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FIBERLINE A/S

BARMSTEDT ALLE 5, 5500 MIDDELFART

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2018

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 10 May 2019

Søren Stig Hansen

CVR NO. 13 63 91 08

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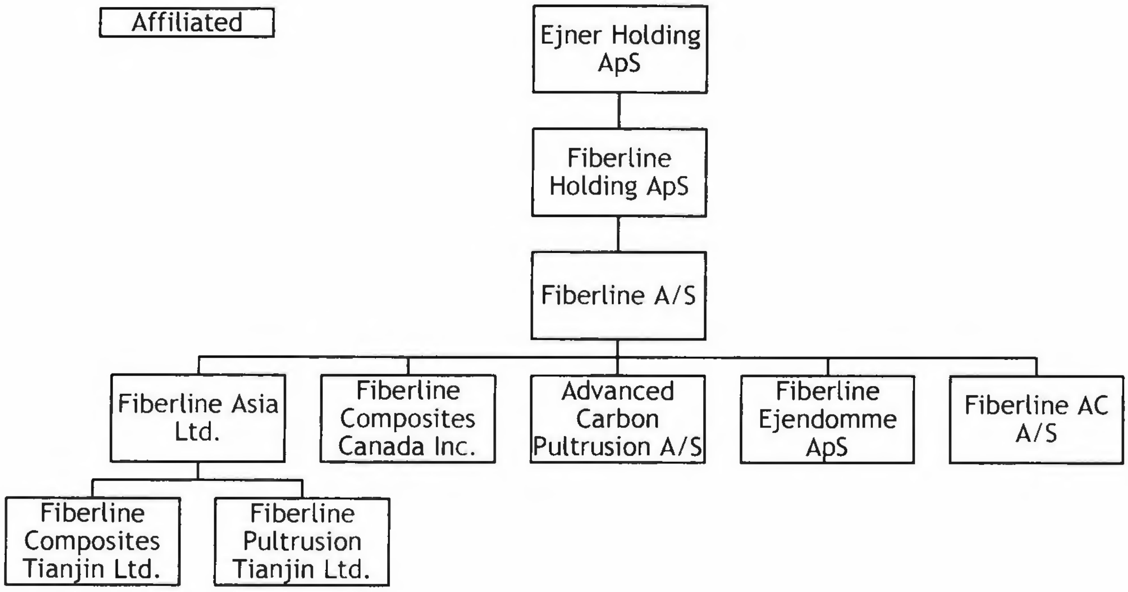
COMPANY DETAILS

Company	Fiberline A/S Barmstedt Alle 5 5500 Middelfart
	CVR No.: 13 63 91 08 Established: 1 November 1989 Registered Office: Middelfart Financial Year: 1 January - 31 December
Board of Directors	Peter Thorning, chairman Torben Østergaard Nielsen Henrik Thorning Lars Naur
Board of Executives	Ole Arenfeldt Jensen
Auditor	BDO Statsautoriseret revisionsaktieselskab Kolding Åpark 8A, 7. sal 6000 Kolding
Bank	Nordea Kolding Åpark 2 6000 Kolding
Law Firm	Andersen Partners Jernbanegade 31 6000 Kolding

GROUP STRUCTURE



The following associated companies are not included in the consolidation but are recognised at equity value under the equity method:

Schöck Balkonsysteme GmbH, Tyskland

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Fiberline A/S for the financial year 1 January - 31 December 2018.

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

In our opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of Group's and the Company's financial position at 31 December 2018 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2018.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Middelfart, 10 May 2019

Board of Executives

Ole Arenfeldt Jensen

Board of Directors

Peter Thorning Chairman	Torben Østergaard Nielsen	Henrik Thorning

Lars Naur

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Fiberline A/S

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Fiberline A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies for both the Group and the Parent Company. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group and the Parent Company's at 31 December 2018 and of the results of the Group and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements.

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

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company 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 Group's and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Management's Review
Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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 Management's Review.

INDEPENDENT AUDITOR'S REPORT

Kolding, 10 May 2019

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Lars Kruse
State Authorised Public Accountant
MNE no. mne11677

FINANCIAL HIGHLIGHTS OF THE GROUP

	2018 DKK '000	2017 DKK '000	2016 DKK '000	2015 DKK '000	2014 DKK '000
Income statement					
Net revenue	632,580	519,145			
Gross profit/loss	153,249	186,311	129,806	104,900	88,354
Operating profit/loss	-7,729	36,837	12,376	15,184	10,119
Financial income and expenses, net	-19,702	-17,484	-14,617	-14,202	-12,232
Profit/loss for the year before tax	-27,686	19,353	-2,241	982	-2,113
Profit/loss for the year	-37,439	12,770	-2,815	3,029	-2,144
Profit/loss for the year ex. minority interests	28,666	15,250	-4,289	2,571	-1,503
Balance sheet					
Balance sheet total	700,254	641,367	598,841	435,526	380,280
Equity	175,919	197,464	157,816	68,568	60,109
Equity ex. minority interests	156,183	111,664	71,537	68,164	60,109
Cash flows					
Investment in tangible fixed assets	-15,791	-25,727	-39,439	-16,288	-8,385
Ratios					
Rate of return	-1.7	9.3	3.7	4.7	3.3
Solvency ratio	22.3	17.4	11.9	15.7	15.8
Return on equity	-20.1	7.2	-9.0	4.7	-3.4
Return on equity (excl. minority interests)	21.4	16.6	-6.1	4.0	-2.5
Fair value	12,833.5	9,175.3	5,878.2	5,601.0	4,939.1
Solvency ratio II incl. minority interests	27.8	33.9	30.2	21.8	22.8

