



DBI Plastics A/S

Stationsvej 5
4295 Stenlille
CVR No. 12514379

Annual report 2021

The Annual General Meeting adopted the annual report on 02.05.2022

Ole Lund Madsen

Chairman of the General Meeting

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Entity details

Entity

DBI Plastics A/S

Stationsvej 5

4295 Stenlille

Business Registration No.: 12514379

Registered office: Sorø

Financial year: 01.01.2021 - 31.12.2021

Phone number: +4557894800

Fax: +4557894848

URL: www.dbiplastics.com

Board of Directors

Hans Christian Petersen, Chairman

Christian Egemose Agger

Per Toft Valstorp

Claus Henningsen

Executive Board

Hans Hellstrøm Henningsen, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

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 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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, 02.05.2022

Executive Board

Hans Hellstrøm Henningsen

Chief Executive Officer

Board of Directors

Hans Christian Petersen

Chairman

Christian Egemose Agger

Per Toft Valstorp

Claus Henningsen

Independent auditor's report

To the shareholders of DBI Plastics A/S

Opinion

We have audited the financial statements of DBI Plastics A/S for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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:

- 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.

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, 02.05.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

René Carøe Andersen

State Authorised Public Accountant
Identification No (MNE) mne34499

Christoffer Anholm Salmon

State Authorised Public Accountant
Identification No (MNE) mne47918

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Revenue	135,843	108,983	132,355	115,478	133,363
Gross profit/loss	49,798	49,141	69,070	72,307	70,116
Operating profit/loss	3,269	(8,350)	6,946	8,117	9,221
Net financials	(405)	(3,340)	(1,051)	(789)	(634)
Profit/loss for the year	2,281	(9,119)	4,579	6,151	6,711
Total assets	85,386	121,465	129,342	131,155	125,102
Investments in property, plant and equipment	9,295	6,811	12,137	8,768	10,019
Equity	46,176	43,876	52,928	71,350	65,198
Ratios					
Gross margin (%)	36.66	45.09	52.19	62.62	52.58
EBIT margin (%)	2.41	(7.66)	5.25	7.03	6.91
Net margin (%)	1.68	(8.37)	3.46	5.33	5.03
Return on equity (%)	5.07	(18.84)	7.37	9.01	10.85
Equity ratio (%)	54.08	36.12	40.92	54.40	52.12

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

EBIT margin (%):

$\frac{\text{Operating profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

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 completed its consolidation of production from two to one factory in the spring of 2021 and the overall size of the organization was adjusted accordingly. The business activity in the industry segment has been strong throughout the year, whereas the automotive sector, while rebounding in the first half, has been negatively impacted by the global shortage of micro-chips. The surge in raw material prices has negatively impacted the results, while shortage in general has been avoided. Sustainability initiatives on a broad scale has been implemented in both products and services.

Profit/loss for the year in relation to expected developments

The Company's revenue for the year was DKK 135,843 thousand, and profit for the year ended at DKK 2,216 thousand compared to a loss of DKK 9,119 thousand in 2020.

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 2020.

Outlook

The shortage of chip supply is expected to gradually ease, and with the consequential catch-up activity analysts predicts the European automotive market to grow by more than 10% in 2022. It is uncertain for how long energy and raw material prices will remain at the current high level and to what extent general inflation will affect the cost structure. All activities in Denmark will be consolidated in one facility during the year.

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.

Knowledge 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.

