in the exchange rate euro against the hedged foreign currencies. Management estimates that the impacts will not be material.

Note 13, cont.

13.4. Fair values of financial assets and liabilities

Use of fair value

A IFRS 13 Fair Value Measurement establishes a fair value hierarchy consisting of three levels:

- Level 1: prices on the valuation date for identical instruments to those being valued, quoted on an active market to which the entity has access;
- Level 2: directly observable market inputs other than Level 1 inputs;
- Level 3: inputs not based on observable market data (for example, data derived from extrapolations). This level applies when there is no observable market or data and the entity is obliged to rely on its own assumptions to assess the data that other market participants would have applied to price other instruments.

(€ in millions)	Note	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Interest-bearing liabilities excluding bank overdrafts	13.1	December 31, 2021	-	459.0	-	459.0
Cash and cash equivalents including bank overdrafts	13.2	December 31, 2021	51.8	-	-	51.8
Foreign exchange derivatives	13.3	December 31, 2021	-	-	-	-

(€ in millions)	Note	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Interest-bearing liabilities excluding bank overdrafts	13.1	December 31, 2020	-	526.7	-	526.7
Cash and cash equivalents including bank overdrafts	13.2	December 31, 2020	80.0	-	-	80.0
Foreign exchange derivatives	13.3	December 31, 2020	-	-	-	-

The measurement methods and the major assumptions applied to determine the fair value of assets and liabilities are described in detail below.

Derivatives
The fair values of derivative instruments equal the prices that the Group would pay or receive if derivative contracts were sold. They are calculated using quoted prices. Where such prices are not available discounted cash flows using market data are utilized. Options are valued with a standard valuation model using market data.

Loans
The carrying amount of all these items corresponds to their fair value.

Trade payables and other liabilities and current receivables
For trade payables and other not derivative-related liabilities and current receivables, the fair values are assumed to equal their carrying amounts, given the short maturity of these items, discounting has no material effect.

13.5. Financial (loss) / income

Accounting policy

Interest expense related to the financial debt recognized using the effective interest method.
Financial income and expense include:

- Interest expense related to the financial debt (financial debt consists of the debt component of bonds corresponding to compound instruments, other borrowings and lease liabilities);
- Other expenses paid to financial institutions for financing operations;
- The financial component of the employee defined benefits expense (net interest income (expense) and administration costs);
- Other income or expense from cash and cash equivalents.

	As of December 31,	
(€ in millions)	2021	2020
Financial income		
Interest income	1.4	1.3
Other financial income	2.0	2.2
Financial expenses		
Interest expenses	(31.7)	(39.4)
Currency exchange losses	(1.3)	(2.4)
Other financial expenses	(6.3)	(6.5)
Financial (loss) / income	**(35.9)**	**(44.8)**

Financial expenses include mainly interest on outstanding debt as well as valuation-related adjustments (mainly related to foreign exchange-denominated assets and liabilities), commissions on factoring, bank fees. Interest expenses related to lease contracts are detailed in Note 15 "Leases".

Decrease in interest expenses in 2021 compared to 2020 is mainly-driven by lower interest rate as part of refinancing, since May 2021.

14. OTHER NON-CURRENT ASSETS

Other non-current assets include payments withheld for guarantees.

15. LEASES

Accounting policy

Lease definition under IFRS 16
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset — this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to change how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

Accounting of leases as a lessee
At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate of the lessee if it can be determined. Otherwise, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as of the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in "property, plant and equipment" and lease liabilities in "financial debts" in the statement of financial position.

Lease terms
The Group has given an estimate of the date up to which it is reasonably certain to remain in the lease, taking into account the facts and circumstances that are specific to each contract.

Approximately, two third of the lease agreements have fixed terms. For those contracts, the estimated lease term corresponds to the end date of the current contract.

For the remaining third (with either exit options or renewal options at the hands of the lessee), a detailed analysis was carried out to determine the estimated lease term.

The main arguments to decide the date to consider are (i) specialized nature of asset (ii) location (iii) age of the investments made.

Discount rate
The Group has determined the discount rate applicable to each lease agreement based on the incremental borrowing rate in each location and for each lease term. Therefore the calculation of the discount rate requires estimates, especially regarding the credit spread added to the risk free rate.

Short-term leases
The Group has elected not to recognise right-of-use assets and lease liabilities for leases that have a term shorter than 12 months, including mainly IT equipment, mobile devices and car leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Note 15, cont.

Breakdown of Property, Plant and equipment
The Group rents some of its plants and offices and most of its IT equipment and cars. In general, the terms of the lease include the option to extend the agreement beyond the original expiration date. The duration, types of indexation, renewal and other terms differ in each contract depending on the type of agreement, the market conditions with no contingent contracts or sublease payments.

Property, plant and equipment comprise owned and leased assets that do not meet the definition of investment property.

		As of December 31,	
(€ in millions)	Note	2021	2020
Property, plant and equipment	11.2	176.5	177.3
Right-of-use assets		59.9	61.2
TOTAL		**236.5**	**238.5**

The Group leases many assets including production sites, office buildings, vehicles, forklifts, machinery, IT equipment and land.

Right-of-use assets:

	As of December 31, 2021				
(€ in millions)	Land	Buildings	Machinery and Equipment	Other	Total
Balance as of January 1,	**4.9**	**78.1**	**6.1**	**17.7**	**106.9**
Leases beginning and modified during the period	0.7	6.4	1.1	6.6	14.7
Leases over during the period	(0.0)	(3.9)	(0.7)	(5.3)	(10.0)
Others	0.0	(0.1)	(0.0)	(0.2)	0.3
Gross value as of December 31, 2021	**5.6**	**80.5**	**6.4**	**18.8**	**111.3**
Accumulated depreciation and impairment as of January 1	**(1.7)**	**(31.7)**	**(3.2)**	**(9.1)**	**(45.7)**
Depreciation charge for the period	(0.8)	(10.0)	(1.4)	(5.0)	(17.3)
Impairment (charge)/reveral during the period	-	1.6	-	-	1.6
Leases over during the period	0.0	4.2	0.7	5.1	10.0
Others	(0.0)	0.1	(0.3)	0.2	0.1
Amortization as of December 31, 2021	**(2.5)**	**(35.9)**	**(4.1)**	**(8.9)**	**(51.4)**
Net book value as of December 31, 2021	**3.1**	**44.6**	**2.3**	**9.9**	**59.9**

Additions to the right-of-use assets during the period were €14.8 million.