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

Rate of return:	$\frac{\text{Profit/loss on ordinary activities x 100}}{\text{Average invested capital}}$
Invested capital:	Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets – trade payables – other provisions – other long and short term working liabilities
Solvency ratio:	$\frac{\text{Equity ex. minorities, at year end x 100}}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$
Return on equity (ex minorities):	$\frac{\text{Profit/loss after tax ex minorities x 100}}{\text{Average equity ex minorities}}$
Fair value	$\frac{\text{Equity, at year end x 100}}{\text{Share capital, at year end}}$

FINANCIAL HIGHLIGHTS OF THE GROUP

Solvency ratio II (incl minorities):	$\dfrac{\text{Equity, at year end + minorities + subordinate loan capital} \times 100}{\text{Equity and liabilities, at year end}}$

The ratios follow in all material respects the recommendations of the Danish Finance Society.

Principal activities
Fiberline Composites is a family-owned business which since its formation in 1979 has focused on development, manufacture and sale of composite profiles in glass and carbon fibre. Fiberline has two business areas:

- Building & Construction: Glass fibre profiles to the building industry.
- Wind Turbine Components: Carbon and glass fibre profiles to the wind turbine industry.

Building & Construction
The Building & Construction divison develops and sells customised profiles to the window industry and standard profiles for load-bearing structures.

The production of profiles is carried out at the company's main office in Middelfart, Denmark. The revenue in the Building & Construction division comes from all of Europe, but Denmark and the DACH countries are main markets.

The construction profiles may be used for a wide variety of construction work, but are most often used when the unique qualities of the composites are required, for example building work which must be able to resist rough environments. As the first in the world, Fiberline achieved in May 2018 CE-marking of our load-bearing construction profiles, which Fiberline intends to utilise to win higher market shares in a generally growing market for construction profile in composite material.

Wind turbine components
The Wind turbine components division develops and sells carbon and glass fibre pultruded products to the wind power industry.

Fiberline's involvement in the wind power industry goes back to the 80'ies when the company established a cooperation with a customer to develop pultruded glass fibre profiles for turbine wings. Today, the pultruded profiles for turbine wings continue to be among the most significant products manufactured to several customers. The division has developed fast over the last years and includes web profiles and carbon fibre pultrusion to some of the worlds' longest wind turbine wings.

The products are primarily manufactured at the company's factory and head quarter in Middelfart, Denmark. In 2009, a production entity was established in Tianjin, China, which today competitively provides services to an increasing share of the division's customers.

The wind turbine business is global.

Exceptional matters
Please see description under “Result of the year compared to expectations”.

Uncertainty as to recognition and measurement
There are no uncertainties as to recognition and measurement.

Development in activities and financial position
The Group’s revenue increased by 22% during the financial year. The growth was primarily within sale of components from the Wind Turbine Components division.

Result of the year compared to expectations
The result is below expectations and not satisfactory. The sale to a part of the wind turbine industry was affected by a lower and more unstable demand than expected. This development resulted in higher production costs in Denmark. Moreover, higher costs from difficult raw materials had a negative impact on the result. The development in this business area is not satisfactory. The development in the other part of the business was by and large as expected.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Group and the company's financial position.

Special risks
The use of polymer materials exposes the Group against price volatility on these markets. The Group’s price policy and price agreements with customers and suppliers allow for this volatility, in order to deal with all related risks.

The Group is not assessed to be subject to special environmental, currency, or interest risks.

There are no material changes in the currency exposure of the Group compared with earlier years. The Group assesses currently its currency and interest positions, and provides the hedging that is considered appropriate for business purposes. No speculative currency positions are concluded.

Environmental situation
The Group continues its focus on reduction of unnecessary resource requirements, including reduction of the energy consumption. The company has been energy certified according to ISO 50.001 2016 and has reduced its energy consumption per produced unit by 4.3%.

Knowledge resources
The company possesses a considerable knowhow within composite materials and pultrusion technology, which forms the basis for the company’s leadership on its markets.

The company’s retention of employees with high professional competence is decisive for the maintenance and growth of the business.

During the business year, the company has considerably increased the level of investment regarding education of the staff.

Research and development activities

The company keeps a high level of development activities with several customer-driven development projects.

