

JELD-WEN ApS
DANMARKSVEJ 9, 9670 LØGSTØR

ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2021
CVR NO. 10 27 68 02

The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 30th June 2022



Lisa Marie Oxnard

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COMPANY DETAILS

Company	JELD-WEN ApS Danmarksvej 9 9670 Løgstør
	Telephone: +45 7013 0530 Telefax: +45 7013 0531 Website: www.jeld-wen.biz
	CVR no.: 10 27 68 02
	Financial Year: 1 January - 31 December
Board of Directors	David Richard Guernsey, Chairman William James Graburn Christensen Roya Behnia
Board of Executives	Lisa Marie Oxnard
Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Plantanvej 4 7400 Herning

MANAGEMENT'S STATEMENT

The Executive Board and Board of Directors have today considered and adopted the Annual Report of JELD-WEN ApS for the financial year 1 January 2021 - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company's operations for 2021.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Løgstør, 30th June 2022

Executive Board



Lisa Marie Oxnard

Board of Directors



David Richard Guernsey
Chairman



William James Graburn
Christensen



Roya Behnia

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of JELD-WEN ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of JELD-WEN ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Aarhus, 30th June 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Michael Nielsson
State Authorised Public Accountant
mne15151

Hans Jørgen Andersen
State Authorised Public Accountant
mne30211

FINANCIAL HIGHLIGHTS

	2021	2020	2019	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement					
Operating profit/loss	-1.822	1.779	-143	-2.077	-1.276
Financial income and expenses, net	101.032	-72.806	88.489	521	1.304.306
Loss/profit for the year	77.758	-57.569	70.402	-3.869	1.303.091
Balance sheet					
Balance sheet total	5.772.551	5.749.244	5.273.981	4.618.054	5.537.763
Investments in Tangible fixed assets	0	0	0	0	0
Equity	3.112.258	3.034.500	3.092.069	3.021.667	3.025.536
Average number of full-time employees					
	4	4	4	5	6
Ratios					
Solvency ratio	53.9	52.7	58,6	65,4	54,6
Return on equity	2.53	Neg.	2,3	Neg.	54,9

The ratios stated in the list of key figures and ratios have been calculated as follows:

Solvency ratio:

$$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities, at year end}}$$

Return on equity:

$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

MANAGEMENT REVIEW

Principal activities

JELD-WEN ApS' activities are holding activities as previous years.

The JELD-WEN ApS Group is Europe's leading manufacturer of internal and external door solutions. The JELD-WEN ApS Group develops, manufactures and markets a wide range of high-quality doors and supplementary products.

The headquarters of JELD-WEN ApS Group is located in Solihull, UK.

Development in activities and financial position

Results

JELD-WEN ApS has no significant revenue and has not received any dividend this year.

The Board of Directors considers the result to be satisfactory.

Total equity

At the end of 2021 the total equity amounts to DKK 3.112m against DKK 3.034m at the end of 2020. The equity ratio has increased from 52.7% to 53.9% at the end of 2020.

Financial risks

As a larger, international company with operations and investments in several countries, the JELD-WEN ApS Group is exposed to financial risks. The Group's exchange rate, interest rate, cash flow and credit risks are monitored and managed centrally in the Group.

The Board of Directors approves the exchange rate and interest rate policy. In the policy, the statement of the Group's risks is defined, just as limits have been set for open risks. Furthermore, the policy defines the financial instruments which are approved for use in connection with the hedging of commercial risks. No speculation is allowed. The Group's commercial exchange rate, interest rate and cash flow and hedging positions are regularly reported to the Board of Directors.

Exchange rate risks

It is the Group's policy to hedge in advance a substantial part of the forecasted foreign exchange risks arising mainly from the purchase of goods and services denominated in non-functional currency within a 12-month horizon in the normal course of business (transactional risks). When reviewing the open exchange rate risks, the volatility of the currencies is taken into consideration. The continuous exchange rate risks of the Group are primarily hedged through the matching of payments in the same currency and through the use of forward contracts.

Interest rate risks

The Group is primarily financed by intra-group loans and the overall hedging of interest rate risks is thus made in cooperation with the Parent Company.