	As of December 31, 2020				
(€ in millions)	Land	Buildings	Machinery and Equipment	Other	Total
Balance as of January 1, 2020	**7.0**	**78.8**	**11.9**	**20.3**	**118.0**
Leases beginning and modified during the period	0.8	11.5	3.5	3.7	19.5
Leases over during the period	(0.5)	(2.7)	(2.7)	(5.4)	(11.4)
Others	(0.0)	(0.6)	0.0	1.0	0.3
Discontinued activities	(2.3)	(8.8)	(6.6)	(1.9)	(19.6)
Gross value as at 31 December, 2020	**4.9**	**78.1**	**6.1**	**17.7**	**106.9**
Accumulated depreciation and impairment as of January 1	**(1.4)**	**(26.0)**	**(7.5)**	**(10.5)**	**(45.5)**
Depreciation charge for the period	(1.0)	(10.5)	(1.8)	(5.7)	(19.0)
Impairment (charge)/reveral during the period	(1.5)	(4.5)	(2.1)	(0.6)	(8.7)
Leases over during the period	0.5	2.7	2.7	5.3	11.2
Others	(0.1)	(1.1)	(0.1)	1.2	(0.0)
Discontinued activities	1.8	7.6	5.7	1.1	16.2
Amortization as at 31 December, 2020	**(1.7)**	**(31.7)**	**(3.2)**	**(9.1)**	**(45.7)**
	3.3	46.4	2.9	8.6	61.2
Net book value as at 31 December, 2020	**3.3**	**46.4**	**2.9**	**8.6**	**61.2**

Additions to the right-of-use assets during the period were €19.5 million.

16. INCOME TAXES

16.1. Current income tax

Accounting policy

The Group is subject to income taxes in France and other jurisdictions. Some of the Group's businesses may be included in consolidated tax returns within same jurisdictions.

Income tax expenses recognized in the consolidated income statement consist of current tax, change in deferred tax assets and liabilities (except when they relate to items credited or debited directly to equity, in which case the tax effect is also recognized directly in equity) plus adjustment recognized in the current period related tax due from prior periods.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Income tax expense from continued operations

	Year ended December 31,	
(€ in millions)	2021	2020
Current tax (expense) / income	(8.0)	(5.5)
Adjustment recognized in the current period related tax due from prior periods	(0.6)	(2.6)
Deferred tax (expense) / income	(3.2)	(5.4)
Other	(0.8)	(1.4)
Income Tax	**(12.7)**	**(14.9)**

Tax proof from continued operations

	Year ended December 31,	
(€ in millions)	2021	2020
Profit / (loss) of the period before tax from continued operations	**1.3**	**(26.8)**
Group's theoretical tax expense[1)]	**(0.4)**	**7.7**
Tax rate differences with foreign subsidiaries	4.7	(0.8)
Effect of changes in applicable tax rates	(0.0)	(0.1)
Tax expenses not based on taxable income	(1.3)	(1.7)
Tax effect of other permanent differences	(5.4)	(8.4)
Recognition / (Unrecognition) of deferred tax	(10.2)	(11.1)
Other differences	(0.0)	(0.0)
Group's effective income tax charge	**(12.7)**	**(14.9)**

[1)] Theorical tax rate was 28,41% for 2021 and 28,92% for 2020

Note 16, cont.

16.2. Deferred tax

Accounting policy

Deferred tax assets and liabilities are generally recognized for all deductible or taxable temporary differences, unused tax losses and unused tax credits and are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to net current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax liabilities are recognized at their full amounts in the balance sheet, and deferred tax assets are recognized at estimated realizable amounts. The rates applied reflect Management's intentions of how the underlying assets will be realized or the liabilities settled.

Deferred tax assets
Deferred tax assets that are not matched by deferred tax liabilities expected to reverse in the same period are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences.

The recoverable amount of deferred tax assets is reviewed at the end of each reporting period and their carrying amount is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized when it becomes probable that future taxable profit will be available to offset the temporary differences.

Deferred tax liabilities
Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxes

	Year ended December 31,	
(€ in millions)	2021	2020
Deferred tax assets		
Purchase price allocations	0.7	0.5
Unused taxable losses	4.2	4.0
Other temporary differences	12.5	15.0
Employee benefits	4.8	7.2
Total before set-off of taxes	**22.1**	**26.7**
Netting of taxes	(17.5)	(20.7)
Net deferred tax assets	**4.6**	**5.9**
Deferred tax liabilities		
Purchase price allocations	14.8	15.6
Other temporary differences	6.7	6.9
Total before set-off of taxes	**21.6**	**22.5**
Netting of taxes	(17.6)	(20.7)
Net deferred tax liabilities	**4.0**	**1.8**

Unrecognized tax losses

	Year ended December 31,	
(€ in millions)	2021	2020
Tax losses	737.5	719.8

The total amount of unrecognized tax losses from continued operations as of December 31, 2021 mainly includes tax losses in France, indefinitely carried-forward.

17. MANAGEMENT EQUITY PLAN

On April 20, 2017, Bain Capital Private Equity acquired Consolis from LBO France, in this context, certain managers of Consolis (the "Managers") were invited to participate in a management incentive plan and invested in the Target alongside the Sponsor. The Managers' investment was made through equity securities of Compact (BC) Lux II SCA (one of the holding companies). Managers invested in ordinary shares, preference shares and free shares. Key terms were communicated to a majority of the Managers participating in the incentive plan as of April 20, 2017 (the "Grant Date").

The ordinary shares and the preference shares of Compact (BC) Lux II SCA were purchased by the Managers on an arm's length basis. As such, these instruments have no impact on the consolidated financial statements of the Company.

As no new significant or amended share plan was implemented in 2020 and 2021, and considering the full recognition of the 2017 Management Equity plan, no share-based compensation expense was recognized in the years ending December 31, 2020 and December 31, 2021.

18. EQUITY

Share capital and Share premium

(€ in millions)	Number of called up, allotted and fully paid shares	Share capital	Share premium	Total
As at 31 December 2020	**478,211,692**	**191.3**	**212.1**	**403.3**
Issuance of shares	-	-	-	-
As at 31 December 2021	**478,211,692**	**191.3**	**212.1**	**403.3**

As of December 31, 2021, the share capital is similar as previous year. The share premium account represents the premium on shares issued.

Dividends
The Group did not declare or pay any dividend during the years ended December 31, 2021 or December 31, 2020.

Currency translation reserves
Currency translation reserves comprise cumulative differences arising from the translation of the financial statements and investments in foreign subsidiary undertakings that use functional currencies other than the functional currency of the Company (Euro).

