

DBI Plastics A/S
Stationsvej 5
4295 Stenlille
Central Business Registration No
12514379

Annual report 2017

The Annual General Meeting adopted the annual report on 31.05.2018

Chairman of the General Meeting

Name: Ole Lund Madsen

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Entity details

Entity

DBI Plastics A/S
Stationsvej 5
4295 Stenlille

Central Business Registration No: 12514379
Registered in: Sorø
Financial year: 01.01.2017 - 31.12.2017

Phone: +4557894800
Fax: +4557894848
Website: www.dbiplastics.com

Board of Directors

Hans Christian Petersen, Chairman
Per Toft Valstorp
Claus Henningsen

Executive Board

Hans Hellstrøm Henningsen, Chief Executive Officer

Bank

Handelsbanken
Rådhuspladsen 2
4200 Slagelse

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen 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 DBI Plastics A/S for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

Stenlille, den 31.05.2018

Executive Board

Hans Hellstrøm Henningsen
Chief Executive Officer

Board of Directors

Hans Christian Petersen
Chairman

Per Toft Valstorp

Claus Henningsen

Independent auditor's report

To the shareholder of DBI Plastics A/S

Opinion

We have audited the financial statements of DBI Plastics A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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 financial statements section of this auditor's report. We are independent of the Entity 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 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 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 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 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:

Independent auditor's report

- 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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.

Independent auditor's report

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

Copenhagen, 31.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Max Damborg

State Authorised Public Accountant

Identification number (MNE) mne33772

Management commentary

	2017	2016	2015	2014	2013
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial highlights					
Key figures					
Revenue	133.363	131.929	111.827	109.583	95.123
Gross profit/loss	70.114	69.890	66.963	60.191	48.734
Operating profit/loss	9.221	9.513	14.802	13.711	4.922
Net financials	(634)	(1.121)	(379)	(423)	(312)
Profit/loss for the year	6.711	6.575	11.129	10.211	3.246
Total assets	125.103	118.721	108.306	98.112	72.279
Investments in property, plant and equipment	10.019	11.992	14.558	22.400	9.431
Equity	65.198	58.487	51.912	40.783	31.572
Average invested capital incl goodwill	46.995	54.468	48.682	41.310	29.687
Interest bearing debt, net	(19.130)	(4.019)	(3.230)	1.448	(2.455)
Employees in average	103	97	90	88	77
Ratios					
Gross margin (%)	52,6	53,0	59,9	54,9	51,2
Net margin (%)	5,0	5,0	10,0	9,3	3,4
Return on equity (%)	10,9	11,9	24,0	28,2	10,7
Revenue per employee	1.294,8	1.360,1	1.242,5	1.245,3	1.235,4
Equity ratio (%)	52,4	49,2	47,9	41,6	43,7
Return on assets (%)	8,5	8,4	14,3	16,1	7,1

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Management commentary

Ratios	Calculation formula	Ratios
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Revenue per employee	$\frac{\text{Revenue}}{\text{Revenue per employee}}$	The entity's productivity
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.
Return on assets (%)	$\frac{\text{Operating profit/loss for the year} \times 100}{\text{Average assets (except cash)}}$	The entity's return on total assets.

Management commentary

Primary activities

The primary activities of the Company comprise the development, manufacturing and sale of protective solutions, which are sold mainly on the European market.

Development in activities and finances

The Company's revenue for the year was DKK 133,363 thousand. This is largely unchanged from previous year due to the lowering of inventories in the sister subsidiaries abroad.

To match the future ambitions and leadership requirements, a new management team has been put in place. Profit for 2017 amounts to DKK 6,710 thousand compared to DKK 6,575 thousand in 2016.

Uncertainty relating to recognition and measurement

The valuation of assets and liabilities is made in accordance with current accounting policies, and Management of DBI Plastics A/S is of the opinion that no uncertainty is related to recognition and measurement.

Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances affecting recognition and measurement in the financial year 2017.

Outlook

As a result of the changes initiated in 2017, a stronger growth rate and a significantly improved performance are expected for 2018.

Particular risks

The Company's activities do not involve any particular risks; neither operating nor financial risks. As the main part of transactions is carried out in euro, the Company's activities are not considered to involve any special foreign exchange risks.