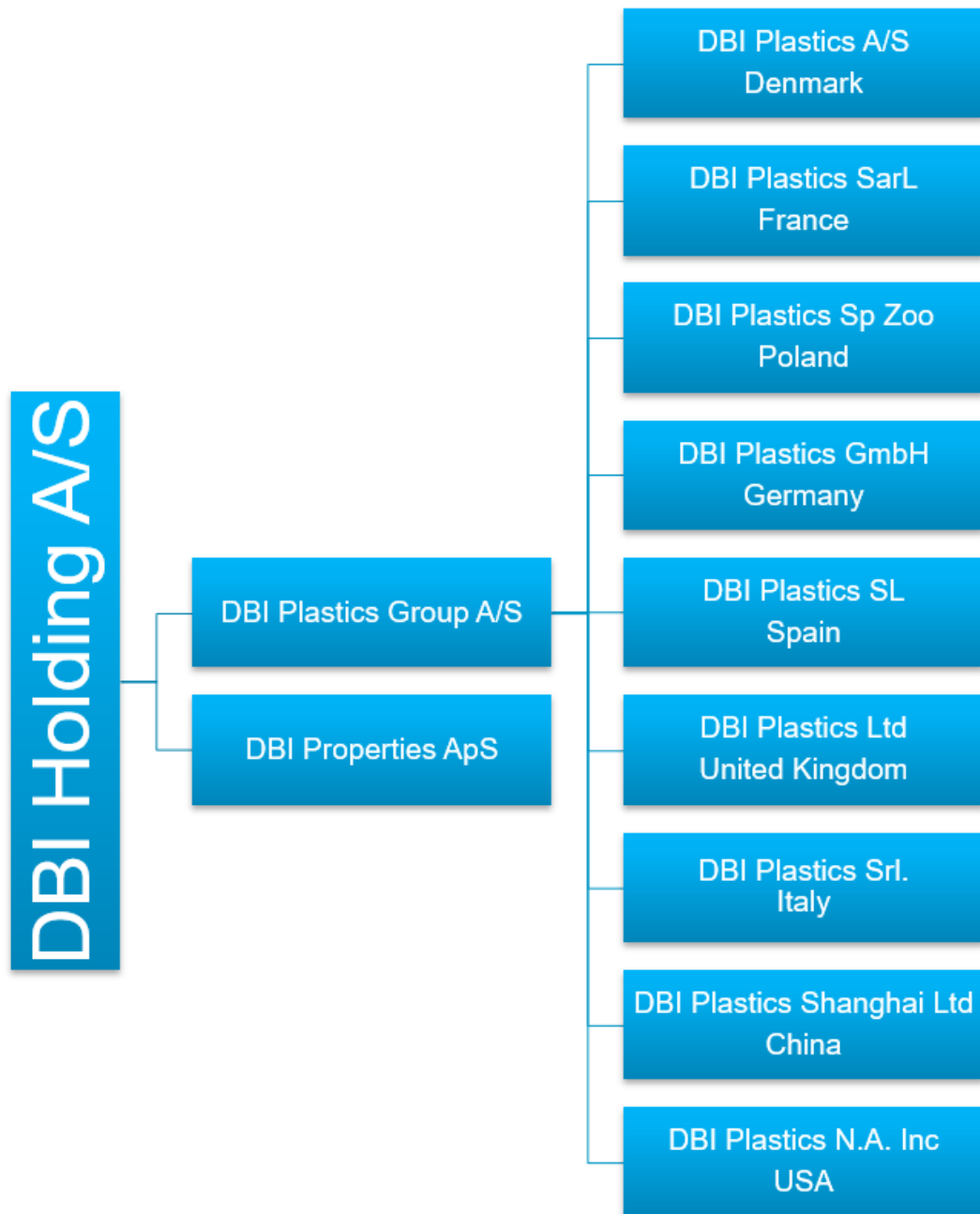
Environmental performance

The manufacturing company is environmentally certified under ISO 14001 and, moreover, also under ISO 9001, ISO 50001 and IATF 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.

Supplementary reports



Income statement for 2021

	Notes	2021 DKK	2020 DKK
Revenue		135,842,581	108,982,764
Other operating income	2	0	4,349,332
Costs of raw materials and consumables		(63,875,003)	(42,738,821)
Other external expenses		(22,169,727)	(21,452,088)
Gross profit/loss		49,797,851	49,141,187
Staff costs	3	(39,222,938)	(49,213,402)
Depreciation, amortisation and impairment losses	4	(7,305,585)	(8,277,744)
Operating profit/loss		3,269,328	(8,349,959)
Other financial income	5	2,047,397	985,128
Other financial expenses	6	(2,452,570)	(4,325,360)
Profit/loss before tax		2,864,155	(11,690,191)
Tax on profit/loss for the year	7	(583,000)	2,571,000
Profit/loss for the year	8	2,281,155	(9,119,191)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Plant and machinery		19,583,087	19,840,966
Other fixtures and fittings, tools and equipment		7,177	34,387
Leasehold improvements		1,522,910	585,975
Property, plant and equipment in progress		3,148,706	2,885,391
Property, plant and equipment	9	24,261,880	23,346,719
Deposits		1,366,753	1,366,344
Deferred tax	11	3,930,000	4,513,000
Financial assets	10	5,296,753	5,879,344
Fixed assets		29,558,633	29,226,063
Raw materials and consumables		3,560,267	3,603,612
Manufactured goods and goods for resale		11,584,590	9,555,043
Inventories		15,144,857	13,158,655
Trade receivables		2,701,029	2,712,391
Contract work in progress	12	718,970	178,300
Receivables from group enterprises		33,368,048	67,072,206
Other receivables		1,370,078	2,565,731
Prepayments	13	319,236	798,499
Receivables		38,477,361	73,327,127
Cash		2,205,575	5,753,560
Current assets		55,827,793	92,239,342
Assets		85,386,426	121,465,405

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		1,500,000	1,500,000
Retained earnings		42,675,690	42,376,229
Proposed dividend		2,000,000	0
Equity		46,175,690	43,876,229
Other payables		4,512,355	4,536,046
Non-current liabilities other than provisions	14	4,512,355	4,536,046
Bank loans		381,729	0
Trade payables		4,044,120	5,195,183
Payables to group enterprises		25,608,335	58,800,468
Other payables		4,664,197	9,057,479
Current liabilities other than provisions		34,698,381	73,053,130
Liabilities other than provisions		39,210,736	77,589,176
Equity and liabilities		85,386,426	121,465,405
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Assets charged and collateral	17		
Related parties with controlling interest	18		
Non-arm's length related party transactions	19		
Group relations	20		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	1,500,000	42,376,229	0	43,876,229
Exchange rate adjustments	0	18,306	0	18,306
Profit/loss for the year	0	281,155	2,000,000	2,281,155
Equity end of year	1,500,000	42,675,690	2,000,000	46,175,690

Notes

1 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.