Actuarial reserves
Actuarial gains and losses on post-employment defined benefit plans are recorded as other comprehensive income within equity in accordance with IAS 19 Employee Benefits. Information on the Group's retirement benefit plan are detailed in Note 10.2 "Retirement benefit plans and other long-term benefits".

19. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares. This includes free shares in the years ended 2021 and 2020 (see Note 17 "Management Equity Plan"). Since the result of the Group is a net loss in 2021 and 2020, diluted earnings per share equals the basic earnings per share.

The following table reflects the earnings and shares information used to calculate the basic and diluted earnings per share ratios:

	As of December 31,	
(€ in millions)	2021	2020
Net profit attributable to ordinary shareholders (€ million)	(16.6)	(88.0)
Weighted average number of ordinary shares (number of shares - million)	478.2	478.2
Basic earnings per ordinary share (€)	**(0.03)**	**(0.18)**
Net profit attributable to ordinary shareholders	(16.6)	(88.0)
Weighted average number of diluted shares (number of shares - million)	478.2	478.2
Diluted earnings per ordinary share (€)	**(0.03)**	**(0.18)**

20. COMMITMENTS

20.1. Pledged assets

(€ in millions)	As of December 31, 2021	Incl. Disc. Activities	2020	Incl. Disc. Activities
Real estate mortgages	16.1	-	35.0	16.2
Shares[1)]	675.1	-	1,434.3	31.7
Other mortgages[2)]	107.8	13.4	1,240.9	192.8
Bank accounts	-	-	49.1	1.4
Pledged assets	**799.0**	**13.4**	**2,759.2**	**242.1**
Responsibilities for own commercial commitments	**166.0**	**12.2**	**184.7**	**54.9**
Total	**964.9**	**25.5**	**2,943.9**	**297.0**

1) As of 31 December 2021, net book value of shares of entities included in the bonds pledge agreement. As at 31 December 2020, net book value of shares of entities included in GSO pledge agreement.
2) As of 31 December 2020, includes intragroup receivables before eliminations for €1 130 million and as at 31 December 2021, includes factoring receivables for €94.4 million.

As part of its business, the Group is often required to issue performance guarantees in favor of customers during the tendering process, for the correct execution of contracts or obligations of technical guarantees. Some of these commitments require bank guarantees or insurance bonds issued on the Group credit lines under the form of bid, advance payment, performance or warranty bonds. Some of these commitments require the bank guarantees or insurance bonds issued on the Group's credit lines, without the form of guarantees of submission, repayment of installments, performance or quality.

21. TRANSACTIONS WITH RELATED PARTIES

The related parties of Consolis are its shareholders and their subsidiaries and its associates and joint ventures.

(€ in millions)	As of December 31, 2021	2020
Transaction with related parties		
Net Sales	0.4	1.2
Overheads and admin costs	(1.1)	(1.5)
Financial result	(21.8)	(31.9)
Balance sheet positions with related parties		
Non-current financial liabilities	(324.2)	(362.4)
Liabilities held for sale	-	(72.0)
Current financial liabilities	(3.8)	(4.9)
Trade payables and other liabilities	(0.3)	(1.0)

All significant balances and transactions between the entities that constitute the Consolis group have been eliminated in the preparation of the consolidated financial statements. These balances with related parties resulted primarily from:

- Transaction as the sale and purchase of goods between Group entities (also with discontinued operations);
- The sale and/or acquisition of subsidiaries' shares within Consolis;
- Outstanding balances: the invoicing of administrative services, rentals, trademarks and commercial name rights, royalties and other services rendered between Group entities;
- Loans between related parties. Transactions between Group entities are conducted on arm's length terms based on market prices and conditions. When market prices and/or market conditions are not readily available, Consolis conducts transfer pricing studies in the countries in which it operates to ensure compliance with regulations applicable to transactions between related parties.

All transactions with related parties are executed under market conditions.

There were no financial loans granted to the management members of the parent company nor were there any collateral or liability commitments given to them as of December 31,2021 or 2020.

Note 21, cont.

21.1. Associates

An associate is an entity over which the Group has significant influence (which is presumed when the Group holds voting interests over 20 percent but below 50 percent)

Siteba SA is the only entity considered such as an associate. The entity is classified as Asset held for sale as of December 31,2020.

21.2. Relationship with the shareholders

Consolis Group S.A.S. is ultimately owned by Bain Capital at 94.55% as of December 31, 2021. Bain Capital means Bain Capital, L.P. and its affiliates and, where applicable, the funds and limited partnerships managed or advised by them. The remaining part is owned by other investors and management.

Bain Capital Private Equity and Compact Midco 3 B.V. (one of the holding companies of the company), entered into a management service agreement on April 20, 2017. In this context, management services can be provided to any subsidiary of the Group. No fees have been directly invoiced to Consolis for the year 2021 or 2020.

In addition, as described in Note 13.1 "Group financing", Consolis entered into a shareholders' loan with Compact Bidco B.V. (parent of the group) which is the issuer for the Senior Secured Notes (the Bonds)

There is no additional significant relationship with the Group's shareholders.

21.3. Key Management Personnel compensations

Accounting policy

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (executive or otherwise) of the entity.

The Group's key management personnel are the members of Executive Management Team (EMT), which include as of December 31, 2021: Chief Executive Officer, Chief Financial Officer, Group Human Resources, Vice President Operation, General Counsel and MDs for East Nordic, Eastern Europe, Emerging Markets, the Netherlands, Spain, Sweden and Norway/Denmark. The Vice President Business Development left during the year and his tasks were distributed to the remaining EMT members. For year end 2020 the figures include Chief Executive Officer, Chief Financial Officer, Group Human Resources, Vice President Operation, General Counsel.

Management compensations paid by the Group are set out in the table below:

	Year ended December 31,	
(€ in millions)	2021	2020
Basic salaries	3.6	2.8
Bonuses	1.0	0.6
Equity Plan[1)]	-	-
Other (including benefits in kind)	0.2	-
Termination benefits	-	0.7
Management compensations	**4.8**	**4.1**

[1)] As described in Note17 "Management Equity plan"

22. CONTINGENT LIABILITIES

Claims & litigations

Certain subsidiaries included in the Group have been subject to claims from direct or indirect customers relating to technical or commercial disputes. Based on management's risk assessment as of December 31, 2021, management believes it has sufficient grounds to defend its economic interests and the unfavorable outcomes have been deemed less than probable. These claims relate mainly to Morocco and Latvia for a total exposure of approximately €9 million.

