PLIXXENT A/S

Kronborgvej 24, 5450 Otterup

Company reg. no. 11 90 92 72

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 29 July 2020.

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Søren Petersen
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of PLIXXENT A/S for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities and cash flows in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Otterup, 29 July 2020

Managing Director

Søren Petersen
Managing Director

Board of directors

Dr. Jörg Thomas Schottek Chairman	Malene Schwaner Jørgensen	Søren Petersen
Per Andersen		

Independent auditor's report

To the shareholder of PLIXXENT A/S

Opinion

We have audited the financial statements of PLIXXENT A/S for the financial year 1 January - 31 December 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity, statement af cash flows and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities and cash flows for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section “Auditor’s responsibilities for the audit of the financial statements”. We are independent of the company in accordance with international ethical requirements for auditors (IESBA’s Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Kolding, 29 July 2020

KPMG
Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised Public Accountant
mne33220

Company information

The company	PLIXXENT A/S Kronborgvej 24 5450 Otterup	
	Web site	http://www.plixxent.com
	Company reg. no.	11 90 92 72
	Established:	1 January 1988
	Financial year:	1 January 2019 - 31 December 2019 31st financial year
Board of directors	Dr. Jörg Thomas Schottek, Chairman Malene Schwaner Jørgensen Søren Petersen Per Andersen	
Managing Director	Søren Petersen, Managing Director	
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Jupitervej 4, st. 6000 Kolding	

Financial highlights

DKK in thousands.	2019	2018	2017	2016	2015
Income statement:					
Gross profit	65.494	112.648	96.873	94.581	93.428
Profit from ordinary operating activities	43.861	70.432	63.038	59.553	47.165
Net financials	-232	-206	255	-4.477	12
Net profit or loss for the year	33.801	54.851	49.086	22.775	35.714
Statement of financial position:					
Balance sheet total	105.387	116.593	118.769	83.051	108.437
Investments in property, plant and equipment	4.427	1.179	477	875	1.070
Equity	71.112	77.310	65.599	51.514	66.239
Cash flows:					
Operating activities	80.028	44.179	0	0	0
Investing activities	-4.119	-1.179	0	0	0
Financing activities	-40.000	-43.000	0	0	0
Total cash flows	35.909	0	0	0	0
Employees:					
Average number of full-time employees	32	35	34	36	32
Key figures in %:					
Acid test ratio	275,6	275,0	204,0	220,0	210,0
Solvency ratio	67,5	66,3	55,2	62,0	61,1
Return on equity	45,5	76,8	83,8	38,7	73,8
Return on investment	65,1	65,1	62,5	52,6	52,6

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

Management commentary

Business activities

The company's activities consist of development, production and sale of polyurethane systems. Primary markets are companies producing reefer containers, industrial/building panels, heating pipes, refrigerators, freezers, hot water boilers and more.

Development in activities and financial matters

The income statement 2019 shows a profit of DKK 33.801 thousand after tax against DKK 54.851 thousand in 2018. The balance for the year ended 31 December 2019 shows a total capital and reserves of DKK 71.112 thousand. Total capital and reserves year ended December 31, 2018 was DKK 77.310 thousand. The result for 2019 is in line with expectations.

The company's financial result is strongly influenced by world market prices. These have historically fluctuated significantly. The decrease in the financial result for 2019 is affected by this.

As of November 1, 2019, the company was acquired by H.I.G. European Capital Partners GmbH. After the acquisition the name of the company was changed from Covestro A/S to PLIXXENT A/S.

Special risks

Operating risks

The key risk of PLIXXENT A/S is related to the potential inability to be competitive in our main markets. Our continuous development and launching of new products developed in close cooperation with our customers reduces this risk.

Environment

PLIXXENT A/S complies with Danish environmental regulations at any time. We continually follow and improve the company's environmental impact. PLIXXENT A/S did not have any outstanding enforcement orders in relation to its environmental permits at the end of 2019.

Research and development activities

The company has an in-house R&D function. All development activities are done in close cooperation with our customers. The development activities in 2020 are expected to be at the same high level as in previous years.

Outlook

The markets and customers of PLIXXENT A/S are negatively affected by the COVID-19 pandemic. During the pandemic, PLIXXENT A/S has continued to produce and deliver high quality products, although at a lower level. However, the development of new products with our customers have continued at a high level.

The year result for 2020 is expected to be lower than the financial year 2019.

Events subsequent to the financial year

No significant events have occured after year end closing that affects the Company's financial posistion.

Accounting policies

The annual report for PLIXXENT A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise expenses for sales- and marketingsactivities, distribution and administration.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Interest income and expenses and similar items

Interest income and expense and similar items comprise interest income and expense, cash discounts, payables and transaction denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme ect.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years. The amortisation period is determined on the basis of an expected payback period, being the longer for strategical acquirees with a strong market position and an expected long-term earnings profile.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	*Residual value*
Buildings	*20 years*	*TDKK 2.000*
Leasehold improvements	*5-10 years*	
Other plants, operating assets, fixtures and furniture	*3-10 years*	

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account other external costs.

