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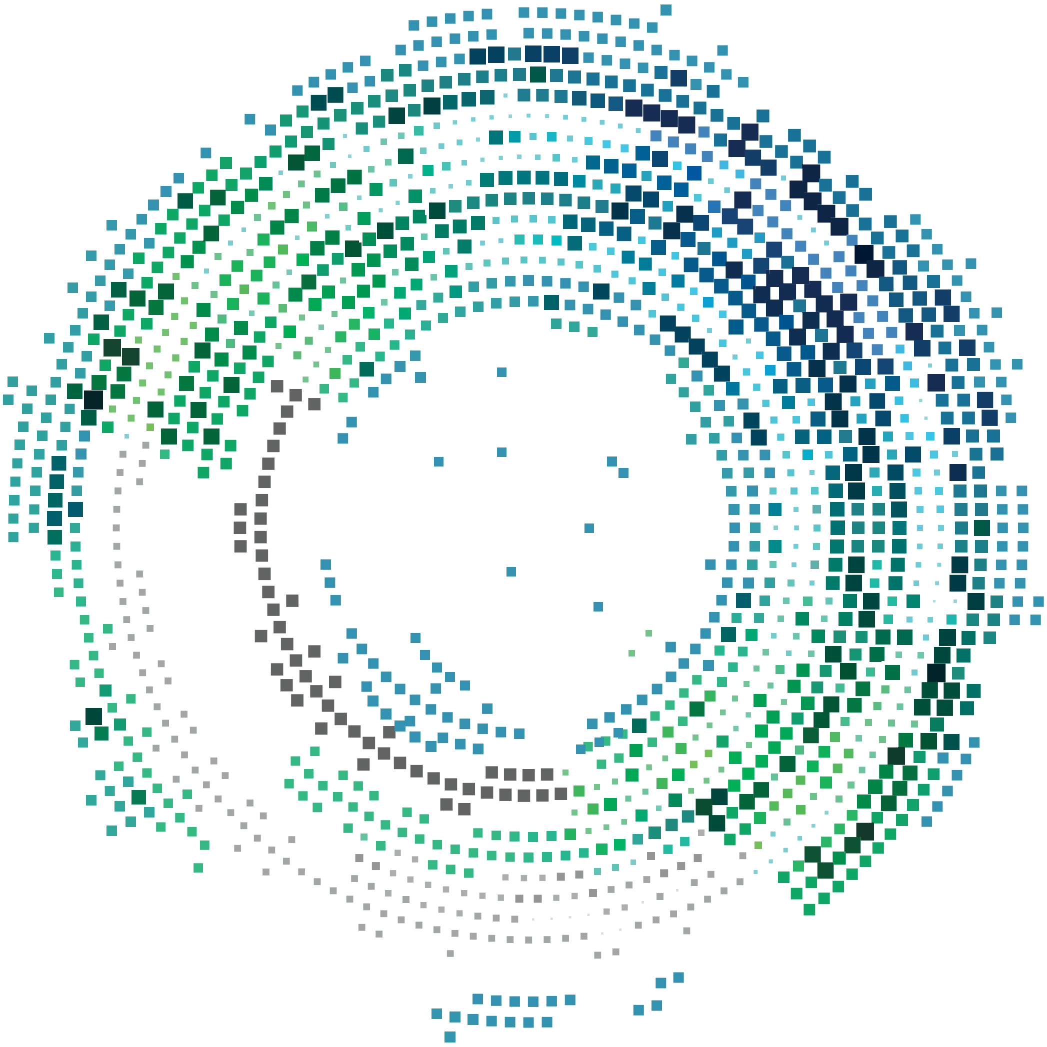


Investeringsselskabet af 24. februar 2015 A/S

Tuborg Boulevard 3
2900 Hellerup
CVR No. 36557443

Annual report 2020

The Annual General Meeting adopted the annual report on 25.06.2021

Anders Karlskov Kaasgaard
Chairman of the General Meeting

Contents

Entity details

Entity

Investeringsselskabet af 24. februar 2015 A/S
Tuborg Boulevard 3
2900 Hellerup

Business Registration No.: 36557443
Registered office: Gentofte
Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Christian Jørgensen, Chairman
Michael Nellemann Pedersen
Susanne Kure

Executive Board

Poul Steen Rasmussen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Investeringsselskabet af 24. februar 2015 A/S for the financial year 01.01.2020 - 31.12.2020