Cash flow

Funding and management of continuous cash flow are handled centrally in the Group and in collaboration with the Parent Company.

Profit/loss for the year compared to future expectations

Profit for the year amounted to DKK 77,758k against loss DKK -57.569k in 2020.

Significant Developments

In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. In the following weeks, global restrictions, including stay at home and similar orders, were implemented in a significant number of countries in which we operate. We made, and continue to make, changes to our operations to ensure proper measures are in place for the health and safety of our employees and to satisfy the needs of our customers. We continue to experience intermittent closures and reduced operating capacity of certain manufacturing facilities, primarily due to local and governmental mandates. During 2021, we continued to experience increased demand for our products in both residential and remodel channels due to the low residential housing supply, low interest rates, and consumers' focus on their homes. In addition, we have and may continue to experience challenges throughout our operations relating to COVID-19, including increased inflation in our supply chain, as well as in raw materials, labor, and freight charges. We have experienced delays of inbound and outbound deliveries and labor availability issues due to quarantines, site access, and employee absences. The scope and nature of impacts from COVID-19, most of which are beyond our control, continue to evolve, and the outcome is uncertain. The ultimate effects of the COVID-19 pandemic on us and the end markets we service, is highly uncertain and will depend on future developments. Such effects could exist for an extended period even after the pandemic ends.

No other significant events have occurred since the end of the financial year.

Future development

Holding activity with minor revenue and no dividend expected.

The company's result is expected to be in line with the previous year. The ultimate extent of the effects of the COVID-19 pandemic on the Company, and the end markets we service, is highly uncertain and will depend on future developments and such effects could exist for an extended period even after the pandemic ends.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

		2021	2020
		DKK '000	DKK '000
OPERATING LOSS/PROFIT		-1.822	1.779
Staff costs	1	-2.918	-2.624
Depreciations and amortisation	2	-80	-80
EARNINGS BEFORE INTEREST AND TAX ...		-4.820	-925
Financial income	3	139.716	51.403
Financial expenses	4	-38.684	-124.209
PROFIT/LOSS BEFORE TAX		96.212	-73.731
Tax on profit/loss for the year	5	-18.454	16.162
PROFIT/LOSS FOR THE YEAR	6	77.758	-57.569

BALANCE SHEET AT 31 DECEMBER

		2021	2020
		DKK '000	DKK '000
ASSETS			
Other plant, machinery, tools and equipment.....		23	103
Tangible fixed assets	7	23	103
Investments in group enterprises	8	2.492.739	2.492.739
Receivables from group enterprises	9	1.548.554	1.704.156
Fixed asset investments		4.041.293	4.196.895
FIXED ASSETS		4.041.316	4.196.998
Receivables from group enterprises		332.442	178.969
Deferred tax	10	5.824	14.604
Other receivables		462	623
Corporation tax receivable		0	5.987
Receivables		338.728	200.183
Cash and cash equivalents		1.392.507	1.352.063
CURRENT ASSETS		1.731.235	1.552.246
ASSETS		5.772.551	5.749.244

BALANCE SHEET AT 31 DECEMBER

		2021	2020
		DKK '000	DKK '000
EQUITY AND LIABILITIES			
Share capital	11	67.213	67.213
Retained profit		3.045.045	2.967.287
EQUITY		3.112.258	3.034.500
Payables to group enterprises		1.142.669	1.142.669
Long-term liabilities	12	1.142.669	1.142.669
Trade payables		1.670	850
Payables to group enterprises		1.488.478	1.563.164
Corporation tax payable.....		3.206	0
Other liabilities.....		24.270	8.060
Current liabilities.....		1.517.624	1.572.075
LIABILITIES		2.660.293	2.714.744
EQUITY AND LIABILITIES.....		5.772.551	5.749.244
Contingencies etc.	13		
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EQUITY

	Share capital	Retained profit	Total
	DKK '000	DKK '000	DKK '000
Equity at 1 January 2020.....	67.213	3.024.856	3.092.069
Proposed distribution of profit	0	-57.569	-57.569
Equity at 31 December 2020.....	67.213	2.967.287	3.034.500
Equity at 1 January 2021	67.213	2.967.287	3.034.500
Proposed distribution of profit	0	77.758	77.758
Equity at 31 December 2021.....	67.213	3.045.045	3.112.258

Note

	2021 DKK '000	2020 DKK '000	
Staff costs			1
Average number of employees: 4 (2020: 4)			
Wages and salaries	2.671	2.403	
Pensions	247	221	
	2.918	2.624	

No remuneration has been paid to the executive board or board of directors in 2020 and 2021.