Environmental

The Group is also exposed to environmental risks in certain of its industrial sites. These contingent liabilities relate to remediation and decommissioning costs, primarily asbestos removal, depollution and other clean-up costs for which the Group has currently no probable obligation. The Group estimates the exposure to approximately €2.6 million.

23. EVENTS AFTER THE END OF THE REPORTING PERIOD

Civil Works France disposal

Consolis completed the sale of its Civil Works France business to EIM Capital on January 31, 2022, through the disposal of Bonna Sabla S.A. and its subsidiaries. The Civil Works France business consisted mainly of (i) precast concrete drainage products, funeral elements and urban planning business and (ii) precast concrete tunnel elements manufacturing business. Consolis' intention was to use an estimated € 45 million of cash in order for the CWF Business to be self-sufficient between the issue date of the senior secured notes and the completion date of the disposal. The total amount of cash used is expected to be in line with the previously communicated amount € 45 million. On closing, January 31, 2022, an injection of € 17.3 million was done. In addition, Consolis has an obligation to fund € 20 million of cash split into two tranches at the latest in the period Q4 2022 and Q1 2023, of which € 15 million is linked to the expected cash proceeds from the disposal of certain real estate assets, for which a promise to buy and sell arrangements have been executed, and which is estimated to provide an amount slightly above € 20 million. The link between Consolis' funding of € 15 million and the disposal of certain real estate assets has a backstop in Q1 2023, which means that Consolis, if it for some reason would be unable to finalize the disposal, would need to fund the € 15 million in Q1 2023 from its operating cash flow. In total, including cash injections and expected proceeds from real estate disposal, we expect to be within the previously communicated € 45 million.

War in Ukraine

As a result of the ongoing war in Ukraine, Consolis is continuously following up on risks and mitigating activities to reduce the impacts on the Group. Consolis does not have any revenue derived from Russia or Ukraine.

24. ALTERNATIVE PERFORMANCE MEASURES

Consolis presents certain financial measures in the annual and sustainability report that are not defined according to IFRS and qualifies as non-GAAP measures. The Company believes that these measures provide valuable supplemental information to stakeholders and the Company's management as they allow for evaluation of trends and the Company's performance. Since all companies do not calculate financial measures in the same way these are not always comparable to measures used by other companies. These financial measures should therefore not be considered as a replacement for measurements as defined under IFRS.

Metric	Definition	Purpose
Order book	Order agreed with costumer	The key figure used to monitor revenues expectation for the coming periods
Order intake	Signed contracts in the period	The key figure used to monitor revenues expectation for the coming periods
Book-to-bill ratio	Ratio between the period's order intake and sales	The key figure used to monitor revenues expectation on evaluation of the order book. A ratio of 1 or more indicates a growing order book. where a ratio below 1 indicates that we "consume" more orders than we take in
Growth (%)	Growth consists of the increase in sales in relation to the comparative period. The period's increase in net sales/Net sales in the period of comparison	This key figure is used to follow up the company's sales increase
Acquired growth (%)	The period's net sales growth from acquisitions/the comparative period's net sales	The key figure used to monitor the proportion of the company's sales growth generated through acquisitions
Foreign exchange (fx) effect on growth (%)	The increase in net sales for the period attributable to change in exchange rates/Net sales in the comparative period	The key figure used to monitor the proportion of the company's sales growth generated through exchange-rate fluctuations
Organic growth (%)	The increase in net sales for the period adjusted for acquisitions. divestments and currency/Net sales in the comparative period	This key figure is used when analysing underlying sales growth driven by comparable operations between different periods
Operating profit (EBIT)	Profit for the period before financial items and tax Total operating income – Operating expenses	The key figure used to monitor the company's profit generated by operating activities. This key figure enables comparisons of profitability between companies/industries
Items affecting comparability	Items related to events in the company's operations that impact comparability with profit during other periods	The key figure of Items affecting comparability is used to achieve a fair comparison of the underlying development of business operations
EBITDA	Operating profit before depreciation. amortization and impairment of intangible and tangible assets Operating profit (EBIT) + Depreciation. amortization and impairment of tangible and intangible assets	The key figure used to follow up the company's profit generated by operating activities. This key figure enables comparisons of profitability between companies/industries
Adjusted EBITDA	Operating profit before depreciation/amortization and impairment of intangible and tangible assets adjusted for items from such events in the company's operations that affect comparisons with profit from other periods EBITDA + Items affecting comparability	The key figure of Items affecting comparability is used to achieve a fair comparison of the underlying development of business operations
Operating cash flow	Total cash flow from operating activities excluding tax. net financial items and items affecting comparability. as well as cash flow from investing activities excluding acquisitions and divestments of operations Adjusted EBITDA + Changes in working capital + Cash flow from investing activities excl. acquisitions and divestments of subsidiaries + adjustments for cash flow from investing activities related to increased capacity/growth	This key figure shows the cash flow from the company's operations excluding business combinations. company divestments. financing. tax and items affecting comparability and is used to follow up whether the company is able to generate a sufficiently positive cash flow to maintain and expand its operations
Free cash flow	Total cash flow from operating activities and cash flow from investing activities excluding acquisitions and divestments of operations Cash flow from operating activities + Cash flow from investing activities excluding acquisitions and sales of subsidiaries	This key figure shows cash flow from operating activities including cash flow from investing activities excluding acquisitions and divestments of operations and is used because it is a relevant measure for investors to be able to understand the Group's cash flow from operating activities
Cash conversion (%)	Cash conversion as a percentage is defined as operating cash flow divided by adjusted EBITDA Operating cash flow/Adjusted EBITDA	The key figure used as an efficiency measure of the proportion of a company's profit that is converted to cash. Cash conversion is mainly followed on a twelve-month basis
Net debt	The Group's interest-bearing liabilities excluding pension provisions adjusted for cash and cash equivalents Interest-bearing liabilities – cash and cash equivalents	This key figure is a measure of the company's debt/equity ratio and is used by the company to assess its capacity to meet its financial commitments
Net debt / Adjusted EBITDA LTM	Net debt/Adjusted EBITDA LTM is a measure of the debt/equity ratio defined as the closing balance for net debt in relation to last twelve months adjusted EBITDA	The key figure used to monitor the level of the company's indebtedness

Note 24, cont.

24.1 Reconciliation alternative performance measures

The table below outlines a reconciliation between line items in primarily financial statement. (Notes refer to consolidated statments or notes.)