Intellectual capital resources

The Company employs the needed number of employees with relevant qualifications who possess considerable know-how of the Company's products and production. Further and supplementary training is provided to the extent necessary.

Environmental performance

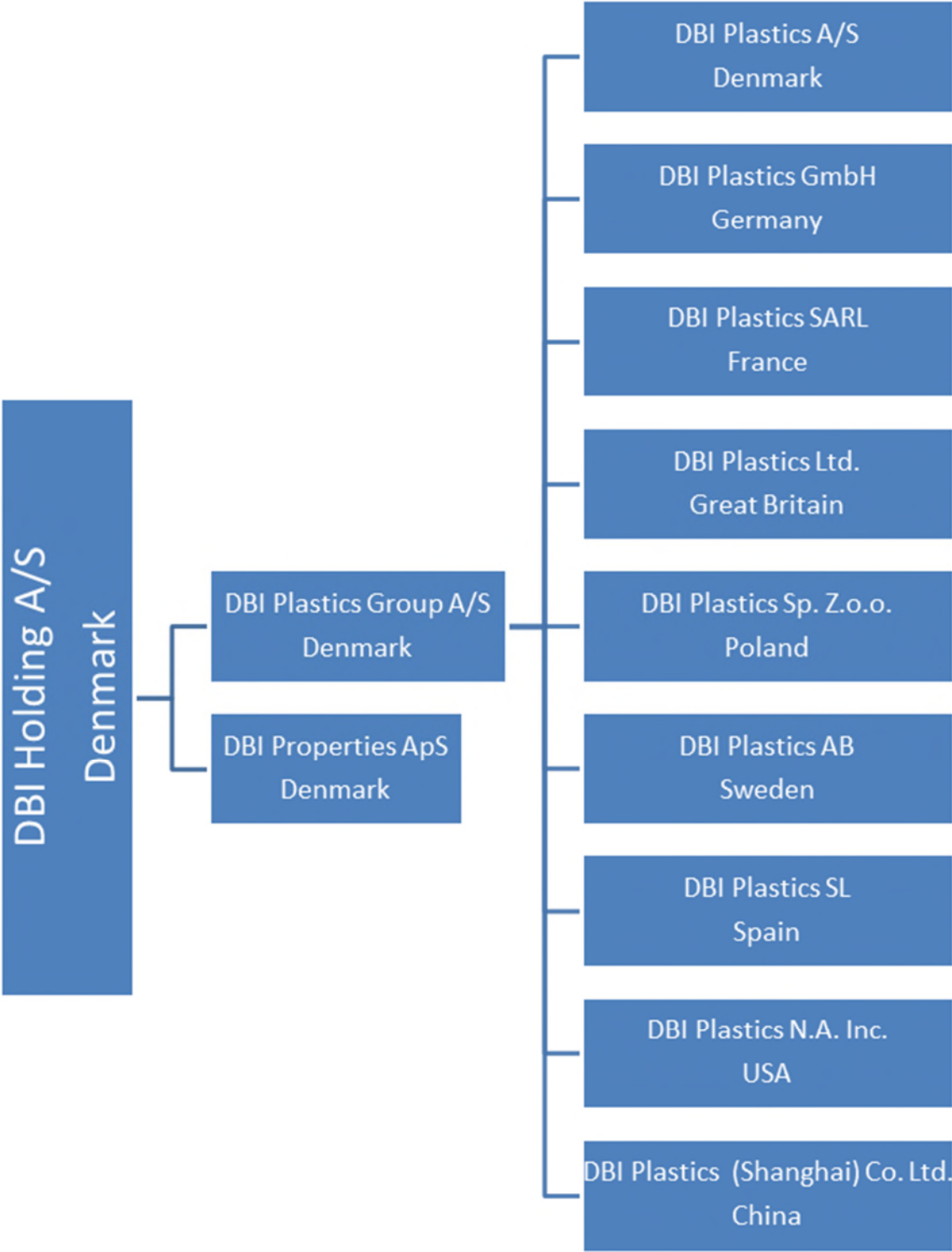
The Company is environmentally certified under ISO 14001 and, moreover, also under ISO 9001, ISO 50001 and TS 16949. The Company's activities do not have any material environmental impact.