As most of Fiberline's products are customised profiles, the main part of our development work is carried out in a close cooperation with the customer. This was also the case in 2018. Depending on the complexity of the customer's requirments, it may take several years' development work to arrive at a final product that is fit for purpose. In 2018, the development work in Fiberline was primarily focused on the Wind Turbine Components division because of large demand for new products from both new and existing wind customers. The development work had a direct impact on the revenue of the Wind Turbine Components division in 2018, because some of the products we developed during the year contributed to the considerable increase in both glass and carbon fibre profiles. Besides the customer development, a considerable amount of in-house development work was carried out of our carbon fibre production in order to achieve a higher degree of industrialisation.

Future expectations

The development activities are expected to generate future revenue and profit. The Group expects a further growth in revenue in 2019 and a positive result.

Corporate social responsibility

CSR policy

At Fiberline Composites CSR is an integrated part of our values and business basis, and so it has always been. We provided composite profiles of glass and carbon fibre, primarily to customers within renewable energy and sustainable construction. Throughout the whole value chain we focus on “creating more with less”, i.e. to continuously create more value for our customers and for the society using continuously less resources. We are convinced that we strengthen both climate and competitiveness through responsible administration of resources.

At Fiberline we will:

- Comply with current legislation and respect human rights
- As an active member of local and international industrial organisations work targeted at strengthening our own and the sector's efforts in relation to, among others, environment, security, research and education
- Ensure our employees work in a healthy, safe and attractive work environment with focus on good management, community and a continuous effort to ensure current improvements within health, safety and job satisfaction
- Apply technologies to prevent and reduce environmental impact
- By systematic efforts currently reduce waste and energy consumption and increase the recycling rate and the share of renewable energy. Actively support research and education by a close cooperation with universities and other educational institutions
- Fight corruption

Fiberline's CSR policy is reflected in our Code of Conduct.

Efforts and results

Efforts and results for 2018 are reviewed shortly in the following. We have not identified any special risks in relation to compliance with our CSR policies.

Corporate social responsibility (continued)

From values to practise

Since the establishment of Fiberline in 1979, corporate social responsibility has always been an integrated part of our core business. In line with the fact that the company is getting more industrialised and operates on a globalised market, it is necessary to maintain the so far purely value based corporate social responsibility through a more formalised and standardised practise. We continue this work through a wide range of activities and through attitude influence. Our values, policies, objectives, etc. are described in our management system. The company accepts all general principles of the UN Global Impact.

Social conditions

Safety

Fiberline has focus on being a healthy, safe and attractive place of work. The balance for 2018 was 44 accidents per 1 million working hours. Focus was in 2018 on competence development in work environment committee. Work place assessments are made systematically in the company, which during 2018 have identified certain potentials for improvements.

In 2019, Fiberline will increase its focus on safety at work. Thus, plans have been made for execution of the local improvement potentials. In our quality management system/intranet, we have a section on „safety first", where the entire organisation is informed of work-related accidents, initiative relating to safety, etc. to ensure involvement by the entire organisation in enhancing the safety at Fiberline. Going forward, the target remains zero accidents.

Health

Fiberline offers all its employees a canteen scheme with focus on healthy food. Moreover, Fiberline offers a fitness centre, which the employees are free to use outside work hours. All employees at Fiberline with more than three months of employment are automatically covered by a health insurance. The offers of the health insurance go from basic desires for insurance against long waiting lists in connection with preliminary examinations, operations and after-treatment, to treatment by a physiotherapist, chiropractor and psychologist. The desire to create a healthy place of work was the reason that Fiberline decided to take out health insurance for all the company's employees. It is essential to Fiberline that all employees have a good health and have a good health insurance in case of sickness.

Fiberline has a target of maximum 4.0% absence due to illness. Status for 2018 was 4.0% absence due to illness.

Research and education

Fiberline takes an active part in research and education through a close cooperation with universities and other educational institutions. We educate both young and adult apprentices and have a valuable cooperation with changing trainees from different educations. In 2018, Fiberline had a number of trainees who were in the process of education and we have also cooperated with students who have written their thesis on Fiberline.

Corporate social responsibility (continued)

Environmental and climate-related conditions

Our production units are subject to special requirements and control from the local environmental authorities, who help to ensure a sound environment with control of for instance waste and air emissions. We have chosen an environment and working environment friendly core technology with closed processes, and continuously aim to reduce waste and energy consumption in order to improve the environmental footprint of the products.

- Since 2010, as the first glass-fibre manufacturer in Europe, Fiberline has forwarded all glass fibre production waste for recycling. In 2018, we have implemented a system for recycling of carbon fibre production waste.
- In 2018, we sent 69 % of the company's waste for recycling, against 51% the year before.
- Fiberline's energy management has been ISO50.001 certified since 2016, and together with other companies in the plastics industry, we have signed a trade agreement with the Danish Energy Agency, including binding targets for energy efficiency.
- The total energy consumption per manufactured ton profiles increased by 2.67% in 2018 against the 2017 level. This development is mainly caused by a defective machinery, which forced Fiberline to a temporary solution resulting in a higher consumption of heat. Initiatives have been taken which in 2019 will ensure a permanent energy-friendly solution.
- In 2018, Fiberline reduced its electricity consumption per manufactured unit by 4.3 %
- Our target for 2020 is to use 100 % renewable energy.