		Year ended December 31.	
(€ in millions)	ref	2021	2020
Adjusted EBITDA			
NET PROFIT / (LOSS) from continued operations	PL	(11.3)	(41.7)
Adjusted for:			
Financial loss / (income)	PL	35.9	44.8
Income taxes	PL	12.7	14.9
OPERATING INCOME	PL	37.3	18.1
Depreciation and amortization	11	45.0	48.3
(Profit) loss from sale of fixed assets	9	(0.4)	(6.1)
Restructuring costs	9	5.3	8.3
Impairment loss / (reversal)	9	2.4	29.2
Transformation costs	9	0.0	(3.1)
Pension income	9	(8.1)	0.0
M&A related costs	9	0.0	(0.6)
Other items	9	0.2	1.2
Adjusted EBITDA	**sum**	**81.7**	**95.3**
Adjusted EBITDA margin			
Adjusted EBITDA	25.1	81.7	95.3
Net Sales	PL	1 106.1	1 036.7
Adjusted EBITDA margin	**ratio**	**7.4%**	**9.2%**
Free cash flow			
Net cash from (used in) operating activities – continued operations	CFS	46.1	96.2
Purchase of Property. Plant and Equipments	CFS	(21.3)	(15.1)
Acquisitions of intangible assets	CFS	(4.7)	(2.9)
Free cash flow	**sum**	**20.1**	**78.2**
Operating cash flow			
Adjusted EBITDA	25.1	81.7	95.3
Change in net working capital	CFS	(8.9)	22.4
Purchase of Property. Plant and Equipments	CFS	(21.3)	(15.1)
Acquisitions of intangible assets	CFS	(4.7)	(2.9)
Operating cash flow	**sum**	**46.9**	**99.7**
Cash conversion			
Operating cash flow	25.1	46,9	99,7
Adjusted EBITDA	25.1	81,7	95,3
Cash conversion	**ratio**	**57%**	**105%**
Orderbook			
Remaining performance obligations	8.1	841.1	587.1
Items not meeting the IFR5 15 definition		84.2	64.0
Orderbook	**sum**	**925.3**	**651.1**

APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements for the years ended December 31, 2020, and 2021 were authorized for issuance by the President of Consolis Group S.A.S. on April 7, 2022.

The President declare that the consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and give a true and fair view of the Group's financial position and results of operations.

April 7, 2022

Mikael Stöhr
President of Consolis Group S.A.S.

AUDITOR'S REPORT

To the President of Consolis Group S.A.S. siren number 483 537 122

Report on the consolidated financial statements

Opinions

We have audited the consolidated financial statements of Consolis Group SAS for the year 2021. The consolidated financial statements are included on pages 74-118 in this document.

In our opinion, the consolidated accounts have been prepared and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Consolis Group SAS and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Other matter

The audit of the consolidated financial statements for year 2020, were performed by another auditor who submitted an statutory auditor´s report dated 9 April 2021, with unmodified opinions in the Report on the consolidated financial statements. Without qualifying the opinion, the auditor draws the attention to Note 3 to the consolidated financial statements which describes the basis of preparation of these financial statements. Such note refers to the consolidated financial statements of Consolis Group for the years ended 31 December 2018, 2019 and 2020 have been prepared in connection with the planned offer and sale of Senior Secured Notes. They were specifically prepared for the purpose of inclusion in the offering memorandum for the planned offering.

Responsibilities of the President

The President is responsible for the preparation of the consolidated financial statements and that they give a fair presentation in accordance with IFRS as adopted by the EU. The President is also responsible for such internal control as they determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, The President is responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the President intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated 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 opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 opinions. 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 the company's and the group's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the President.
- Conclude on the appropriateness of the President' use of the going concern basis of accounting in preparing the consolidated financial statements. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group'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 or, if such disclosures are inadequate, to modify our opinion about the consolidated financial statements. 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 a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and 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 opinions.

We must inform the President of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Stockholm, April 7, 2022

PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant

Detailed Sustainability information

Consolis Annual Report 2021 holds its first Group common Sustainability Report.

The CEO of Consolis and the Executive Management Team are responsible for incorporating Group wide sustainability initiatives into Consolis business strategy and operation. The Executive Management Team is responsible for monitoring, reporting and ensuring performance and result.

Consolis Sustainability Committee defines the Group's sustainability agenda, develops the management approach for each material topic and ensures that sustainability is an integral aspect of Consolis Code of Conduct, operation, strategy, training and communication.

The Sustainability Committee ensures that management approach of material topics include necessary components (e.g. policies, responsibilities, resources etc.) and sets the overall ambition level, targets and activities in order to make sure sustainability ambitions and targets are met. Responsibilities also include stakeholder dialogues and close monitoring of macro trends and drivers. The Business and Group functions carry out key sustainability activities and report on progress, performance and results.

The Sustainability Committee and Consolis Executive Management Team regularly review and evaluate the effectiveness of management approach for the Group's material topics and all sustainability initiatives and confirm any sustainability or environmental related certificates.

GOVERNING DOCUMENTS

Governing documents are approved by the Consolis Board of Directors. During the end of 2021 an initiative to review a number of policies was initiated for re-implementation during 2022, among these the:

- Consolis Communication Policy
- Consolis Finance Policies
  - *Treasury Policy*
  - *Reporting Policy*
  - *Risk management and internal control Policy*
- Consolis Health & Safety Policy
- Consolis HR Policy
- Consolis IT Policies
  - *IT Policy*
  - *Information Security Policy*
- Consolis Legal Policies
  - *Alert Channel Policy*
  - *Anti-Corruption Policy*
  - *Anti-Money Laundering Policy*
  - *Competition Compliance Policy*
  - *Decision-Making Policy*
  - *Data Privacy Policy*
  - *Sanctions And Export Control Policy*
- Consolis Production Policy
- Consolis Quality Policy
- Consolis Sustainability Policy
- Consolis Technology Policy

The principles of Consolis Code of Conduct are based on Consolis shared values, sustainability focus areas, international legislation, standards and agreements, taking the UN Global Compact and the OECD's guidelines for multinational companies into account. In 2021, Consolis Code of Conduct was revised and a new version of Consolis Code of Conduct will be approved by the Board, rolled out and implemented throughout the organization during spring 2022. In addition, a new revised Consolis Code of Conduct for Suppliers will be implemented.

Consolis Group's Legal, HR and Sourcing departments monitor compliance with the Code of Conduct internally as well as among business partners. Employees are encouraged to report any behavior or activities that can be in breach of Consolis' Code of Conduct and/or applicable laws and regulations, preferably to their managers, or to an HR department representative. In circumstances when such reporting is not possible, or if there is a conflict of interest, or if the case is sensitive in nature, reporting shall be made through Consolis whistle blower system.