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Viborg, 25.06.2021

Executive Board

Poul Steen Rasmussen
CEO

Board of Directors

Christian Jørgensen
Chairman

Michael Nellemann Pedersen

Susanne Kure

Independent auditor's report

To the shareholders of Investeringsselskabet af 24. februar 2015 A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Investeringsselskabet af 24. februar 2015 A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor’s responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor’s report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- 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 audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

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

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

Aarhus, 25.06.2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Bach
State Authorised Public Accountant
Identification No (MNE) mne19691

Chris Middelhede
State Authorised Public Accountant
Identification No (MNE) mne45823

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
Key figures					
Revenue	364,589	389,581	341,198	320,941	299,036
Gross profit/loss	114,243	119,954	117,790	107,236	55,422
EBITDA*	87,658	89,464	75,308	87,711	25,254
Operating profit/loss	46,324	52,714	43,019	49,917	(23,045)
Net financials	(18,829)	(9,226)	(6,689)	(35,263)	269,731
Profit/loss for the year	60,995	43,488	36,330	14,654	248,265
Profit for the year excl. minority interests	55,898	43,699	34,058	12,135	232,554
Balance sheet total	812,209	774,546	692,993	721,167	902,841
Investments in property, plant and equipment	37,864	22.010	12,256	13,196	8,232
Equity	324,375	279,387	231,559	188,710	177,219
Equity excl. minority interests	316,551	276,660	228,521	187,944	178,972
Ratios					
Gross margin (%)	31.33	30.79	34.52	33.41	18.53
Net margin (%)	16.73	11.16	10.65	4.57	83.02
Equity ratio (%)	38.97	35.72	32.98	26.06	19.82

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark. *) In 2017 there were a series of unusual accounting items, primarily provisions. Corrected for these, a normalizied EBITDA for 2017, would be 60,377 t.kr.
In 2020 a deferred tax assets of 33,500 t.kr. has been recognised, which impact the key figures and ratios.

Gross margin (%):
Gross profit/loss * 100
Revenue

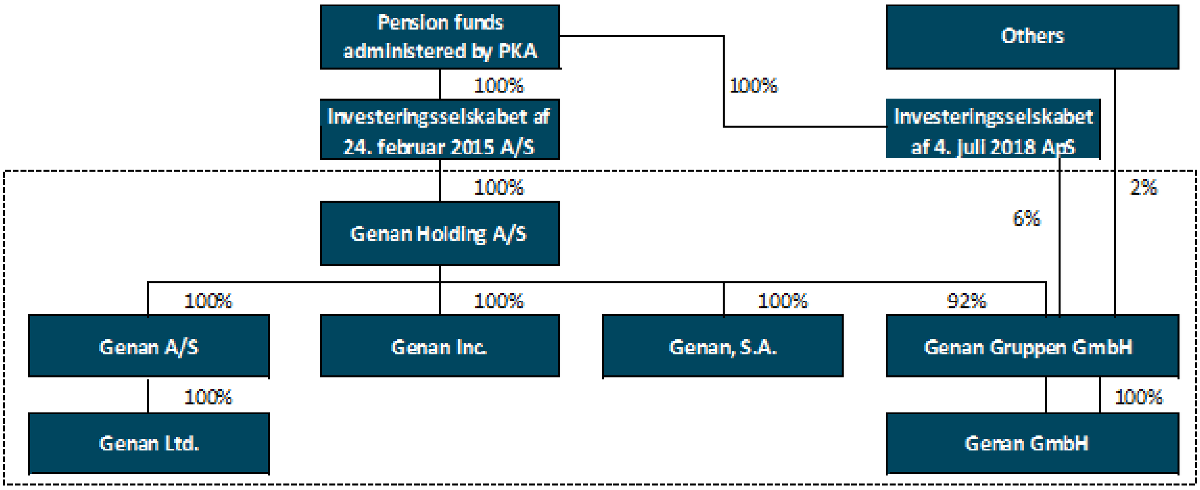
Net margin (%):
Profit/loss for the year * 100
Revenue

Equity ratio (%):
Equity excl. minority interests * 100
Balance sheet total

Primary activities

The main activity of the Genan group is the production and sale of rubber powder, granulates and pellets manufactured through the recycling of tyres and activities closely connected hereto.

Group structure as per 31 December 2020:



Genan Holding A/S is the parent company in the Genan group – and is ultimately owned by pension funds administered by PKA through Investeringsselskabet af 24. februar 2015 A/S.