Industry efforts

As an active member of national and international trade organisations, we work targeted on strengthening our own and the trade's effort regarding environment, safety, research, and education. For instance in 2018, we participated actively in Plastindustrien (the trade association for plastics converting companies in Denmark), in the Board of the composite section, in the board of the European trade organization EuCIA, and in the sustainability committee. Here we have worked on the recycling of composites.

Human rights and combat of corruption

Fiberline Composites complies with current legislation and respects human rights in all countries in which we operate. Since 2017, Fiberline has an in-house training program where all relevant employees must attend a training course regarding Fiberline's anticorruption policy. The completion of the training and a deadline for a new course is registered in our HR system. It has been decided that the training as a minimum must be refreshed every second year.

Compliance with policies/control of suppliers

Besides complying with current legislation on human rights and anti-corruption, Fiberline requires that all suppliers do the same. At the qualification of new suppliers, all potential suppliers are requested to complete a self-assessment, in which the supplier, among others, is assessed with respect to how they ensure that the working conditions of their employees are in order and that the employees are not involved in corruption.

Based on this self-assessment, Fiberline performs on-site audits where the suppliers are to elaborate on and substantiate their answers. If it is found that suppliers are in breach of human rights or corruption, Fiberline will immediately take appropriate actions.

Fiberline has a target that all approved suppliers are to be audited every second year. Human rights and anti-corruption are two of the parameters on which Fiberline audits its existing suppliers. No cases of corruption or breach of human rights have been identified among suppliers.

Target figures and policies for the underrepresented gender
At Fiberline, we believe in diversity, including that equal distribution of genders contributes positively to the working environment. We wish to attract and retain the best candidates to any job position, irrespective of gender. When filling in vacant positions, Fiberline pursues always this policy in order to promote diversity in the company. We will:

- Attract and retain diversified and quaified staff
- Ensure equality and diversity, and create equal career and education opportunities irrespective of gender, age, nationality, race, political and sexual orientation, and religion.
- Ensure a strong culture, which prevents discrimination, mobbing, and where all can be a part of the community.

Fiberline has at Group level a target that minimum 15% of the top-management must be women. Fiberline A/S has a target that minimum 20% of other managers must be women.

The aggregate gender distribution in the organisation was at the end of 2018 22% women and 78% men. In the executive management, the share of women was 10% (1 woman). The share of other female managers at Fiberline was 7% (1 women) at the end of 2018. The board of directors has made a target for the board of minimum 25% or 1 female member by the end of 2022. Today the board of directors consists of 4 male members, all elected by the annual general meeting.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

		Group		Parent company	
	Note	2018 DKK	2017 DKK '000	2018 DKK	2017 DKK '000
NET REVENUE	1	**632,580,100**	**519,145**	**357,658,912**	**274,396**
Cost of sales		-394,546,958	-329,080	-144,669,457	-117,052
Other operating income	2	5,710,396	73,270	119,830,443	73,270
Other external expenses	3	-90,494,664	-77,024	-76,248,277	-67,282
GROSS PROFIT/LOSS		**153,248,874**	**186,311**	**256,571,621**	**163,332**
Staff costs	4	-127,891,082	-119,359	-119,507,739	-111,624
Depreciation, amortisation and impairment losses		-30,695,363	-27,855	-25,518,627	-24,010
Other operating expenses		-2,391,690	-2,260	-1,528,485	-1,973
OPERATING PROFIT/LOSS		**-7,729,261**	**36,837**	**110,016,770**	**25,725**
Result of equity investments in group and associates	2, 5	-254,909	0	-71,658,921	-2,950
Other financial income	6	624,390	603	671,805	706
Impairment of asset investments		0	0	0	-2,475
Other financial expenses	7	-20,326,018	-18,087	-14,974,806	-16,484
PROFIT/LOSS BEFORE TAX		**-27,685,798**	**19,353**	**24,054,848**	**4,522**
Tax on profit/loss for the year	2, 8	-9,752,865	-6,583	-21,146,167	-1,712
PROFIT/LOSS FOR THE YEAR	9	**-37,438,663**	**12,770**	**2,908,681**	**2,810**

