

Simonsen A/S

Møgelvangs Plads 7, 7900 Nykøbing Mors

Company reg. no. 12 64 63 72

Annual report

1 January - 31 December 2017

The annual report has been submitted and approved by the General Meeting on the 26 January 2018.

Anders Borg
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Simonsen A/S for the financial year 1 January to 31 December 2017.

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 as on 31 December 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

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

The annual report is recommended for approval by the general meeting.

Nykøbing Mors, 26 January 2018

Managing Director

Morten Simonsen

Board of directors

Anders Borg
Chairman

Morten Simonsen

Klaus Simonsen

Tove Simonsen

Jens Broberg

Independent auditor's report

To the shareholders of Simonsen A/S

Opinion

We have audited the annual accounts of Simonsen A/S for the financial year 1 January to 31 December 2017, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January to 31 December 2017 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 below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

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 evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Nykøbing Mors, 26 January 2018

BRANDT

Company reg. no. 25 49 21 45

Flemming Hansen
State Authorised Public Accountant
MNE-nr. 32244

Søren Yde
State Authorised Public Accountant
MNE-nr. 34101

Company data

The company

Simonsen A/S
Møgelvangs Plads 7
7900 Nykøbing Mors

Phone 96691300
Fax 96691301
Web site www.simonsen.eu

Company reg. no. 12 64 63 72
Financial year: 1 January - 31 December

Board of directors

Anders Borg, Chairman
Morten Simonsen
Klaus Simonsen
Tove Simonsen
Jens Broberg

Managing Director

Morten Simonsen

Auditors

BRANDT, Statsautoriseret Revisionspartnerselskab
Limfjordsvej 42
7900 Nykøbing Mors

Bankers

Danske Bank, Åboulevarden 69, 8100 Aarhus C

Lawyer

TVC Advokatfirma, Frichsparken, Søren Frichs Vej 42a, 8230 Åbyhøj

Parent company

Morten Simonsen Holding ApS

Subsidiary

Simonsen Recycling ApS, Nykøbing Mors

Financial highlights

DKK in thousands.	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Profit and loss account:					
Net turnover	175.372	156.347	224.587	193.547	213.042
Gross profit	22.267	15.149	23.905	21.913	23.845
Results from operating activities	5.484	-1.458	5.188	5.328	4.922
Net financials	109	54	-105	-122	-75
Results for the year	4.303	-1.134	3.834	3.864	3.585
Balance sheet:					
Balance sheet sum	53.429	35.341	45.075	55.836	48.788
Equity	16.376	12.073	16.207	16.372	16.508
Employees:					
Average number of full time employees	14	13	13	12	13
Key figures in %:					
Gross margin	12,7	9,7	10,6	11,3	11,2
Profit margin	3,1	-0,9	2,3	2,8	2,3
Solvency ratio	30,7	34,2	36,0	29,3	33,8
Return on equity	30,3	-8,0	23,5	23,5	22,1

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

Gross margin $\frac{\text{Gross results} \times 100}{\text{Net turnover}}$

Profit margin (EBIT margin) $\frac{\text{Results from primary activities (EBIT)} \times 100}{\text{Net turnover}}$

Equity share $\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$

Return on equity $\frac{\text{Results for the year} \times 100}{\text{Average equity}}$

Management's review

The principal activities of the company

The company was established on 1st. December 1984 by the late Mr. Jorgen Simonsen. The company is 100% privately owned by Klaus and Morten Simonsen, the two sons of the founder. The company is a global supplier of insulating refractory, specialised refractory and carbon materials to the primary aluminium industry, the WtE industry, the glass industry and melting & holding industry.

The company is a global sales and representative company for a wide range of producers of the said materials. The company represents these companies exclusively.

Development in activities and financial matters

The company has realized a healthy, positive result and returned to full profitability. The company equally managed to improve profit margins leading to a significant improvement on result based on a lower turnover. Focus on cash flow has been of high priority and the company has managed to have a solid positive cash flow, even coming from a previous year with a negative result and market.