Leases
At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment of fixed assets
The book values of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Financial fixed assets
Deposits
Deposits are measured at amortised cost and represent lease deposits, etc.

Inventories
Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

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

The cash flow statement

The cash flow statement shows the cash flow of the company for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities, respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities
Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Cash flow from investment activities
Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities
Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Income statement 1 January - 31 December

DKK thousand.

Note		2019	2018
	Gross profit	**65.494**	**112.648**
1	Staff costs	-19.866	-39.297
2	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-1.767	-2.919
	Operating profit	**43.861**	**70.432**
	Other financial income	238	229
3	Other financial costs	-470	-435
	Pre-tax net profit or loss	**43.629**	**70.226**
4	Tax on ordinary results	-9.828	-15.375
	Profit or loss from ordinary activities after tax	**33.801**	**54.851**
5	**Net profit or loss for the year**	**33.801**	**54.851**

Statement of financial position at 31 December

DKK thousand.

Note	Assets	2019	2018
	Non-current assets		
6	Goodwill	428	651
	Total intangible assets	428	651
7	Land and property	6.022	5.506
8	Other plants, operating assets, and fixtures and furniture	2.269	1.736
9	Tangible assets under construction and prepayments for tangible assets	1.704	116
10	Leasehold improvements	383	444
	Total property, plant, and equipment	10.378	7.802
11	Deposits	114	114
	Total financial assets	114	114
	Total non-current assets	**10.920**	**8.567**
	Current assets		
	Raw materials and consumables	8.726	8.269
	Finished goods	11.834	9.048
	Total inventories	20.560	17.317
	Trade receivables	37.577	46.518
	Amounts owed by group enterprises	0	42.885
12	Deferred tax assets	245	779
	Other receivables	23	372
13	Accrued income and deferred expenses	151	153
	Total receivables	37.996	90.707
	Cash at bank and in hand	35.911	2
	Total current assets	**94.467**	**108.026**
	Total assets	**105.387**	**116.593**

Statement of financial position at 31 December

DKK thousand.

Note	**Equity and liabilities**	2019	2018
	Equity		
14	Share capital	500	500
	Retained earnings	59.437	56.810
	Proposed dividend for the financial year	11.175	20.000
	Total equity	**71.112**	**77.310**
	Liabilities other than provisions		
	Trade payables	24.310	5.430
	Payables to group enterprises	100	15.768
	Corporate tax	3.203	3.247
	Other payables	6.662	14.838
	Total short term liabilities other than provisions	34.275	39.283
	Total liabilities other than provisions	**34.275**	**39.283**
	Total equity and liabilities	**105.387**	**116.593**

15 Contingencies

16 Related parties

Statement of changes in equity

DKK thousand.

	Share capital	Result brought forward	Proposed dividend for the financial year	Total
Equity 1 January 2019	500	56.811	20.000	77.311
Distributed dividend	0	0	-20.000	-20.000
Profit or loss for the year brought forward	0	22.626	11.175	33.801
Extraordinary dividend adopted during the financial year	0	-20.000	0	-20.000
	500	**59.437**	**11.175**	**71.112**

Statement of cash flows 1 January - 31 December

DKK thousand.

Note		2019	2018
	Net profit or loss for the year	33.801	54.851
17	Adjustments	2.419	-8.000
18	Change in working capital	43.966	-2.460
	Cash flows from operating activities before net financials	80.186	44.391
	Interest received, etc.	-1	2
	Interest paid, etc.	-157	-214
	Cash flows from ordinary activities	80.028	44.179
	Cash flows from operating activities	**80.028**	**44.179**
	Purchase of property, plant, and equipment	-4.427	-1.179
	Sale of property, plant, and equipment	308	0
	Cash flows from investment activities	**-4.119**	**-1.179**
	Dividend paid	-40.000	-43.000
	Cash flows from investment activities	**-40.000**	**-43.000**
	Change in cash and cash equivalents	**35.909**	**0**
	Cash and cash equivalents at 1 January 2019	2	2
	Cash and cash equivalents at 31 December 2019	**35.911**	**2**

	Cash and cash equivalents		
	Cash at bank and in hand	35.911	2
	Cash and cash equivalents at 31 December 2019	**35.911**	**2**

DKK thousand.

		2019	2018
1.	**Staff costs**		
	Salaries and wages	17.629	36.762
	Pension costs	2.075	2.375
	Other costs for social security	162	160
		19.866	**39.297**
	Average number of employees	32	35

Persuant to section 98 b (3) of the Danish Financial Statements Act the remuneration of the management is not disclosed separatly. The Board of Directors receives no remuneration.