BDO

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2018 DKK	Group 2017 DKK '000	Parent company 2018 DKK	Parent company 2017 DKK '000
Development projects completed		34,283,489	32,751	34,283,489	32,751
Intangible fixed assets acquired		10,644,300	11,822	10,601,830	11,771
Goodwill		0	0	0	0
Development projects in progress and prepayments		11,106,500	15,035	11,106,500	15,035
Intangible fixed assets	10	**56,034,289**	**59,608**	**55,991,819**	**59,557**
Land and buildings		213,000,000	201,000	213,000,000	201,000
Production plant and machinery		88,296,533	83,494	43,827,056	45,886
Other plant, fixtures and equipment		20,468,035	24,075	17,606,734	19,877
Leasehold improvements		1,877,487	2,099	1,877,487	2,099
Tangible fixed assets in progress and prepayment		8,932,625	12,548	1,868,701	6,833
Tangible fixed assets	11	**332,574,680**	**323,216**	**278,179,978**	**275,695**
Equity investments in group enterprises		0	0	45,801,695	9,252
Equity investments in associated enterprises		2,200,007	2,412	2,200,007	2,412
Receivables from group enterprises		0	0	8,478,371	9,887
Rent deposit and other receivables		700,365	528	466,897	137
Fixed asset investments	12	**2,900,372**	**2,940**	**56,946,970**	**21,688**
FIXED ASSETS		**391,509,341**	**385,764**	**391,118,767**	**356,940**
Inventories		102,598,319	168,176	81,425,591	79,013
Prepayments		648,832	0	648,832	0
Inventories		**103,247,151**	**168,176**	**82,074,423**	**79,013**
Trade receivables		164,172,416	52,031	46,716,355	23,647
Receivables from group enterprises		4,299,012	1,568	7,350,005	1,414
Other receivables		2,102,800	21,587	7,468,483	11,944
Prepayments and accrued income	13	2,466,302	1,774	1,513,475	1,774
Receivables		**173,040,530**	**76,960**	**63,048,318**	**38,779**
Cash and cash equivalents		**32,457,106**	**10,467**	**25,387**	**54**
CURRENT ASSETS		**308,744,787**	**255,603**	**145,148,128**	**117,846**
ASSETS		**700,254,128**	**641,367**	**536,266,895**	**474,786**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2018 DKK	Group 2017 DKK '000	Parent company 2018 DKK	Parent company 2017 DKK '000
Share capital	14	1,217,000	1,217	1,217,000	1,217
Reserve for revaluation		0	46,365	52,162,143	41,140
Reserve for development costs		0	19,784	21,080,779	19,784
Retained profit		154,966,160	44,298	77,543,030	71,099
Minority shareholders		19,735,893	85,800	0	0
EQUITY		**175,919,053**	**197,464**	**152,002,952**	**133,240**
Provision for deferred tax	15	33,525,688	19,505	49,621,427	23,877
PROVISION FOR LIABILITIES		**33,525,688**	**19,505**	**49,621,427**	**23,877**
Mortgage debt		54,651,719	64,552	54,651,719	64,552
Bank loan		80,193,908	63,088	80,193,908	63,088
Other bank debt		5,421,356	2,077	0	0
Hedging instruments		14,704,909	18,513	14,704,909	18,513
Subordinate loan capital		18,902,049	19,851	18,902,049	19,851
Lease liabilities		3,824,333	5,057	3,824,333	5,057
Long-term liabilities	16	**177,698,274**	**173,138**	**172,276,918**	**171,061**
Short-term portion of long-term liabilities	16	21,262,491	24,706	18,009,678	23,667
Bank debt		72,644,778	56,484	65,072,937	49,375
Prepayments received from customers		960,995	0	103,499	0
Trade payables		187,013,215	149,320	56,395,777	43,106
Payables to group enterprises		2,086,480	0	4,800,828	9,191
Corporation tax		3,042	0	842,922	0
Other liabilities		29,140,112	20,750	17,139,957	21,269
Current liabilities		**313,111,113**	**251,260**	**162,365,598**	**146,608**
LIABILITIES		**490,809,387**	**424,398**	**334,642,516**	**317,669**
EQUITY AND LIABILITIES		**700,254,128**	**641,367**	**536,266,895**	**474,786**

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EQUITY

	Group			
	Share capital	Retained profit	Minority shareholders	Total
Equity at 1 January 2018	1,217,000	110,445,893	85,800,465	197,463,358
Foreign exchange adjustments		123,744	39,721	163,465
Revaluation of the year		12,760,581		12,760,581
Adjustment of financial instruments		2,970,312		2,970,312
Proposed distribution of profit		28,665,630	-66,104,293	-37,438,663
Equity at 31 December 2018	**1,217,000**	**154,966,160**	**19,735,893**	**175,919,053**