The whistle blower system is managed by a third-party vendor to ensure full privacy. This system enables employees to report potential cases in their native language either through a website or a toll-free phone call. Consolis expects managers to address issues and work to ensure a satisfactory resolution in compliance with Consolis' Code of Conduct and/or applicable laws and regulations.

STAKEHOLDERS AND STAKEHOLDER DIALOGUE

As an international Group with business and production in 17 countries, it is vital for Consolis to ensure accountability for its actual and potential impact on stakeholders. Consolis engages both directly and indirectly with key investors, customers, business partners, employees and trade unions. In 2021, Consolis performed a strategic sustainability review based on macro trends, input from key stakeholders and the strategic framework. The review re-confirmed the four sustainability focus areas; Products, Environment, People and Business Ethics.

Consolis actively works with relevant measures for each area in order to further enhance value creation and compliance, to reduce environmental impact and mitigate sustainability risks.

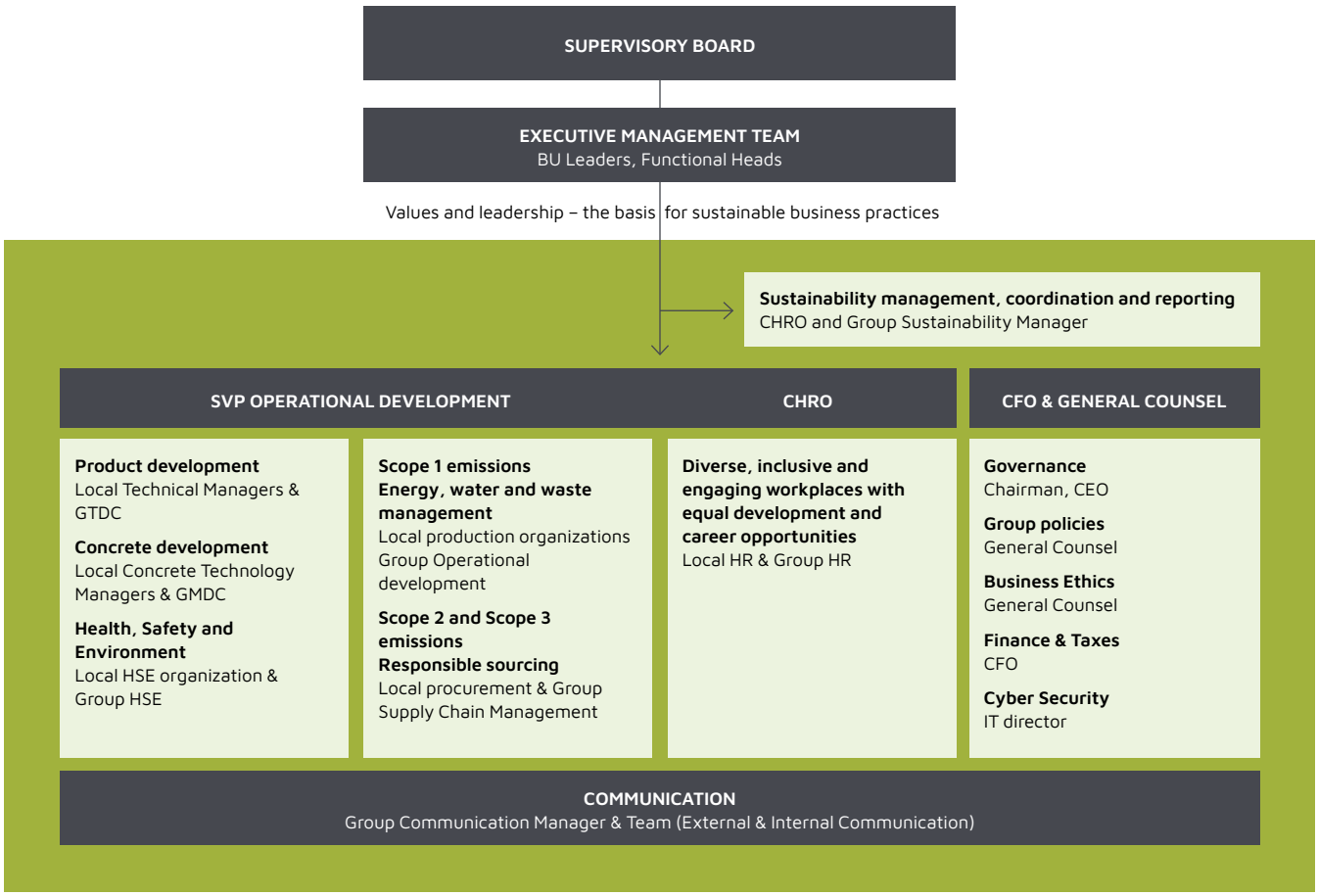
During 2021, an review of the sustainability aspects was performed based on surveys with selected key stakeholders and investor input. This review resulted in updated KPIs for internal monitoring of sustainability performance related to climate impact and health and safety. Read more about our stakeholder dialogue at Consolis.com.

CERTIFICATIONS

An overview of certificates and international standards applied in the Group is available at consolis.com.

CONSOLIS SUSTAINABILITY COMMITTEE

The Sustainability Committee meets for quarterly reviews of ongoing initiatives, Sustainability reporting and Sustainability risk management. The Committee ensure continuous development, review readiness for various sustainability related certificates, ensure quality in external reporting, etc. The Committee reports to Consolis' Executive ManagementTeam (EMT) and the CEO and the EMT report on regular basis to Consolis Supervisory Board.