The Genan group operates six tyre recycling plants around the globe: one in Denmark, three in Germany, one in Portugal and one in the USA. In total, Genan employs approx. 300 employees worldwide. Total production capacity is more than 400,000 tonnes of end-of-life tyres, equivalent to a maximum output of approx. 295,000 tonnes of rubber products, 60,000 tonnes of steel and 45,000 tonnes of textile fibres.

Development in activities and finances

The net result of the year was 61,0 MDKK, and the equity excluding minorities hereafter amounts to 316,6 MDKK, equalling an equity ratio of 38.97%.

The result for the year for the actual operation of the Group's core business, i.e. the production and sale of rubber granules, powders and pellets as well as by-products, did not live up to the expectations. Hence, revenue decreased by 6%. However, operations were strong, and the gross margin went up from 30.8 in 2019 to 31.3 in 2020. Therefore, the decrease on EBITDA was limited to 2.9%, amounting to 87.7 MDKK compared to 89.5 MDKK in 2019. The 2020 result was positively impacted by a subsidy from a COVID-19 financial support package in the USA of approx. 6 MDKK. However, pandemic-related costs such as lower efficiency, problems with sourcing etc. had a much greater, negative impact on the result for 2020 than this financial support.

As in previous years, the result for the year is impacted by exchange rate adjustments, primarily in relation to USD; but as opposed to the last two years, impact in 2020 was negative. Furthermore, it has in 2020 been decided to incorporate a deferred tax asset, since the group has now shown positive result for several years. The positive impact from the deferred tax asset is 33.5 MDKK.

Management considers the result to be satisfactory for a difficult year with a pandemic and a thus decreasing level of market activity.

The strategic focus of the group is to continue to optimise and develop core business, i.e. the production and sale of recycled ELT rubber products. Besides this business area, the group will continue to focus on the development of refined products (custom products and alternative areas of application) which, when developed, are expected to bring the group in a positive direction. However, focus will primarily be on products closely related to the core competences of the group, which is granulate production. The development of custom products and new areas of application takes time, and the process is expected to be ongoing in the years to come.

The parent company has no real operating activities besides being the holding company. The result of the parent company shows a loss of 2,2 MDKK.

Outlook

The outlook for 2021 is still marked by great uncertainty, and market development is difficult to predict because of the ongoing pandemic. The expectations for 2021 are a result somewhat lower than the 2020 result, since reduced production due to large stock at the end of 2020 is expected to have a negative impact on the result for 2021. The uncertainty is primarily related to the timing of the distribution of COVID-19 vaccines in Genan's main markets, as this may influence both demand and supply.

Research and development activities

Innovation is an important element in the strategy of the Genan group. This goes for the applications of existing products as well as for the development of new, value-added products based on rubber granulate and rubber powder. The development of these value-added products is time-consuming in both the development phase and the market penetration phase – but in the long run, such value-added products are expected to bring the group in a positive direction.

Statutory report on corporate social responsibility

In a Danish context, Corporate Social Responsibility (CSR) is defined in section 99a of the Danish Financial Statements Act, according to which large companies are required to provide a nonfinancial statement accounting for environmental considerations, including the company's efforts to reduce the climate impact of company activities, social responsibility, working conditions as well as considerations in relation to the respect for human rights and the prevention of bribery and corruption.

Genan has based its CSR Policy on – and supports – all 17 Sustainable Development Goals of the UN to transform the world. Genan's core business concept is mainly focused on the endeavours to reach goal no. 12 (to ensure sustainable consumption and sustainable production patterns) as well as goal no. 13 (to take urgent action to combat climate change and its impacts).

The Genan CSR Policy is published on the group website.

The CSR Policy contains information about policies for and activities and risks related to the following areas:

- Human rights and business ethics,
- Staff and working conditions,
- Social responsibility,
- Environmental and climate-related considerations

Basic business model

Genan's basic business concept is to process a waste stream – end-of-life tyres – into new, valuable raw materials (secondary raw materials), the quality of which is so high that they can substitute virgin rubber and steel.

When end-of-life tyres are processed into new rubber and steel by means of Genan technology, environmental and climate problems, which would otherwise arise, if tyres were deposited in landfills or incinerated, are avoided.

The whole raison d'être of Genan is thus completely and deeply rooted in the principles of sustainability and circular economy. When Genan produces secondary raw material in the form of rubber and steel, production of new rubber and steel at rubber plantations and through iron ore mining respectively is avoided.

For many years, the deforestation of jungle and rain forest areas to make room for new rubber plantations, primarily in Asia, has been considered a big problem in relation to both loss of biodiversity and the reduction of CO2 absorption from the atmosphere. Similarly, iron ore mining results in environmental problems with waste water, slag as well as consumption of the limited resources of the planet. By reusing the raw materials from end-of-life tyres to substitute new rubber and steel, Genan thus contributes to the promotion of environmental responsibility and the furthering of environmentally and climate friendly technologies.