Depreciation and amortisation			2
Intangible Fixed Assets:			
Amortisation for the year	0	0	
Tangible Fixed Assets:			
Depreciation for the year	80	80	
	80	80	

	2021	2020	Note
	DKK '000	DKK '000	
Financial income			3
Group enterprises	51.815	51.403	
Other interest income	58	0	
Foreign exchange gains.....	87.843	0	
	139.716	51.403	
 Financial expenses			 4
Group enterprises	33.761	35.128	
Other interest expenses.....	4.923	2.946	
Foreign exchange losses.....	0	86.135	
	38.684	124.209	
 Tax on profit/loss for the year			 5
Calculated tax on taxable income of the year	-9.660	4.579	
Adjustment of tax for previous years	-14	0	
Adjustment of deferred tax.....	-8.780	11.583	
	-18.454	16.162	
 PROPOSED DISTRIBUTION OF PROFIT			 6
Accumulated profit	77.758	-57.569	
	77.758	-57.569	

Note

Tangible fixed assets**7****Other plant, machinery, tools and equipment**

Cost at 1 January.....	32.688	32.688
Disposals.....	0	0
Additions	0	0
Cost at 31 December	32.688	32.688
Depreciation and impairment losses at 1 January.....	32.585	32.505
Reversal of depreciations of assets disposed.....	0	0
Depreciation for the year	80	80
Depreciation and write-down at 31 December	32.665	32.585
Carrying amount at 31 December	23	103

	2021	2020
	DKK '000	DKK '000

Fixed asset investments**8****Investments in Group enterprises**

Cost at 1 January.....	2.492.739	2.492.739
Disposals.....	0	0
Additions	0	0
Cost at 31 December	2.492.739	2.492.739
Revaluation at 1 January.....	0	0
Change in accounting policies	0	0
Revaluation at 31 December	0	0
Carrying amount at 31 December	2.492.739	2.492.739

Note 8 continued...