		2019	2018
2.	**Depreciation, amortisation and writedown relating to tangible and intangible fixed assets**		
	Amortisation of goodwill	223	1.497
	Depreciation on leasehold improvements	177	178
	Depreciation on buildings	782	762
	Depreciation on plants, operating assets, fixtures and furniture	585	482
		1.767	**2.919**
3.	**Other financial costs**		
	Financial costs, group enterprises	150	198
	Other financial costs	320	237
		470	**435**
4.	**Tax on ordinary results**		
	Tax of the results for the year	9.117	15.247
	Adjustment for the year of deferred tax	535	206
	Adjustment of tax for previous years	176	-78
		9.828	**15.375**

DKK thousand.

		2019	2018
5.	**Proposed appropriation of net profit**		
	Dividend for the financial year	11.175	20.000
	Transferred to retained earnings	22.626	34.851
	Total allocations and transfers	**33.801**	**54.851**
6.	**Goodwill**		
	Cost 1 January 2019	16.402	16.402
	Cost 31 December 2019	**16.402**	**16.402**
	Amortisation and writedown 1 January 2019	-15.751	-14.254
	Amortisation for the year	-223	-1.497
	Amortisation and writedown 31 December 2019	**-15.974**	**-15.751**
	Book value 31 December 2019	**428**	**651**
7.	**Land and property**		
	Cost 1 January 2019	16.376	16.349
	Additions during the year	1.303	28
	Cost 31 December 2019	**17.679**	**16.377**
	Depreciation and writedown 1 January 2019	-10.875	-10.109
	Depreciation for the year	-782	-762
	Depreciation and writedown 31 December 2019	**-11.657**	**-10.871**
	Book value 31 December 2019	**6.022**	**5.506**

DKK thousand.

		31/12 2019	31/12 2018
8.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2019	14.929	14.307
	Additions during the year	1.307	1.035
	Disposals during the year	-1.379	-413
	Transfers	116	0
	Cost 31 December 2019	**14.973**	**14.929**
	Depreciation and writedown 1 January 2019	-13.190	-13.124
	Depreciation for the year	-585	-482
	Reversal of depreciation, amortisation and writedown, assets disposed of	1.071	413
	Depreciation and writedown 31 December 2019	**-12.704**	**-13.193**
	Book value 31 December 2019	**2.269**	**1.736**

		31/12 2019	31/12 2018
9.	**Tangible assets under construction and prepayments for tangible assets**		
	Cost 1 January 2019	116	0
	Additions during the year	1.704	116
	Transfers	-116	0
	Cost 31 December 2019	**1.704**	**116**
	Book value 31 December 2019	**1.704**	**116**

		31/12 2019	31/12 2018
10.	**Leasehold improvements**		
	Cost 1 January 2019	3.586	3.585
	Additions during the year	113	0
	Cost 31 December 2019	**3.699**	**3.585**
	Depreciation and writedown 1 January 2019	-3.139	-2.962
	Depreciation for the year	-177	-179
	Depreciation and writedown 31 December 2019	**-3.316**	**-3.141**
	Carrying amount, 31 December 2019	**383**	**444**

DKK thousand.

		31/12 2019	31/12 2018
11.	**Deposits**		
	Cost 1 January 2019	114	114
	Cost 31 December 2019	**114**	**114**
	Book value 31 December 2019	**114**	**114**
12.	**Deferred tax assets**		
	Deferred tax assets 1 January 2019	779	985
	Deferred tax of the results for the year	-534	-206
		245	**779**

13. Accrued income and deferred expenses

Accrued income and deferred expenses comprise costs concerning the next financial year.

14. Share capital

The share capital consists of 1 share of a nominal value of DKK 500. There has been no changes in the share capital during the last 5 years.

15. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into operational leasing contracts regarding company cars and buildings. Total payment for 2020 for existing leasing contracts as of 31. December 2019 is DKK 1.071. Payments for the period 2021- 2023 is DKK 609. Total operationel leasing commitments is DKK 1.680.

16. Related parties

Controlling interest

PLIXXENT Holding GmbH, Oldenburg, Germany — Majority shareholder

DKK thousand.

Transactions

The company has the following related party transactions:

In the financial year 2019, the company had intercompany purchases of goods and services in total of T.DKK 235.133 and intercompany sales of goods and services in total of T.DKK 17.355.

Consolidated annual accounts

The company is included in the consolidated annual accounts of PLIXXENT Holding GmbH, Oldensburg, Germany

The consolidated annual report for PLIXXENT Holding GmbH can be ordered at the following adresses:

PLIXXENT Holding GmbH, Mittelkamp 112, 26125 Oldenburg, Germany
PLIXXENT A/S, Kronborgvej 24, 5450 Otterup, Denmark

17. Adjustments

Depreciation, amortisation, and impairment	1.767	2.919
Other financial costs, etc.	157	214
Tax on ordinary results	9.828	15.375
Company tax paid	-9.333	-26.368
Other adjustments	0	-140
	2.419	**-8.000**

18. Change in working capital

Change in inventories	-3.243	-4.642
Change in receivables	52.174	4.871
Change in trade payables and other payables	-4.965	-2.689
	43.966	**-2.460**