	Parent company					
	Share capital	Reserve for revaluation	Reserve for net revaluation according to equity method	Reserve for development costs	Retained profit	Total
Equity at 1 January 2018	1,217,000	41,139,901	0	19,783,870	71,098,863	133,239,634
Additions of the year		12,760,581				12,760,581
Depreciations of the year		-1,738,339			1,738,339	
Foreign exchange adjustments					123,744	123,744
Adjustment of financial instruments					2,970,312	2,970,312
Transfers to/from other items			67,303,114		-67,303,114	
Proposed distribution of profit			-67,303,114		70,211,795	2,908,681
Transferred to reserve for development costs				1,296,909	-1,296,909	
Equity at 31 December 2018	**1,217,000**	**52,162,143**	**0**	**21,080,779**	**77,543,030**	**152,002,952**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group		Parent company	
	2018 DKK	**2017** DKK '000	**2018** DKK	**2017** DKK '000
Profit/loss for the year	-37,438,663	12,770	2,908,681	2,810
Reversed depreciation of the year	30,564,977	27,730	25,384,092	23,884
Reversed realization gains	858,186	-67,358	-114,125,063	-67,645
Profit/loss from associates	254,909	0	254,909	0
Profit/loss from subsidiaries	0	0	71,404,012	2,950
Adjustment of impairment of fixed asset investments	0	0	0	2,475
Adjustment of other financial expenses	803,761	757	803,761	757
Reversed tax on profit/loss for the year	9,752,865	6,583	21,146,167	1,712
Corporation tax paid	0	-7,412	0	-10,345
Change in inventory	64,928,390	-10,489	-3,062,346	2,608
Change in receivables	-93,997,039	-18,613	-24,269,201	-5,709
Change in current liabilities (ex bank and tax)	47,026,524	-55,122	4,877,526	-43,038
CASH FLOWS FROM OPERATING ACTIVITY	**22,753,910**	**-111,154**	**-14,677,462**	**-89,541**
Purchase of intangible fixed assets	-5,657,272	-15,889	-5,657,272	-15,855
Purchase of tangible fixed assets	-15,790,559	-25,727	-2,965,913	-14,548
Sale of intangible and tangible fixed assets	757,966	72,865	681,600	72,510
Purchase of financial assets	-374,364	-2,501	-2,895,607	-2,885
Sale of financial assets	0	0	2,281,540	0
Dividend received	0	0	8,942,760	0
CASH FLOWS FROM INVESTING ACTIVITY	**-21,064,229**	**28,748**	**387,108**	**39,222**
Proceeds from long-term borrowing	30,807,072	28,044	24,338,034	24,928
Repayments of loans	-26,668,033	-21,412	-25,776,280	-20,799
Capital injections	0	2,505	0	0
CASH FLOWS FROM FINANCING ACTIVITY	**4,139,039**	**9,137**	**-1,438,246**	**4,129**
CHANGE IN CASH AND CASH EQUIVALENTS	**5,828,720**	**-73,269**	**-15,728,600**	**-46,190**
Cash and cash equivalents at 1. januar	-46,016,392	27,253	-49,318,950	-3,129
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**-40,187,672**	**-46,016**	**-65,047,550**	**-49,319**

Specification of cash and cash equivalents at 31 December:				
Cash and cash equivalents	32,457,106	10,466	25,387	54
Bank debt	-72,644,778	-56,482	-65,072,937	-49,373
CASH AND CASH EQUIVALENTS, NET DEBT	**-40,187,672**	**-46,016**	**-65,047,550**	**-49,319**

NOTES

Note

	Group		Parent company		Note
	2018 DKK	**2017** DKK '000	**2018** DKK	**2017** DKK '000	
Net revenue					**1**
Segment details (geography)					
Scandinavia	154,124,776	62,313	152,257,319	134,433	
Europe	385,031,345	389,719	189,236,509	122,582	
America	5,807,150	13,252	8,731,985	8,698	
Asia	87,616,829	53,861	7,433,099	8,683	
	632,580,100	**519,145**	**357,658,912**	**274,396**	

Segment details distributed on activities are considered to be detrimental to the Group and the Company's competitive situation, and are therefore not disclosed

Special items **2**

Parent company

Other operating income, Result of equity investments in group and associates and Tax on profit/loss for the year includes profits and tax from sale of intangible fixed assets of net DKK 31 million.

	2018 DKK	2017 DKK '000	Note
Fee to statutory auditors			**3**
Total fee:			
BDO	2,343,729	2,248	
Auditors of foreign subsidiaries	128,825	296	
	2,472,554	**2,544**	
Specification of fee:			
Statutory audit	834,345	674	
Assurance engagements	109,500	0	
Tax consultancy	131,900	217	
Other services	1,396,809	1,653	
	2,472,554	**2,544**	

NOTES

	Group		Parent company		
	2018 DKK	**2017** DKK '000	**2018** DKK	**2017** DKK '000	**Note**
Staff costs Average number of employees Group: 300 (2017: 307) Parent company: 251 (2017: 267)					**4**
Wages and salaries	117,440,256	117,462	110,424,777	110,906	
Pensions	9,258,432	9,153	8,626,840	8,619	
Social security costs	4,920,494	4,177	4,184,222	3,532	
Salaries activated/redistributed	-3,728,100	-11,433	-3,728,100	-11,433	
	127,891,082	**119,359**	**119,507,739**	**111,624**	
Remuneration of management and board of directors	2,561,285	0	2,561,285	0	
Remuneration of management	0	1,963	0	1,963	
Remuneration of board of directors	0	233	0	233	
	2,561,285	**2,196**	**2,561,285**	**2,196**	
Result of equity investments in group and associates					**5**
Result of equity investments in group enterprises	0	0	-71,404,012	-2,950	
Result of equity investments in associated enterprises	-254,909	0	-254,909	0	
	-254,909	**0**	**-71,658,921**	**-2,950**	
Other financial income					**6**
Group enterprises	149,135	66	196,825	187	
Other interest income	475,255	537	474,980	519	
	624,390	**603**	**671,805**	**706**	
Other financial expenses					**7**
Group enterprises	87,098	0	219,350	63	
Other interest expenses	20,238,920	18,087	14,755,456	16,421	
	20,326,018	**18,087**	**14,974,806**	**16,484**	
Tax on profit/loss for the year					**8**
Calculated tax on taxable income of the year	126,465	0	842,922	0	
Adjustment of deferred tax	9,626,400	6,583	20,303,245	1,712	
	9,752,865	**6,583**	**21,146,167**	**1,712**	