The primary aluminium industry, the company's main activity, has seen a significant growth and strong demand for aluminium leading also to considerable strengthening of the LME (Light Metal Exchange). Prices for aluminium have increased by more than 30% in 12 months leading to increase in relining and demand for the company's materials. Also the industry has seen new projects being realized and the future growth and investment in the industry is very positive. The growth in aluminium in the western world is strongly influenced by the new economic and environmental policies in China.

The new focus on reducing pollution overall has had huge impact on the production of aluminium/capacity in China leading to immediate higher LME. This new policy also has impact on the supply base and production in China of the company's materials and partners. Raw material costs have spiked and increased by more than 30% leading to high prices for the aluminium industry and to a shortage of raw materials.

The company's main partner, LIRR in China, is fully dependent on raw materials and sourcing. A joint venture with the producer of raw materials has assured the capacity in the new plant. The possible negative effects of the new policy would be sourcing in China and the company is fully aware and vigilant in the approach to secure the main supply.

The higher demand from the industry can lead to a shortage of capacity now being noted from all sources. The company has strong influence on the planning and capacity and the company partners are ready to expand with the growth in the market leading also to higher prices.

The new company SIMONSEN RECYCLING is developing positively with new contracts for Waste-to-Energy. It is expected to turn profitable within the fiscal year with a huge growth potential in WtE, recycling and remelting.

The company has again achieved AAA rating from Bisnode Dun & Bradstreet.

Comparison of result versus expectation outlined:

Management's review

The result exceeds the expectation positively both in profit margin and result.

The growth in the market for aluminium, spurred by changes in policy in China, has resulted in increased demand and a positive effect on commercial conditions.

Environmental issues

The company also associates with partners and suppliers who are green and adhering to the most stringent laws of environment. The main partner in China has a unique position for green production and is complying with the new, very stringent, environmental policies. The company head office is focusing on minimum waste, recycling of paper and energy source using clean wind energy as power source for electricity.

The expected development

The company expects a strong year with growth and higher profitability and turnover. The aluminium industry is buoyant and with growth expected for several years to come. The company entered the fiscal year with a record order backlog and will achieve the highest turnover of the main materials to date. The strong position as a supplier to the industry securing production/supply from a difficult market for sourcing is a prime position due to the strong association with all partners and suppliers.

Simonsen Recycling will develop positively and is expected to make a profit and increase market share globally with a full service to the market and the growth potential for the company and associated company is very strong. Full focus and new sales team has been implemented.

Accounting policies used

The annual report for Simonsen A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (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.

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.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

Accounting policies used

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Distribution costs

The distribution costs comprise costs which have been incurred for distribution of goods sold during the year and for sales campaigns carried out during the year. Additionally, costs for sales staff, costs for advertising and exhibitions, and depreciation are recognised in the profit and loss account.

Administration costs

Administration costs comprise costs which have been incurred during the year for management and administration, including costs for the administrative staff, the executive board, offices, stationery and office supplies, and depreciation.

Cost of sales

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

Other operating income

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investments in group enterprises and associated enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual associated enterprises are recognised in the profit and loss account at a proportional share of the associated enterprises' results after tax.

Accounting policies used

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 company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset.

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

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

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
Leasehold improvements	10-20 years	
Cars	3 years	exp. scrap 50%
EDP-equipment	4 years	
Office furniture and equipment	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 as other operating income or other operating expenses.

Accounting policies used

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Financial fixed assets

Equity investments in group enterprises and associated enterprises

Equity investments in group enterprises and associated enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises and associated enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises and associated enterprises.

Other securities and equity investments

Securities and equity investments recognised under fixed assets comprise listed bonds and shares which are measured at fair value on the balance sheet date. Listed securities are measured at market price.

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.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accounting policies used

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

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

Dividend

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

According to the rules of joint taxation, Simonsen A/S is proportionally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

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

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.