Environmental and climate-related considerations
Genan's policy
Genan shall continuously take initiative to the greatest responsibility possible in respect of climate and environment – and take a precautionary approach in these matters. Taking its own business interests in account, Genan bears a global responsibility to disseminate technological expertise and knowhow about the optimum, environmental recycling of end-of-life tyres – thus furthering global, circular economy. Genan is committed to continuously assessing its climate-related and environmental footprint, using the most renowned research as well as independent peer review of results. Genan is 100% transparent in relation to environmental and climate-related matters, dissociating itself from any type of greenwash communication in this respect. As Genan processes a waste stream (end-of-life tyres), Genan has furthermore committed itself not to export waste in the form of unprocessed tyres - but only process high-quality secondary raw materials.

lmplementation
Genan is in continuous and transparent dialogue with authorities, NGOs and business partners concerning environmental and climate-related issues. Genan initiates quality research – and in 2020, Genan published a comprehensive and peer reviewed LCA study. ln this study, the climate and environmental footprint of the company was analysed in relation to 16 different impact categories – including global warming, where a conservative approach has ascertained that for each tonne of tyres recycled instead of incinerated, the climate is spared the emission of minimum 700 kg of CO2 equivalents. The six Genan factories thus have the capacity to reduce annual CO2 emission to the atmosphere by minimum 280,000 tons of CO2.

In the continuous effort to improve our climate footprint, Genan works purposefully to protect the environment, and we strive to make environmentally friendly choices in our day-to-day operations. As part of producing as environmentally friendly as possible, all Genan's factories, excluding the most recently acquired plant in Portugal, have implemented the ISO 14001 Environmental Management System. Central elements of ISO 14001 are to produce in an environmentally sound manner and to ensure a continuous improvement of the environmental impact. In addition, Genan's factories in Denmark and Germany have implemented the ISO 50001 Energy Management System as part of the ongoing energy optimisation of production. Key elements in this are to screen possible energy optimisation projects and continuously implement these.

Risks
Running a process industry will inevitably involve environmental impact, as such industry is energy-consuming. Furthermore, there is a negative impact on CO2 emissions from transport of materials both raw material to the factories and finished products to the customers.

Results and future expectations
In 2020, an energy optimisation project, which involved motors being replaced by larger motors as part of a stone separation project, was completed in Denmark, resulting in more throughput per kWh. Energy consumption per produced tonne of granulate was hereby reduced by 4%.

Similarly, a thorough renovation of the US plant, one purpose of which was to reduce energy waste, was completed in 2020. As a result, energy consumption per produced tonne of granulate has been reduced by 5%. In fact, this reduction would have been even bigger, had the production not been negative impacted by COVID-19 related sourcing issues resulting in a number of undesired shutdowns and start-ups.

In 2021, we will remain focused on reducing our environmental footprint, continuing to implement energy optimisation projects in the production. Furthermore, we will continue to strive for a sustainable future by increasing the recycling of a valuable resource – end-of-life tyres – hereby reducing CO2 emissions.

Staff and working conditions
Genan's policy
Unlimited freedom of association is upheld at all Genan's factories, and each employee is free to choose his/her own affiliation.

Genan management recognises the right to collective bargaining with employees.

Genan has zero tolerance in relation to both forced labour and child labour – at Genan's own workplaces as well as at the workplaces of suppliers. Zero tolerance is furthermore shown in respect of discrimination on the basis of race, gender, religion or sexual orientation.

For both management and staff, workplace safety and the prevention of occupational injury have first priority. Genan's overall target is zero work-related accidents at all the workplaces of the company.

Implementation
Enforcement of policies about employee rights and discrimination is part of Genan's ongoing management development. Genan has furthermore set up a whistleblower scheme, through which confidential reporting can be made to an external law firm with expertise in whistleblower schemes. Reports can be submitted anonymously, should a whistleblower wish to do so. Not only employees but anyone associated with Genan can use the scheme – e.g. suppliers, customers and business associates. Throughout 2020, no violations of Genan's policies have been noted in relation to staff and working conditions – neither in daily operations nor through the whistleblower scheme.

Workplace safety is monitored through an extensive reporting system – at each individual workplace as well as at overall management level – where work-related accidents categorised as TF1 and TF2 (no. of accidents per 1 million hours worked) are registered in the same way as are monthly, financial results.