BDO

NOTES

	Group		Parent company		Note
	2018 DKK	2017 DKK '000	2018 DKK	2017 DKK '000	
Proposed distribution of profit					9
Allocation to reserve for net revaluation according to equity method	0	0	-67,303,114	-2,950	
Retained earnings	28,665,630	15,250	70,211,795	5,760	
Minority interests' share of profit/loss in subsidiaries	-66,104,293	-2,480	0	0	
	-37,438,663	**12,770**	**2,908,681**	**2,810**	

Intangible fixed assets 10

	Group	
	Development projects completed	Intangible fixed assets acquired
Cost at 1 January 2018	47,543,026	24,153,724
Exchange adjustment at closing rate	0	-338
Transfers to/from other items	6,074,961	0
Additions	1,669,835	1,841,137
Cost at 31 December 2018	**55,287,822**	**25,994,523**
Depreciation at 1 January 2018	14,792,857	12,331,374
Exchange adjustment at closing rate	0	-20
Depreciation for the year	6,211,476	3,018,869
Depreciation at 31 December 2018	**21,004,333**	**15,350,223**
Carrying amount at 31 December 2018	**34,283,489**	**10,644,300**

	Group	
	Goodwill	Development projects in progress and prepayments
Cost at 1 January 2018	228,350	18,035,161
Exchange adjustment at closing rate	-7,579	0
Transfers to/from other items	0	-9,074,961
Additions	0	2,146,300
Cost at 31 December 2018	**220,771**	**11,106,500**
Depreciation and impairment at 1 January 2018	228,350	3,000,000
Exchange adjustment at closing rate	-7,579	0
Reversal of amortisation of assets disposed of	0	-3,000,000
Depreciation at 31 December 2018	**220,771**	**0**
Carrying amount at 31 December 2018	**0**	**11,106,500**

NOTES

Note

Intangible fixed assets 10

The Group's development projects relate to the development of new products and the development of production processes. The Group has established development cooperation with several international companies. The development focuses primarily on industries where the Group already has significant activities and cooperation with customers shows that there is a significant demand for the new products. The Group expects to continuously have significant development activities both for new product development and for further development of current products and processes. It is expected that the current development projects will be completed within 1-3 years.

	Parent company		
	Development projects completed	**Intangible fixed assets acquired**	**Development projects in progress and prepayments**
Cost at 1 January 2018	47,543,026	24,100,065	18,035,161
Transfers to/from other items	6,074,961	0	-9,074,961
Additions	1,669,835	1,841,137	2,146,300
Cost at 31 December 2018	**55,287,822**	**25,941,202**	**11,106,500**
Depreciation at 1 January 2018	14,792,857	12,328,312	3,000,000
Reversal of amortisation of assets disposed of	0	0	-3,000,000
Depreciation for the year	6,211,476	3,011,060	0
Depreciation at 31 December 2018	**21,004,333**	**15,339,372**	**0**
Carrying amount at 31 December 2018	**34,283,489**	**10,601,830**	**11,106,500**

The Company's development projects relate to the development of new products and the development of production processes. The Company has established development cooperation with several international companies. The development focuses primarily on industries where the Company already has significant activities and cooperation with customers shows that there is a significant demand for the new products. The Company expects to continuously have significant development activities both for new product development and for further development of current products and processes. It is expected that the current development projects will be completed within 1-3 years.

BDO

NOTES

Note

Tangible fixed assets 11

	Group		
	Land and buildings	Production plant and machinery	Other plant, fixtures and equipment
Cost at 1 January 2018	199,883,441	173,438,913	92,044,911
Exchange adjustment	0	10,621	15,363
Transfers to/from other items	0	13,686,577	0
Additions	0	2,880,907	2,285,660
Disposals	0	-307,681	-1,418,356
Cost at 31 December 2018	**199,883,441**	**189,709,337**	**92,927,578**
Revaluation at 1 January 2018	43,732,388	22,140,963	1,350,000
Revaluation of the year	16,359,719	0	0
Revaluation at 31 December 2018	**60,092,107**	**22,140,963**	**1,350,000**
Depreciation and impairment losses at 1 January 2018	42,615,830	112,084,969	69,319,198
Exchange adjustment	0	-17,033	2,836
Reversal of depreciation of assets disposed of	0	-96,257	-612,747
Depreciation for the year	4,359,718	11,582,088	5,100,256
Depreciation and impairment losses at 31 December 2018	**46,975,548**	**123,553,767**	**73,809,543**
Carrying amount at 31 December 2018	**213,000,000**	**88,296,533**	**20,468,035**
Value of recognised assets, excluding revaluation under § 41 (1)	152,907,893	76,397,429	19,388,035
Financially leased assets		4,790,957	16,031,276