SUSTAINABILITY REPORTING 2021

PEOPLE	2021	2020	GRI	Triple Bottom Line	Contribution to UN SDG
% of total employees that have had a performance review	to be measured 2022	NA	GRI 404-3	x	5, 8, 10
Average hours of training that the organization's employees have undertaken	to be measured 2022	NA	GRI 404-1		5, 8, 10
% of female employees in EMT (Executive Management Team)	25%	23%	GRI 405-1	x	5, 8, 10
% of female employees in TMT (Top Management Team)	28%	NA	GRI 405-1	x	5, 8, 10
% of female employees in Consolis Group	10%	10%	GRI 405-1	x	5, 8, 10
Lost Time Injury Frequency Rate (LTIFR)	6.9	6.5	GRI 403-9	x	8
Total Registered Injury Frequency Rate (TRIFR)	13.7	12.9	GRI 403-9	x	8
Employee motivation index	to be measured 2022	NA		x	
% of key positions filled with internal candidates	to be measured 2022	NA		x	
ENVIRONMENT					
Total Scope 1 & 2 emissions in tn-CO_2-eq	39 539	41 646	GRI 305-1, 305-2	x	12,13
Intensity Scope 1 & 2 emissions in kg-CO_2-eq/tn of production	9.1	9.9	GRI 305-4	x	13
Total major Scope 3 emissions in tn-CO_2-eq	647 142	619 483	GRI 305-3	x	12,13
Intensity major Scope 3 emissions in kg-CO_2-eq/tn of production	148.5	146.7	GRI 305-4	x	13
Total energy consumption in GJ	691 717	616 317	GRI 302-1		8, 12, 13
Energy consumption in MJ per tn of production	159	146	GRI 302-3		8, 12, 13
Total water consumption from all areas in megaliters	796	743	GRI 303-5		8, 12
Water consumption from all areas in liters per tn of production	183	176			8, 12
% of renewable input materials used to manufacture primary products	to be measured 2022	NA	GRI 301-1		8,12
% of recycled input materials used to manufacture primary products	to be measured 2022	NA	GRI 301-2	x	8,12
Total weight of waste generated in metric tons	226 951	257 239	GRI 306-3		12
Weight of waste generated in kg per tn of production	52	61			12
ETHICS & RESPONSIBLE SOURCING					
% of employees completed Code of Conduct training	Planned for 2022	NA	GRI 102-16, 102-17	x	16
% of targeted population completed specific training on anti-bribery and anti-competitive behavior	to be measured 2022	NA	GRI 205, 206	x	16
% of new suppliers screened using environmental criteria	to be measured 2022	NA	GRI 308-1	x	12, 13
% of new suppliers screened using social criteria	to be measured 2022	NA	GRI 414-1	x	8, 16
BUSINESS					
NPS Score	43	NA		x	
Organic revenue growth	6	-9		x	
Group EBITDA margin	7.4	9.2		x	
Cash conversion	57%	105%		x	

Operational control consolidation approach following GHG Protocol Corporate Accounting and Reporting Standard was followed for consolidating Scope 1, Scope 2 and major Scope 3 emissions of Consolis' production units.

Fuel, electricity and heating have been included in the Scope 1 and Scope 2 emissions. While major Scope 3 emissions include cement and reinforcement production related emissions.

CONSOLIS' TRIPLE BOTTOM LINE

The Group applies a holistic perspective on its business, which is why Consolis decided to establish a clear triple bottom line approach to how the business performance is managed, during 2021.

When there is a strong focus on the people – including employees, customers, suppliers, neighbors and communities – it is likely that the Group will have less employee turnover, more long-term customers, can avoid disputes and have a stronger goodwill.

By taking responsibility for the impact on the environment and our planet we are likely over time, to be able to use less resources, thus saving cost, and create less pollution which in turn can minimize regulatory issues.

Consolis' triple bottom line can ultimately improve financial performance, reduce operating costs, enhance the brand image and reputation, increase sales and customer loyalty, and boost productivity.

Consolis' triple bottom line is followed up in the regular Business Reviews, and in addition, quarterly in the Sustainability Committee. Consolis' triple bottom line is aligned with the UN Global SDG goals and highlights the Group's opportunities to contribute to a better and more sustainable world.

Business

AMBITION

"We aim to have industry leading customer satisfaction and constant profitable growth"

TARGET AREAS

- Customer satisfaction
- Financials
  - Growth
  - EBITDA
  - Cash generation

UN GLOBAL GOALS

8 DECENT WORK AND ECONOMIC GROWTH

Social

AMBITION

"We aim to have zero accidents and engaged and motivated employees with equal opportunities"

TARGET AREAS

- Health & Safety
- Employee engagement
- Diversity and Inclusion
- Business Ethics and Governance

UN GLOBAL GOALS

5 GENDER EQUALITY
10 REDUCED INEQUALITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Environment

AMBITION

"We aim to develop CO_2 neutral operations and a Circular business"

TARGET AREAS

- CO_2 reductions
- Circular economy
- Zero Waste/reduced environmental impact in own operations
- Responsible sourcing

UN GLOBAL GOALS

11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

TABLE 2 MATERIAL TOPICS AND BOUNDARIES

ENVIRONMENT	of suppliers	*Significant impact* of Consolis operations	of customers
CO_2/ Climate Change	X	X	X
Circular Economy	X	X	X
Energy usage		X	
Water use & emissions		X	
Waste management		X	
PEOPLE			
Health & Safety	x	X	
People Development		X	
Diversity & Inclusion		X	
ETHICS			
Business Ethics	X	X	
Responsible Sourcing	X		
Corporate Governance		X	
PRODUCTS			
Sustainable Products	X	X	X