Risks
The main risks are related to work-related accidents and employees wearing down in physically demanding jobs.

Results and future expectations
In 2020, Genan managed to reduce the number of work-related accidents categorised as TF1 and TF2 (no. of accidents per 1 million hours worked) by 75% compared to the 2019 level. Although zero work-related accidents

are the target, this reduction is indeed a very positive development. For 2021 the target is to reduce the work-related accidents by another 50% compared to 2020.

Human rights and business ethics

Genan's policy

Genan supports and respects the protection of internationally proclaimed human rights – and in its daily operations, Genan ensures not to contribute to the violation of these rights.

Implementation

Respect for human rights is part of Genan's corporate culture – and is continuously discussed among management and employees. Through its choice of suppliers, Genan ensures only to work with cooperating partners who share the company's values in this respect.

Human rights violations are not considered to be a high-risk area for Genan, as there is only very limited sourcing from high-risk areas. When receiving quotations from suppliers from high-risk areas, Genan always requests documentation of compliance with human rights. This is also an integral part of Genan's ISO 9001 quality management system, which is implemented at all factories. Similarly, when entering into such agreements, the Group COO is always involved.

Risks

Genan risks that either employees and/or suppliers fail to respect and comply with Genan's policy on human rights and business ethics. Apart from the fact that the violation of human rights is totally unacceptable from a business ethics point of view, such violation could, at worst, also have legal and financial consequences for Genan. Genan recognises the fact that it is not possible to demand that all suppliers sign a Code of Conduct Agreement, nor is it possible to visit all suppliers on a regular basis.

Results and future expectations

There have been no examples of criticisable circumstances in ongoing operations during 2020. In 2021, we will continue our efforts in relation to human rights – and endeavour to ensure that the positive picture for 2020 will be painted in 2021 as well.

Anti-corruption

Genan's policy

Genan has zero tolerance in relation to any kind of corruption, extortion or bribery. This applies both ways in relation to both authorities, customers and suppliers.

*Implementation*The policy of zero tolerance in relation to corrupt conduct has been communicated at all levels of the organisation. Furthermore, Genan has implemented a "four-eyes-principle" which ensures that no purchases nor payments can be handled by one person only – but always involve at least two persons. In the same way, the extent to which sales staff can commit the company towards third parties has been determined. Violation of this company policy shall have consequences for the employment of the violator in question.

Risks

Genan risks that either employees, suppliers or customers fail to comply with Genan's policy on anti-corruption.

Results and future expectations

In 2020, no violations were noted in relation to the zero-tolerance policy on corruption – neither in daily operations nor through the whistleblower scheme. In 2021, we will continue our efforts in relation to anti-corruption – and do not expect any violations in 2021 either.

Statutory report on the underrepresented gender

The Genan CSR Policy contains information about and targets for the gender composition of the Board of Directors. The target set for the underrepresented gender on the Board of Directors is 20%, as Genan emanates from a process industry, where men are traditionally overrepresented. However, in 2020, Genan accomplished to reach a representation of 33% women and 66% men – with one women and two men on the Board of Directors. The company thus now live up to the recommendation of the Danish Business Authority.

A target for the gender composition of the Genan Extended Management Team has also been set. This target is 20%. In general, the above-mentioned, historical overrepresentation of men in Genan shows in the gender composition of staff. In 2020, 13% of the total workforce were women, and for the first time ever, a female blue-collar worker was employed in the production. Targeted efforts are made in order to increase the proportion of women at management level – primarily through employee development interviews. In addition, all job postings are prepared gender-neutral; and needless to say, equal terms are offered in relation to management development courses.

Within the management group, there are ongoing discussions about diversity of management, and the strength of such diversity is expressed at all levels in the organisation.

In 2020, Genan achieved a target figure of 22% for the underrepresented gender in the company's Extended Management Team – against 21% in 2019 and 15% in 2018. Genan has thus managed to achieve the target set. Despite the fact this goal has been reached ahead of time, there are no immediate plans to increase the target number – but rather focus on maintaining the current staff diversity composition.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Revenue		364,589	389,581
Production costs		(250,346)	(269,627)
Gross profit/loss		**114,243**	**119,954**
Distribution costs		(23,320)	(28,459)
Administrative expenses	1	(52,177)	(38,781)
Other operating income	4	7,578	0
Operating profit/loss		**46,324**	**52,714**
Other financial income		572	1,848
Other financial expenses		(19,401)	(11,074)
Profit/loss before tax		**27,495**	**43,488**
Tax on profit/loss for the year	5	33,500	0
Profit/loss for the year	6	**60,995**	**43,488**