Accounting policies used

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.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2017</u>	<u>2016</u>
Net turnover	175.372.381	156.346.698
Production costs	-153.105.029	-141.198.076
Gross results	22.267.352	15.148.622
Distribution costs	-4.431.847	-4.344.253
Staff costs	-8.863.308	-8.834.319
Other Cost	-2.773.076	-2.618.992
Total Cost on rented premises	-715.243	-809.416
Operating profit	5.483.878	-1.458.358
Income from equity investments in group enterprises	13.778	15.971
Other financial income	135.980	39.359
2 Other financial costs	-41.239	-1.293
Financing, net	108.519	54.037
Results before tax	5.592.397	-1.404.321
3 Tax on ordinary results	-1.289.036	270.220
4 Results for the year	4.303.361	-1.134.101

Balance sheet 31 December

All amounts in DKK.

<u>Note</u>	<u>2017</u>	<u>2016</u>
Equity and liabilities		
Equity		
Contributed capital	500.000	500.000
Reserves for net revaluation as per the equity method	50.167	0
Other reserves	0	165.395
Results brought forward	11.536.376	11.407.370
11 Proposed dividend for the financial year	4.289.583	0
Equity in total	<u>16.376.126</u>	<u>12.072.765</u>
Provisions		
12 Provisions for deferred tax	93.337	0
Provisions in total	<u>93.337</u>	<u>0</u>
Liabilities		
Trade creditors	32.864.911	20.658.225
Debt to group enterprises	1.432.728	1.071.295
Corporate tax	305.782	0
Other debts	1.696.552	1.299.524
13 Accrued expenses and deferred income	659.498	239.230
Short-term liabilities in total	<u>36.959.471</u>	<u>23.268.274</u>
Liabilities in total	<u>36.959.471</u>	<u>23.268.274</u>
Equity and liabilities in total	<u>53.428.934</u>	<u>35.341.039</u>
1 Staff matters		
14 Contingencies		
15 Related parties		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserves for net revaluation as per the equity method	Other reserves	Results brought forward	Proposed dividend for the financial year	In total
Equity 1 January 2016	500.000	0	129.090	12.577.776	3.000.000	16.206.866
Distributed dividend	0	0	0	0	-3.000.000	-3.000.000
Share of results	0	0	36.305	-1.170.406	0	-1.134.101
Equity 1 January 2017	500.000	0	165.395	11.407.370	0	12.072.765
Share of results	0	13.778	0	0	4.289.583	4.303.361
Adjustment of net revaluation	0	36.389	0	0	0	36.389
Adjustment of other reserves	0	0	-165.395	0	0	-165.395
Adjustment of reserves	0	0	0	129.006	0	129.006
	500.000	50.167	0	11.536.376	4.289.583	16.376.126

Notes

All amounts in DKK.

	<u>2017</u>	<u>2016</u>
1. Staff matters		
Staff salaries	6.413.930	6.327.176
Staff pensions	1.995.108	2.039.739
Staff social costs	<u>454.270</u>	<u>467.404</u>
	<u>8.863.308</u>	<u>8.834.319</u>
Executive board	<u>371.676</u>	<u>324.702</u>
Average number of employees	<u>14</u>	<u>13</u>
2. Other financial costs		
Financial costs, group enterprises	31.510	0
Other financial costs	<u>9.729</u>	<u>1.293</u>
	<u>41.239</u>	<u>1.293</u>
3. Tax on ordinary results		
Income tax expense	1.073.468	0
Adjustment for the year of deferred tax	<u>215.568</u>	<u>-270.220</u>
	<u>1.289.036</u>	<u>-270.220</u>
4. Proposed distribution of the results		
Reserves for net revaluation as per the equity method	13.778	15.971
Dividend for the financial year	4.289.583	0
Allocated to other reserves	0	20.334
Allocated from results brought forward	<u>0</u>	<u>-1.170.406</u>
Distribution in total	<u>4.303.361</u>	<u>-1.134.101</u>

Notes

All amounts in DKK.