GRI CONTENT INDEX
GRI 101: FOUNDATION 2016

GRI STANDARD/ OTHER SOURCE		DISCLOSURE	LOCATION page number(s) and/or URL(s)	OMMISSION/ COMMENTS
GRI 102: General Disclosures 2016				
	Organizational profile			
	102-1	Name of the organization	Cover page, Note 1	
	102-2	Activities, brands, products, and services	Consolis business offering, p. 18–23	
	102-3	Location of headquarters	Note 1	
	102-4	Location of operations	https://www.consolis.com/about-us/our-locations/	
	102-5	Ownership and legal form	Note 1	
	102-6	Markets served	Consolis today, p. 5	
	102-7	Scale of the organization	p. 62 Note 1, Note 5, Consolis business offering p. 18–23	
	102-8	Information on employees and other workers	p. 62, Note 10.1, p. 122	a. NA by gender c. can be available per request, NA by gender d-e. NA f. consolidated by country
	102-9	Supply chain	Business model, p. 17, p. 55	
	102-10	Significant changes to the organization and its supply chain	Note 2, Note 5	a. iii. NA
	102-11	Precautionary Principle or approach	Note 6, p. 120	
	102-12	External initiatives	p. 120	
	102-13	Membership of associations	https://www.consolis.com/sustainability/#engagements	A selection of memberships is reported.
	Strategy			
	102-14	Statement from senior decision-maker	p. 9	
	Ethics and integrity			
	102-16	Values, principles, standards, and norms of behavior	p. 60–63	
	Governance			
	102-18	Governance structure	p. 70–73, p. 120–121	
	Stakeholder engagement			
	102-40	List of stakeholder groups	p. 49–50, p. 120	
	102-41	Collective bargaining agreements	p. 62	a. NA on individual basis
	102-42	Identifying and selecting stakeholders	p. 49–50, p. 120	
	102-43	Approach to stakeholder engagement	p. 49–50, p. 120	
	102-44	Key topics and concerns raised	p. 50–51	
	Reporting practice			
	102-45	Entities included in the consolidated financial statements	p. 88–89	
	102-46	Defining report content and topic Boundaries	p. 50–51, p. 123	
	102-47	List of material topics	p. 51	
	102-48	Restatements of information	NA	This is the first report prepared by the reporting organization
	102-49	Changes in reporting	NA	This is the first report prepared by the reporting organization
	102-50	Reporting period	p. 50	
	102-51	Date of most recent report	NA	This is the first report prepared by the reporting organization
	102-52	Reporting cycle	p. 50	
	102-53	Contact point for questions regarding the report	Group Sustainability Manager	
	102-54	Claims of reporting in accordance with the GRI Standards	p. 50	
	102-55	GRI content index	p. 124–126	
	102-56	External assurance	p. 50	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION page number(s) and/or URL(s)	OMMISSION/ COMMENTS
Material topics			
CO_2/ Climate Change			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p. 49–53	
	103-2 The management approach and its components	p. 55–57, p. 120–121	
GRI 305: Emissions 2016	103-3 Evaluation of the management approach	p. 120–121	
	305-1 Direct (Scope 1) GHG emissions	p. 57, p. 122	NA biogenic CO_2 emissions. Source of the emission factors and the global warming potential (GWP) rates used are available on request.
	305-2 Energy indirect (Scope 2) GHG emissions	p. 57, p. 122	NA biogenic CO_2 emissions. Source of the emission factors and the global warming potential (GWP) rates used are available on request.
	305-3 Other indirect (Scope 3) GHG emissions	p. 57, p. 122	NA biogenic CO_2 emissions. Source of the emission factors and the global warming potential (GWP) rates used are available on request.
Sustainable products			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p. 35, p. 50–53	
	103-2 The management approach and its components	p. 55–57, p. 120–121	
	103-3 Evaluation of the management approach	p. 120–121	
Environmental Product Declaration	Business Unit Countries having third party verified EPDs in place	p. 55	
GRI 305: Emissions 2016	305-4 GHG emissions intensity	p. 57, p. 122	NA biogenic CO_2 emissions. Source of the emission factors and the global warming potential (GWP) rates used are available on request.
GRI 302: Energy 2016	302-3 Energy intensity	p. 57, p. 122	
Water consumption	Water intensity	p. 57, p. 122	
Waste generated	Waste intensity	p. 57, p. 122	
Circular Economy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p. 49–54	
	103-2 The management approach and its components	p. 56, p. 120–121	
	103-3 Evaluation of the management approach	p. 120–121	
GRI 301: Materials 2016	301-2 Recycled input materials used	p. 54, p. 122	
Energy use			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p. 49–53	
	103-2 The management approach and its components	p. 56, p. 120–121	
	103-3 Evaluation of the management approach	p. 120–121	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 57, p. 122	NA fuels split into non-renewable and renewable NA cooling consumption, energy sold Source of the conversion factors used are available on request.
Water use			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p. 49–53	
	103-2 The management approach and its components	p. 56, p. 120–121	
	103-3 Evaluation of the management approach	p. 120–121	
GRI 303: Water and Effluents 2018	303-5 Water consumption	p. 57, p. 122	NA water consumption from all areas with water stress
Waste management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p. 49–54	
	103-2 The management approach and its components	p. 56, p. 120–121	
	103-3 Evaluation of the management approach	p. 120–121	
GRI 306: Waste 2020	306-3 Waste generated	p. 57, p. 122	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION page number(s) and/or URL(s)	OMMISSION/ COMMENTS
Biodiversity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p. 53–55	
	103-2 The management approach and its components	p. 54–55, p. 120–121	
	103-3 Evaluation of the management approach	p. 120–121	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p .54–55	a. NA, planned for 2022
Responsible sourcing			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p. 49, p. 51	
	103-2 The management approach and its components	p. 55, p. 57, p. 66, p. 120–121	
	103-3 Evaluation of the management approach	p. 120–121	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	p .55, p. 122	a. NA, planned for 2022
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	p .55, p. 122	a. NA, planned for 2022
Health & Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p. 64–65	
	103-2 The management approach and its components	p. 64–65, p. 120–121	
	103-3 Evaluation of the management approach	p. 64–65, p. 120–121	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 64–65	
	403-2 Hazard identification, risk assessment, and incident investigation	p. 64–65	
	403-3 Occupational health services	p. 64–65	
	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 64–65	
	403-5 Worker training on occupational health and safety	p. 64–65	
	403-6 Promotion of worker health	p. 64–65	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 64–65	
	403-9 Work-related injuries	p. 64–65, p. 122	
People development			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p. 60–62	
	103-2 The management approach and its components	p. 60, p. 120–121	
	103-3 Evaluation of the management approach	p. 120–121	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	p. 60–62	a. Reporting planned for 2022
	404-3 Percentage of employees receiving regular performance and career development reviews	p. 60–62	a. Reporting planned for 2022
Diversity & Inclusion			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p. 62	
	103-2 The management approach and its components	p. 120–121	
	103-3 Evaluation of the management approach	p. 120–121	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 62, p. 65, p. 122	a. ii. NA a. iii. NA due to legal limitations b. NA
Business ethics			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p. 49–51, p. 66–67	
	103-2 The management approach and its components	p. 66–67, p. 120–121	
	103-3 Evaluation of the management approach	p. 66–67, p. 120–121	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	p. 66–67, p. 122	NA, planned for 2022
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 66–67, p. 122	NA
Corporate Governance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	p. 50–51, p. 120–121	
	103-2 The management approach and its components	p. 120–121	
	103-3 Evaluation of the management approach	p. 120–121	
GRI 102: General Disclosures 2016	102-18 Governance structure	p. 70–73, p. 120–121	

Financial calendar 2022

ANNUAL AND SUSTAINABILITY REPORT	INTERIM Q1 REPORT	INTERIM Q2 REPORT	INTERIM Q3 REPORT
April 8, 2022	May 19, 2022	July 22, 2022	November 17, 2022

For further information, please contact:

Investor relations
Daniel Warnholtz, Chief Financial Officer
daniel.warnholtz@consolis.com

Corporate communications
Helen Spalding, Communications Director
helen.spalding@strangbetong.se

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Well-built for well-being

Consolis
4 Rue du Général Foy
75008 Paris, France
www.consolis.com

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