Consolidated balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Acquired intangible assets		1,015	79
Goodwill		26,663	27,873
Intangible assets	7	**27,678**	**27,952**
Land and buildings		233,890	253,838
Plant and machinery		186,329	188,634
Other fixtures and fittings, tools and equipment		26,053	26,653
Property, plant and equipment in progress		7,897	4,281
Property, plant and equipment	8	**454,169**	**473,406**
Other investments		125	125
Financial assets	9	**125**	**125**
Fixed assets		**481,972**	**501,483**
Raw materials and consumables		8,692	11,032
Work in progress		3,042	3,195
Manufactured goods and goods for resale		87,371	77,413
Inventories		**99,105**	**91,640**
Trade receivables		52,496	50,940
Deferred tax	10	33,500	0
Other receivables		27,258	25,735
Tax receivable		1,412	1,766
Prepayments	11	259	914
Receivables		**114,925**	**79,355**
Cash		**116,207**	**102,068**
Current assets		**330,237**	**273,063**
Assets		**812,209**	**774,546**

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital		2,100	2,100
Other reserves		(16,007)	0
Retained earnings		330,458	274,560
Equity belonging to Parent's shareholders		**316,551**	**276,660**
Equity belonging to minority interests		**7,824**	**2,727**
Equity		**324,375**	**279,387**
Other provisions	12	1,050	2,719
Provisions		**1,050**	**2,719**
Mortgage debt		17,456	22,047
Bank loans		363,736	362,851
Non-current liabilities other than provisions	13	**381,192**	**384,898**
Current portion of non-current liabilities other than provisions	13	4,805	14,749
Prepayments received from customers		9,203	7,746
Trade payables		26,286	28,224
Other payables		64,191	56,823
Deferred income	14	1,107	0
Current liabilities other than provisions		**105,592**	**107,542**
Liabilities other than provisions		**486,784**	**492,440**
Equity and liabilities		**812,209**	**774,546**
Staff costs	2		
Amortisation, depreciation and impairment losses	3		
Contingent liabilities	16		
Assets charged and collateral	17		
Transactions with related parties	18		
Group relations	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2020

	Contributed capital DKK'000	Other reserves DKK'000	Retained earnings DKK'000	Equity belonging to Parent's shareholders DKK'000	Equity belonging to minority interests DKK'000
Equity beginning of year	2,100	0	274,560	276,660	2,727
Exchange rate adjustments	0	(16,007)	0	(16,007)	0
Profit/loss for the year	0	0	55,898	55,898	5,097
Equity end of year	**2,100**	**(16,007)**	**330,458**	**316,551**	**7,824**

	Total DKK'000
Equity beginning of year	279,387
Exchange rate adjustments	(16,007)
Profit/loss for the year	60,995
Equity end of year	**324,375**

Consolidated cash flow statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Operating profit/loss		46,324	52,714
Amortisation, depreciation and impairment losses		41,336	36,751
Other provisions		(1,669)	38
Working capital changes	15	(7,741)	(14,381)
Cash flow from ordinary operating activities		**78,250**	**75,122**
Financial expenses paid		(8,668)	(8,442)
Taxes refunded/(paid)		354	0
Cash flows from operating activities		**69,936**	**66,680**
Acquisition etc. of intangible assets		(1,001)	0
Acquisition etc. of property, plant and equipment		(37,864)	(22,010)
Sale of property, plant and equipment		1,007	729
Acquisition of enterprises		(1,717)	(47,089)
Cash flows from investing activities		**(39,575)**	**(68,370)**
Free cash flows generated from operations and investments before financing		**30,361**	**(1,690)**
Loans raised		0	39,584
Repayments of loans etc.		(14,795)	(14,510)
Cash flows from financing activities		**(14,795)**	**25,074**
Increase/decrease in cash and cash equivalents		**15,566**	**23,384**
Cash and cash equivalents beginning of year		102,068	76,986
Currency translation adjustments of cash and cash equivalents		(1,427)	1,698
Cash and cash equivalents end of year		**116,207**	**102,068**
Cash and cash equivalents at year-end are composed of:			
Cash		116,207	102,068
Cash and cash equivalents end of year		**116,207**	**102,068**

Notes to consolidated financial statements

1 Fees to the auditor appointed by the Annual General Meeting

	2020 DKK'000	2019 DKK'000
Statutory audit services	918	744
Other assurance engagements	65	60
Tax services	287	282
Other services	716	172
	1,986	**1,258**

2 Staff costs

	2020 DKK'000	2019 DKK'000
Wages and salaries	110,933	111,956
Pension costs	7,536	7,346
Other social security costs	12,722	11,575
Other staff costs	470	471
	131,661	**131,348**

Average number of full-time employees	**312**	**308**

	Remuneration of management 2020 DKK'000	Remuneration of management 2019 DKK'000
Total amount for management categories	4,267	4,457
	4,267	**4,457**

Special incentive programmes

The Group has entered into a share option scheme (warrants) with key management and is considered to be an equity-settled share based payment transaction.