2 Other operating income

The entity has due to Covid-19 in 2020 received in total 4,349 thousands regarding financial help packages from the Danish Government.

3 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	37,217,516	44,865,197
Pension costs	2,491,228	2,811,014
Other social security costs	265,637	308,193
Other staff costs	(751,443)	1,228,998
	39,222,938	49,213,402

Average number of full-time employees	70	93
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	Remuneration of Management 2021 DKK	Remuneration of Management 2020 DKK
Total amount for management categories	2,971,780	2,897,971
	2,971,780	2,897,971

The company have with reference to the Danish Financial Statements Act §98B para 3, compiled the disclosure of remuneration for the management categories.

4 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Depreciation of property, plant and equipment	7,699,964	9,648,006
Profit/loss from sale of intangible assets and property, plant and equipment	(394,379)	(1,370,262)
	7,305,585	8,277,744

5 Other financial income

	2021	2020
	DKK	DKK
Other interest income	(305)	(441)
Exchange rate adjustments	2,047,702	985,569
	2,047,397	985,128

6 Other financial expenses

	2021	2020
	DKK	DKK
Financial expenses from group enterprises	1,343,258	1,444,844
Other interest expenses	54,097	87,813
Exchange rate adjustments	1,055,215	2,792,703
	2,452,570	4,325,360

7 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Change in deferred tax	583,000	(2,571,000)
	583,000	(2,571,000)

8 Proposed distribution of profit and loss

	2021	2020
	DKK	DKK
Ordinary dividend for the financial year	2,000,000	0
Retained earnings	281,155	(9,119,191)
	2,281,155	(9,119,191)

9 Property, plant and equipment

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost beginning of year	163,540,768	3,830,363	11,784,524	2,885,391
Transfers	2,687,868	0	0	(2,687,868)
Additions	4,960,836	0	1,383,334	2,951,183
Disposals	(6,289,372)	(40,000)	0	0
Cost end of year	164,900,100	3,790,363	13,167,858	3,148,706
Depreciation and impairment losses beginning of year	(143,699,802)	(3,795,976)	(11,198,549)	0
Depreciation for the year	(7,236,355)	(17,210)	(446,399)	0
Reversal regarding disposals	5,619,144	30,000	0	0
Depreciation and impairment losses end of year	(145,317,013)	(3,783,186)	(11,644,948)	0
Carrying amount end of year	19,583,087	7,177	1,522,910	3,148,706

10 Financial assets

	Deposits DKK	Deferred tax DKK
Cost beginning of year	1,366,344	4,513,000
Additions	409	0
Disposals	0	(583,000)
Cost end of year	1,366,753	3,930,000
Carrying amount end of year	1,366,753	3,930,000

11 Deferred tax

	2021	2020
	DKK	DKK
Property, plant and equipment	1,938,000	2,123,000
Inventories	(214,000)	(217,000)
Receivables	4,000	4,000
Provisions	0	220,000
Tax losses carried forward	2,202,000	2,383,000
Deferred tax	3,930,000	4,513,000

	2021	2020
	DKK	DKK
Changes during the year		
Beginning of year	4,513,000	1,942,000
Recognised in the income statement	(583,000)	2,571,000
End of year	3,930,000	4,513,000

Deferred tax assets are recognized on the basis of expected realized income from sales.

12 Contract work in progress

	2021	2020
	DKK	DKK
Contract work in progress	2,262,736	2,865,513
Progress billings regarding contract work in progress	(1,543,766)	(2,687,213)
	718,970	178,300

13 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

14 Non-current liabilities other than provisions

	Due after more than 12 months 2021 DKK
Other payables	4,512,355
	4,512,355

Other payables comprise of payable holiday allowance.

15 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	4,457,807	4,482,044
Liabilities under rental agreements or leases with group enterprises until expiry	3,600,000	3,600,000

16 Contingent liabilities

The Entity has promised to provide the financial support required to group companies in order to continue their operations.

The Entity 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 4.979 thousand at 31.12.2021 (DKK 16,500 thousand at 31.12.2020).

The Entity participates in a Danish joint taxation arrangement where Hans Hellestrøm Henningsen Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

17 Assets charged and collateral

The Entity 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 4.979 thousand at 31.12.2021 (DKK 16,500 thousand at 31.12.2020).

18 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

19 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

20 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Hans Hellstrøm Henningsen Holding ApS, Stationsvej 5, 4295 Stenlille, Central Business Registration No. 40730885

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 prepared 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 rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statements 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.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

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

activities.

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. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and 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 or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and 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 or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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 all Danish group enterprises. 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, and 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, sub-suppliers 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, staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of 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.

Items of 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 the tax-based value of assets and liabilities, for which the tax-based value 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 of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

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

Receivables

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

doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Other financial liabilities

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

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 state