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.

Management commentary

Group chart



Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Revenue		133.363.004	131.929
Costs of raw materials and consumables		(35.362.062)	(34.882)
Other external expenses		<u>(27.887.424)</u>	<u>(27.157)</u>
Gross profit/loss		70.113.518	69.890
Staff costs	1	(47.527.738)	(48.211)
Depreciation, amortisation and impairment losses	2	<u>(13.364.623)</u>	<u>(12.166)</u>
Operating profit/loss		9.221.157	9.513
Other financial income	3	942.900	600
Other financial expenses	4	<u>(1.576.704)</u>	<u>(1.721)</u>
Profit/loss before tax		8.587.353	8.392
Tax on profit/loss for the year	5	<u>(1.876.486)</u>	<u>(1.817)</u>
Profit/loss for the year	6	<u>6.710.867</u>	<u>6.575</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Plant and machinery		26.210.187	33.273
Other fixtures and fittings, tools and equipment		276.891	362
Leasehold improvements		2.351.718	709
Property, plant and equipment in progress		1.727.401	1.425
Property, plant and equipment	7	<u>30.566.197</u>	<u>35.769</u>
Deposits		2.306.650	2.292
Deferred tax	9	810.000	91
Fixed asset investments	8	<u>3.116.650</u>	<u>2.383</u>
Fixed assets		<u>33.682.847</u>	<u>38.152</u>
Raw materials and consumables		3.733.675	5.147
Manufactured goods and goods for resale		17.248.813	18.438
Inventories		<u>20.982.488</u>	<u>23.585</u>
Trade receivables		2.619.098	2.522
Receivables from group enterprises		55.865.532	50.907
Other receivables		1.855.128	2.726
Prepayments	10	127.548	810
Receivables		<u>60.467.306</u>	<u>56.965</u>
Cash		<u>9.970.626</u>	<u>19</u>
Current assets		<u>91.420.420</u>	<u>80.569</u>
Assets		<u>125.103.267</u>	<u>118.721</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Contributed capital	11	1.500.000	1.500
Retained earnings		<u>63.698.277</u>	<u>56.987</u>
Equity		<u>65.198.277</u>	<u>58.487</u>
Debt to other credit institutions		<u>2.500.000</u>	<u>4.580</u>
Non-current liabilities other than provisions	12	<u>2.500.000</u>	<u>4.580</u>
Current portion of long-term liabilities other than provisions	12	2.080.000	2.120
Payables to other credit institutions		0	6.114
Trade payables		5.085.930	5.551
Payables to group enterprises		39.275.232	33.175
Income tax payable		2.589.115	918
Other payables		<u>8.374.713</u>	<u>7.776</u>
Current liabilities other than provisions		<u>57.404.990</u>	<u>55.654</u>
Liabilities other than provisions		<u>59.904.990</u>	<u>60.234</u>
Equity and liabilities		<u>125.103.267</u>	<u>118.721</u>
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Related parties with controlling interest	15		
Transactions with related parties	16		
Group relations	17		

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1.500.000	56.987.410	58.487.410
Profit/loss for the year	0	6.710.867	6.710.867
Equity end of year	1.500.000	63.698.277	65.198.277

Notes

	2017	2016
	DKK	DKK'000
1. Staff costs		
Wages and salaries	44.991.231	44.554
Pension costs	1.800.159	1.620
Other social security costs	251.741	1.468
Other staff costs	484.607	569
	47.527.738	48.211
Average number of employees	103	97
	Remunera-	Remunera-
	tion of	tion of
	manage-	manage-
	ment	ment
	2017	2016
	DKK	DKK'000
Total amount for management categories	4.804.992	4.344
	4.804.992	4.344
	2017	2016
	DKK	DKK'000
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	13.389.623	12.203
Profit/loss from sale of intangible assets and property, plant and equipment	(25.000)	(37)
	13.364.623	12.166
	2017	2016
	DKK	DKK'000
3. Other financial income		
Financial income arising from group enterprises	914.781	600
Interest income	28.119	0
	942.900	600