3 Depreciation, amortisation and impairment losses

	2020 DKK'000	2019 DKK'000
Amortisation of intangible assets	2,992	0
Depreciation on property, plant and equipment	38,390	37,490
Profit/loss from sale of intangible assets and property, plant and equipment	(46)	(737)
	41,336	**36,753**

4 Other operating income

Other operating income include compensation that the group has received as an effect of COVID-19.

5 Tax on profit/loss for the year

	2020 DKK'000	2019 DKK'000
Change in deferred tax	(33,500)	0
	(33,500)	**0**

6 Proposed distribution of profit/loss

	2020 DKK'000	2019 DKK'000
Retained earnings	55,898	43,699
Minority interests' share of profit/loss	5,097	(211)
	60,995	**43,488**

7 Intangible assets

	Acquired intangible assets DKK'000	Goodwill DKK'000
Cost beginning of year	279	29,340
Additions	1,001	1,717
Cost end of year	**1,280**	**31,057**
Amortisation and impairment losses beginning of year	(200)	(1,467)
Amortisation for the year	(65)	(2,927)
Amortisation and impairment losses end of year	**(265)**	**(4,394)**
Carrying amount end of year	**1,015**	**26,663**

8 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	444,071	504,312	49,876	4,516
Exchange rate adjustments	(26,143)	(17,660)	(2,152)	0
Additions	777	26,746	6,725	3,616
Disposals	0	(17,591)	(949)	0
Cost end of year	**418,705**	**495,807**	**53,500**	**8,132**
Depreciation and impairment losses beginning of year	(190,233)	(315,678)	(23,223)	(235)
Exchange rate adjustments	13,583	12,322	1,590	0
Depreciation for the year	(8,165)	(23,496)	(6,729)	0
Reversal regarding disposals	0	17,374	915	0
Depreciation and impairment losses end of year	**(184,815)**	**(309,478)**	**(27,447)**	**(235)**
Carrying amount end of year	**233,890**	**186,329**	**26,053**	**7,897**

9 Financial assets

	Other investments DKK'000
Cost beginning of year	250
Cost end of year	**250**
Impairment losses beginning of year	(125)
Impairment losses end of year	**(125)**
Carrying amount end of year	**125**

10 Deferred tax

	2020 DKK'000
Tax losses carried forward	33,500
Deferred tax	**33,500**

Changes during the year	**2020 DKK'000**
Recognised in the income statement	33,500
End of year	**33,500**

Management has on a regularly basis evaluated the recognition and measurement of deferred tax assets. It's the management's assessment that the group's earnings support partial recognition of the deferred tax assets. The deferred tax assets is calculated and recognized based on expectations for realization within 3-5 years.

11 Prepayments

Prepayments include accrued contingents, insurances etc.

12 Other provisions

Other provisions include expected cost of finalizing the completed reconstruction.

13 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK'000	Due within 12 months 2019 DKK'000	Due after more than 12 months 2020 DKK'000	Outstanding after 5 years 2020 DKK'000
Mortgage debt	4,805	14,749	17,456	3,907
Bank loans	0	0	363,736	0
	4,805	**14,749**	**381,192**	**3,907**

14 Deferred income

Deferred income include received grants related to investments. These amount are amortised on a straight-line basis over the useful lives of the investments.

15 Changes in working capital

	2020 DKK'000	2019 DKK'000
Increase/decrease in inventories	(7,465)	(8,267)
Increase/decrease in receivables	(2,424)	(5,837)
Increase/decrease in trade payables etc.	2,148	(277)
	(7,741)	**(14,381)**

16 Contingent liabilities

The Parent and the Danish subsidiaries participate in a Danish joint taxation arrangement in which Investeringsselskabet af 24. februar 2015 A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent and the Danish subsidiaries are therefore liable for income taxes etc. for the jointly taxed entities.