Investments in subsidiaries

Company name	Registered	Ownership share %	Equity DKK '000	Result DKK '000	
Company form	in				
JELD-WEN EUROPE Ltd	Ltd	Sheffield, UK	100%	3.304.074*	56.120*
- JELD-WEN UK Limited	Ltd	Sheffield, UK	100%	1.867.857*	321.263*
- JELD-WEN UK Pension Trustee	Ltd	Sheffield, UK	100%	0*	0*
- JELD-WEN Hong Kong Limited	PLC	Hong Kong, HK	100%	1.343*	0*
- Domoferm Service GmbH	GmbH	Gänserndorf, AT	100%	379*	-364*
- Domoferm GmbH & Co, KG	GmbH & Co KG	Gänserndorf, AT	100%	11.713*	-5.384*
- HSE Spol s.r.o.	s.r.o.	Humpolec, CZ	100%	36.681*	2.836*
- Domoferm Export, GmbH	GmbH	Gänserndorf, AT	100%	65.703*	8.374*
- Domoferm Tschechia s.r.o.	s.r.o.	Praha, CZ	100%	80*	-114*
- Domoferm Polska Sp. Z.o.o	Sp. Z.o.o	Lesznowola, PL	100%	19.906	1.454
- Domoferm Sp. Z.o.o	Sp. Z.o.o	Lesznowola, PL	100%	3*	-5*
- Domoferm Hungaria Kft.	Kft	Budapest, HU	100%	11*	-2*
- Domoferm d.o.o.	d.o.o.	Zagreb-Lučko, HR	100%	n/a	n/a
- Domoferm OOO	OOO	Moscow, RU	99%	n/a	n/a
- Staalkozijn Nederland B.V.	B.V	Winterswijk, NL	100%	6.544*	1.703*
- Drumetall GmbH	GmbH	Gänserndorf, AU	100%	2.283*	1.911*
- JELD-WEN Danmark A/S	A/S	Løgstør, DK	100%	170.654*	24.639*
- JELD-WEN Österreich GmbH, Spital am Pyhrn	GmbH	Spital am Pyhrn, AU	100%	195.378*	-52.154*
- JELD-WEN Türen GmbH	GmbH	Spital am Pyhrn, AU	100%	106.962*	23.441*
- JELD-WEN Eesti AS	AS	Rakvere, EE	100%	67.027*	23.091*
- JELD-WEN Norge AS	AS	Oslo, NO	100%	18.988*	7.495*
- JELD-WEN Sverige AB	AB	Åstorp, SE	100%	202*	42*
- Dooria AS	AS	Oslo, NO	100%	61.432*	26.605*
- Vännäs Dörr AB	AB	Vännäs, SE	100%	22.878*	2.998*
- JELD-WEN Magyarország Kft,	Kft	Lenti, HU	100%	36*	5*
- JELD-WEN Latvija SIA	SIA	Aizkraukle, LV	100%	135.787*	22.481*
- JELD-WEN France SAS	SAS	Eauze, FR	100%	15.223*	18.503*
- JELD-WEN Schweiz AG,	AG	Bremgarten, CH	100%	22*	14.636*
- ZARGAG Zargen + Türen AG,	AG	Bremgarten, CH	100%	0*	0*
- JELD-WEN Deutschland Holding GmbH	GmbH	Oettingen, DE	89%	302.020*	53.544*
- JELD-WEN Deutschland Verwaltungs-GmbH	GmbH	Oettingen, DE	100%	1.234*	-30*
- JELD-WEN Deutschland GmbH & Co. KG	GmbH	Oettingen, DE	100%	134.084*	0*
- BOS GmbH	GmbH	Emsdetten, DE	100%	37.191*	-16.443*
- BBE Domoferm GmbH	GmbH	Brilon, DE	100%	17.491*	6.819*
- JELD-WEN Suomi OY	OY	Vääksy, FI	100%	77.610*	13.565*
- Mattiovi OY	OY	Laitila, FI	100%	70.441*	5.607*

* means latest annual report is from 2020.

n/a means no annual report are available and therefore the result and equity are not presented.

					Note
		2021	2020		
		DKK '000	DKK '000		
Receivables from group enterprises					
Receivables at 1 January.....		1.704.156	1.749.594		9
Disposals.....		-98.653	0		
Additions.....		52.116	4.488		
Currency adjustment.....		-109.063	-49.926		
		1.548.555	1.704.156		
Deferred tax					
Deferred tax (assets):					10
Tangible assets.....		202	254		
Debt.....		1.169	1.169		
Accrued interest.....		0	11.732		
Other.....		1.695	1.449		
Offset to uncertain tax provisions.....		2.758	0		
		5.824	14.604		
Deferred tax comprises deferred tax of debt, accrued interest, and tangible fixed assets.					
Share capital					
Specification of the share capital:					11
Shares, 6.721.307 stk. a nom. DKK 10.....		67.213	67.213		
		67.213	67.213		
Long-term liabilities					
					12
	1/1 2021	31/12 2021	Repayment	Debt	
	Total	Total		outstanding	
	liabilities	liabilities	Next year	After 5	
Payables to group enterprises....	1.142.669	1.142.669	0	years	
	1.142.669	1.142.669	0		

Contingencies etc. 13

Contingent liabilities

The company is jointly and severally liable with the jointly registered group enterprises for the total VAT payable. As at 31.12.2021 the VAT receivable was DKK 10.960k.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. The total amount of corporation tax payable by the Group amounts to DKK 15.652k and corporation tax receivable from Group enterprises amounts to DKK 12,447k. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Related parties 14

Related parties with a controlling influence on JELD-WEN ApS:

JELD-WEN Holding Inc., 2645 Silver Crescent Drive, Charlotte, NC 28273, USA

JELD-WEN European Holdings, LLC., 2645 Silver Crescent Drive, Charlotte, NC 28273, USA

Other related parties having performed transactions with the company

The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties also include companies in which the abovementioned group of persons has material interests.