	<u>31/12 2017</u>	<u>31/12 2016</u>
5. Other plants, operating assets, and fixtures and furniture		
Cost opening balance	4.442.103	4.857.394
Additions during the year	66.855	20.764
Disposals during the year	<u>-1.345.954</u>	<u>-436.055</u>
Cost closing balance	<u>3.163.004</u>	<u>4.442.103</u>
Depreciation and writedown opening balance	-2.364.477	-2.190.496
Depreciation for the year	-417.267	-545.036
Depreciation and writedown, assets disposed of	<u>550.086</u>	<u>371.055</u>
Depreciation and writedown closing balance	<u>-2.231.658</u>	<u>-2.364.477</u>
Book value closing balance	<u>931.346</u>	<u>2.077.626</u>
6. Equity investments in group enterprises		
Acquisition sum, opening balance	<u>1.000.000</u>	<u>1.000.000</u>
Cost closing balance	<u>1.000.000</u>	<u>1.000.000</u>
Revaluations, opening balance	36.389	20.418
Results for the year	<u>13.778</u>	<u>15.971</u>
Revaluation closing balance	<u>50.167</u>	<u>36.389</u>
Book value closing balance	<u>1.050.167</u>	<u>1.036.389</u>
Group enterprises:		
	Domicile	Share of ownership
Simonsen Recycling ApS	Nykøbing Mors	100 %

Notes

All amounts in DKK.

	<u>31/12 2017</u>	<u>31/12 2016</u>
7. Other securities and equity investments		
Cost opening balance	<u>121.286</u>	<u>121.286</u>
Cost closing balance	<u>121.286</u>	<u>121.286</u>
Revaluation opening balance	33.139	12.805
Revaluations for the year	<u>0</u>	<u>20.334</u>
Revaluation closing balance	<u>33.139</u>	<u>33.139</u>
Book value closing balance	<u>154.425</u>	<u>154.425</u>
8. Other debtors		
Cost opening balance	<u>288.212</u>	<u>288.212</u>
Cost closing balance	<u>288.212</u>	<u>288.212</u>
Book value closing balance	<u>288.212</u>	<u>288.212</u>
Which is thus specified:		
Other debtors	<u>288.212</u>	<u>288.212</u>
	<u>288.212</u>	<u>288.212</u>
9. Deferred tax assets		
Deferred tax assets opening balance	0	-147.989
Change in deferred tax for the year	<u>0</u>	<u>270.220</u>
	<u>0</u>	<u>122.231</u>
10. Accrued income and deferred expenses		
Other prepayments/deferred income	<u>373.088</u>	<u>419.988</u>
	<u>373.088</u>	<u>419.988</u>

Notes

All amounts in DKK.

	<u>31/12 2017</u>	<u>31/12 2016</u>
11. Proposed dividend for the financial year		
Dividend opening balance	0	3.000.000
Distributed dividend	0	-3.000.000
Dividend for the financial year	<u>4.289.583</u>	<u>0</u>
	<u>4.289.583</u>	<u>0</u>
12. Provisions for deferred tax		
Provisions for deferred tax opening balance	-122.231	147.989
Change in deferred tax for the year	<u>215.568</u>	<u>-270.220</u>
	<u>93.337</u>	<u>-122.231</u>
13. Accrued expenses and deferred income		
Prepayments/deferred income	<u>659.498</u>	<u>239.230</u>
	<u>659.498</u>	<u>239.230</u>

Notes

All amounts in DKK.

14. Contingencies

Contingent liabilities

Leasing liabilities

In addition to financial leasing contracts, the company has entered into operational leasing contracts with an average annual leasing payment of TDKK 117. The leasing contracts have 11 and 26 months left to run, and the total outstanding leasing payment is TDKK 140.

Joint taxation

Morten Simonsen Holding ApS, company reg. no 10155010 being the administration company, the company is subject to the Danish scheme of joint taxation and it is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligation to withhold tax on interest, royalties and dividends of the jointly taxed companies.

The liabilities amount to a maximum corresponding to that share of the company capital, which is owned directly or indirectly by the ultimate parent company.

15. Related parties

Controlling interest

Morten Simonsen Holding ApS
Møgelvangs Plads 7
7900 Nykøbing Mors
Denmark

Majority shareholder

Consolidated annual accounts

The company is included in the consolidated annual accounts of Morten Simonsen Holding ApS, Møgelvangs Plads 7, 7900 Nykøbing Mors