17 Assets charged and collateral

Mortage debt is secured by mortgages on properties. The mortgage also includes the production facilities and machines that belong to the property. The carrying amount of pledged assets amounts to 117,908 t.kr. per. 31.12.2020

There is a registered owner mortgage deed nom. 566,000 t.kr. in the group's properties pledged as security for bank debt. The carrying amount of pledged assets amounts to 429,579 t.kr. per. 31.12.2020

The Group has issued a guarantee statement to third parties amounting to 16,664 t.kr.

18 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were identified during the financial year.

19 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Investeringsselskabet af 24. februar 2015 A/S, CVR-nr. 36557443, Hellerup.

20 Subsidiaries

	Registered in	Corporate form	Ownership %
Genan Holding A/S	Denmark	A/S	100
- Genan A/S	Denmark	A/S	100
- Genan Ltd.	England	Ltd.	100
- Genan Gruppen GmbH	Germany	GmbH	91,7
- Genan GmbH	Germany	GmbH	100
- Genan, S.A.	Portugal	S.A.	100
- Genan Inc.	USA	Inc.	100

Parent income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Administrative expenses		(86)	(62)
Operating profit/loss		**(86)**	**(62)**
Other financial income		445	0
Other financial expenses		(2,586)	(2,591)
Profit/loss for the year	2	**(2,227)**	**(2,653)**

Parent balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Investments in group enterprises		321,081	321,081
Financial assets	3	**321,081**	**321,081**
Fixed assets		**321,081**	**321,081**
Cash		**4,142**	**4,329**
Current assets		**4,142**	**4,329**
Assets		**325,223**	**325,410**

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital		2,100	2,100
Retained earnings		212,766	214,993
Equity		**214,866**	**217,093**
Bank loans		110,297	108,257
Non-current liabilities other than provisions	4	**110,297**	**108,257**
Trade payables		60	60
Current liabilities other than provisions		**60**	**60**
Liabilities other than provisions		**110,357**	**108,317**
Equity and liabilities		**325,223**	**325,410**
Staff costs	1		
Contingent liabilities	5		
Assets charged and collateral	6		
Transactions with related parties	7		

Parent statement of changes in equity for 2020

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2,100	214,993	217,093
Profit/loss for the year	0	(2,227)	(2,227)
Equity end of year	**2,100**	**212,766**	**214,866**

Notes to parent financial statements

1 Staff costs

	2020 DKK'000	2019 DKK'000
Number of employees at balance sheet date	**0**	**0**

2 Proposed distribution of profit and loss

	2020 DKK'000	2019 DKK'000
Retained earnings	(2,227)	(2,653)
	(2,227)	**(2,653)**

3 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	321,081
Cost end of year	**321,081**
Carrying amount end of year	**321,081**

A specification of investments in subsidiaries is specified in the notes to the consolidated financial statements.

4 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK'000
Bank loans	110,297
	110,297

There is no debt after 5 years.

5 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

6 Assets charged and collateral

The company has together with other companies in the group, provided gurantee of payment for the overall bank debt in the group.

The total bank debt in the group amounts 363,738 t.kr. per. 31.12.2020, of which 110,299 t.kr. is recognized in the balance of Investeringsselskabet af 24. februar 2015 A/S per 31.12.2020.

Shares in subsidiaries is provided for security of bank debt. Booked value of security amounts to 321,081 t.kr. per 31.12.2020.

7 Non-arm’s length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were identified during the financial year.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Changes in accounting estimates
Management has on a regularly basis evaluated the recognition and measurement of deferred tax assets. It's the management's assessment that the group's earnings support partial recognition of the deferred tax assets. The deferred tax assets is calculated and recognized based on expectations for realization within 3-5 years.

The change in accounting estimates has positively affected the result for the year and the equity with DKK 33.5 million. The change in accounting estimates has increased the assets with DKK 33.5 million as well.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group’s accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year.
Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary writedown of inventories.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc., and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial income

Other financial income comprises interest income, exchange gains payables and transactions in foreign currencies, amortisation of financial assets, etc.

Other financial expenses

Other financial expenses comprise interest expenses, exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises and other Danish consolidated companies. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	10-50 years
Plant and machinery	3-30 years
Other fixtures and fittings, tools and equipment	3-20 years

Estimated useful lives and residual values are reassessed annually. Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Other investments

Other investments comprise listed securities which are measured at cost, and unlisted equity investments measured at the lower of cost and net realisable value.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Minority interests
Minority interests comprise the minority interests' share of subsidiaries' equity in which the subsidiary is not wholly owned by the Parent.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Mortgage debt
At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.