Transactions with related parties

The company only states transactions with related parties that have not been made on market terms. There are no transactions that have not been made on market terms.

Group reporting

Group Report for JELD-WEN Holding Inc. can be obtained at the following address:

<http://investors.jeld-wen.com/investor-relations/annual-reports-and-proxies-landing>

Events after the balance sheet date 15

No significant events have occurred since the end of the financial year.

ACCOUNTING POLICIES

The annual report of JELD-WEN ApS for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, middle enterprise.

Consolidated

With reference to section 112 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements, however, the financial statements of the company are included in the consolidated financial statements of JELD-WEN Holding Inc., 2645 Silver Crescent Drive, Charlotte, NC 28273, USA.

Recognition and measurement in general

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

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

On initial recognition assets and liabilities are measured at cost. The measurement subsequent to the initial recognition is affected as described below for each financial statement item.

Anticipated risks and losses arising before the time of presentation of the annual report and which are confirming or invalidating affairs and conditions existing at the balance sheet date are considered at the recognition and measurement.

In the income statement the income is recognized when earned, whereas costs are recognized by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recognized in the income statement as financial income or financial costs.

INCOME STATEMENT

Operating loss

The items revenue and administrative expenses have been aggregated into one item in the income statement called Operating loss in accordance with sections 32 of the Danish Financial Statements Act.

Revenue

Income from the rendering of services is recognized as revenue as the services are rendered.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognized in revenue.

Administrative expenses

Administrative expenses recognize costs incurred during the year regarding management and administration of the group, inclusive of costs relating to the administrative staff, executives, office premises and office expenses etc.

Depreciation and amortization

This comprises depreciation and amortization of other plant, machinery, tools, equipment and intangible assets.

ACCOUNTING POLICIES

Financial income and expenses in general

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

Dividend from investments in subsidiaries is recognised in the income statement in the year of declaration.

Tax on profit for the year

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

BALANCE SHEET

Intangible fixed assets

Other intangible assets are measured at the lower of cost less accumulated amortization or the recoverable amount. Patents are amortized over the residual patent term and licenses are amortized over the term of the agreement, however, not more than 5 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

Tangible fixed assets

Land and buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down. Land is not depreciated.

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

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

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

	Useful life
Other plants, fixtures and equipment.....	3 - 7 years

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

Fixed asset investments

Investments in subsidiaries are measured at cost. Cost includes the consideration measured at fair value plus direct purchase costs. In case of indication of impairment, an impairment test must be conducted. Investments are written down to the lower of the carrying amount and the recoverable amount.

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortized cost, which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals, assets

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

Securities and investments

Securities and investments, recognized as current assets, comprise public quoted bonds, shares and other current investments that are measured at fair market value on the balance sheet date. Public quoted securities are measured at quoted price. Non-quoted securities are measured at sales value based on computed net present value.

Other provisions for liabilities

Other provisions for liabilities include bonus, restructuring and deferred tax etc.

Tax payable and deferred tax

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

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

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

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

Liabilities

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

Other liabilities are measured at amortized cost equal to nominal value.

Other liabilities, which include debt to suppliers, subsidiaries and associates and other debt are measured at amortized cost, which usually corresponds to the nominal value.

Accruals recognized as liabilities include payments received regarding income in subsequent years.

The capitalized residual lease liability on finance lease contracts is also recognized as financial liabilities.

Accruals, liabilities

Accruals recognized as liabilities include payments received regarding income in subsequent years.

ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the relevant rate on the transaction date and the relevant rate on the payment date are recognized in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognized in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

CASHFLOW

With reference to section 86 of the Danish Financial Statements Act. 4, the preparation of cash flow statement is omitted. The company has omitted to prepare a cash flow statement as it is included in the cash flow statement in the consolidated financial statements of JELD-WEN Holding Inc.