Notes

	2017	2016
	DKK	DKK'000
4. Other financial expenses		
Financial expenses from group enterprises	1.146.472	829
Interest expenses	146.878	332
Exchange rate adjustments	283.354	535
Other financial expenses	0	25
	1.576.704	1.721
	2017	2016
	DKK	DKK'000
5. Tax on profit/loss for the year		
Tax on current year taxable income	2.589.115	2.483
Change in deferred tax for the year	(718.991)	(670)
Adjustment concerning previous years	6.362	4
	1.876.486	1.817
	2017	2016
	DKK	DKK'000
6. Proposed distribution of profit/loss		
Retained earnings	6.710.867	6.575
	6.710.867	6.575

Notes

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK	Property, plant and equipment in progress DKK
7. Property, plant and equipment				
Cost beginning of year	146.752.709	3.907.046	8.825.411	1.424.628
Additions	5.598.043	71.763	2.236.846	2.111.902
Disposals	(1.398.728)	(107.508)	0	(1.809.129)
Cost end of year	150.952.024	3.871.301	11.062.257	1.727.401
Depreciation and impairment losses beginning of the year	(113.479.713)	(3.545.076)	(8.115.598)	0
Depreciation for the year	(12.637.840)	(156.842)	(594.941)	0
Reversal regarding disposals	1.375.716	107.508	0	0
Depreciation and impairment losses end of the year	(124.741.837)	(3.594.410)	(8.710.539)	0
Carrying amount end of year	26.210.187	276.891	2.351.718	1.727.401
			Deposits DKK	Deferred tax DKK
8. Fixed asset investments				
Cost beginning of year			2.292.019	91.009
Additions			58.382	718.991
Disposals			(43.751)	0
Cost end of year			2.306.650	810.000
Carrying amount end of year			2.306.650	810.000

Notes

	2017	2016
	DKK	DKK'000
9. Deferred tax		
Property, plant and equipment	1.111.000	374
Inventories	(305.000)	(287)
Receivables	4.000	4
	810.000	91
Changes during the year		
Beginning of year	91.009	
Recognised in the income statement	718.991	
End of year	810.000	

10. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

	Number	Par value DKK	Nominal value DKK
11. Contributed capital			
Shares	15	100000	1.500.000
	15		1.500.000
	Instalments within 12 months 2017 DKK	Instalments within 12 months 2016 DKK'000	Instalments beyond 12 months 2017 DKK
12. Liabilities other than provisions			
Debt to other credit institutions	2.080.000	2.120	2.500.000
	2.080.000	2.120	2.500.000

DKK 0 falls due after five years.

Notes

	2017	2016
	DKK	DKK'000
13. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	4.939.679	9.948
Herof liabilities under rental agreements or leases with group enterprises until expiry	3.113.760	9.341

14. Contingent liabilities

The Company has promised to provide the financial support required to subsidiaries in order to continue their operations.

The Company has issued a cross guarantee for the bank debt of the Danish group enterprises. The total bank debt of the Danish group enterprises amounts to DKK 20,110 thousand at 31.12.2017.

The Company participates in a Danish joint taxation arrangement in which DBI Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

15. Related parties with controlling interest

The Company has registered the following shareholder to hold more than 5% of the voting share capital, or of the nominal value of the share capital:

DBI Plastics Group A/S, Stationsvej 5, 4295 Stenlille, Central Business Registration No. 27171737

16. Transactions with related parties

Related party transactions that have not been made on an arm's length basis should be disclosed in the annual report. However, such transactions have not taken place during the financial year.

17. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

DBI Holding A/S, Stationsvej 5, 4295 Stenlille, Central Business Registration No. 29821739

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

DBI Holding A/S, Stationsvej 5, 4295 Stenlille, Central Business Registration No. 29821739

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 (medium).

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

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.

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 one 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.

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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year.

Accounting policies

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, etc.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme 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 Entity is jointly taxed with the Parent and all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Plant and machinery, other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Accounting policies

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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:

Plant and machinery	3-7 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

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.

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 applied for the manufacturing process as well as 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.

Accounting policies

Receivables

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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.

Income tax receivable or payable

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

Cash flow statement

According to section 86(4) of the Danish Financial Statements Act, the Company has decided not to prepare any cash flow statement, as such statement is included in higher-level consolidated financial statements.