	Group	
	Leasehold improvements	Tangible fixed assets in progress and prepayment
Cost at 1 January 2018	2,208,808	12,546,825
Exchange adjustment	0	-35,945
Transfers to/from other items	0	-13,595,256
Additions	0	10,623,995
Disposals	0	-606,994
Cost at 31 December 2018	**2,208,808**	**8,932,625**
Depreciation and impairment losses at 1 January 2018	110,440	
Depreciation for the year	220,881	
Depreciation and impairment losses at 31 December 2018	**331,321**	
Carrying amount at 31 December 2018	**1,877,487**	**8,932,625**

NOTES

Note

Tangible fixed assets (continued) 11

	Parent company		
	Land and buildings	Production plant and machinery	Other plant, fixtures and equipment
Cost at 1 January 2018	199,883,441	127,685,230	87,974,998
Transfers to/from other items	0	5,146,182	0
Additions	0	482,600	1,693,638
Disposals	0	-47,831	-74,600
Cost at 31 December 2018	**199,883,441**	**133,266,181**	**89,594,036**
Revaluation at 1 January 2018	43,732,388	15,884,957	0
Revaluation of the year	16,359,719	0	0
Revaluation at 31 December 2018	**60,092,107**	**15,884,957**	**0**
Depreciation and impairment losses at 1 January 2018	42,615,830	97,683,772	68,099,162
Reversal of depreciation of assets disposed of	0	0	-52,842
Depreciation for the year	4,359,718	7,640,310	3,940,982
Depreciation and impairment losses at 31 December 2018	**46,975,548**	**105,324,082**	**71,987,302**
Carrying amount at 31 December 2018	**213,000,000**	**43,827,056**	**17,606,734**
Value of recognised assets, excluding revaluation under § 41 (1)	152,907,893	36,466,840	17,606,734
Financially leased assets		4,790,957	16,031,276

	Parent company	
	Leasehold improvements	Tangible fixed assets in progress and prepayment
Cost at 1 January 2018	2,208,808	6,832,199
Transferred	0	-5,146,182
Additions	0	789,678
Disposals	0	-606,994
Cost at 31 December 2018	**2,208,808**	**1,868,701**
Depreciation and impairment losses at 1 January 2018	110,440	
Depreciation for the year	220,881	
Depreciation and impairment losses at 31 December 2018	**331,321**	
Carrying amount at 31 December 2018	**1,877,487**	**1,868,701**

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NOTES

Note

Fixed asset investments 12

	Group	
	Equity investments in associated enterprises	Rent deposit and other receivables
Cost at 1 January 2018	2,411,739	9,409,694
Exchange adjustment	0	-2,460
Transferred	0	-91,321
Additions	43,177	2,024,826
Disposals	0	-2,832,932
Cost at 31 December 2018	**2,454,916**	**8,507,807**
Profit/loss for the year	-254,909	0
Revaluation and impairment losses for the year	0	-63,814
Revaluation at 31 December 2018	**-254,909**	**-63,814**
Deduction lease obligation	0	7,743,628
Impairment losses at 31 December 2018	**0**	**7,743,628**
Carrying amount at 31 December 2018	**2,200,007**	**700,365**

	Parent company	
	Equity investments in group enterprises	Equity investments in associated enterprises
Cost at 1 January 2018	101,244,162	2,411,739
Additions	31,030,865	43,177
Cost at 31 December 2018	**132,275,027**	**2,454,916**
Dividend	-8,942,760	0
Profit/loss for the year	0	-254,909
Revaluation at 31 December 2018	**-8,942,760**	**-254,909**
Impairment losses at 1 January 2018	91,991,537	0
Exchange adjustment	149,478	0
Profit for the year	-14,610,443	0
Impairment losses at 31 December 2018	**77,530,572**	**0**
Carrying amount at 31 December 2018	**45,801,695**	**2,200,007**

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NOTES

Note

Fixed asset investments 12

	Parent company	
	Receivables from group enterprises	Rent deposit and other receivables
Cost at 1 January 2018	17,271,090	9,018,631
Additions	2,121,242	2,024,826
Disposals	-2,281,540	-2,832,932
Cost at 31 December 2018	**17,110,792**	**8,210,525**
Impairment losses at 1 January 2018	7,384,046	0
Impairment losses for the year	1,248,375	0
Deduction lease obligation	0	7,743,628
Impairment losses at 31 December 2018	**8,632,421**	**7,743,628**
Carrying amount at 31 December 2018	**8,478,371**	**466,897**

Investments in subsidiaries (DKK)

Name and registered office	Equity	Profit/loss for the year	Ownership
Fiberline Asia Ltd., Hongkong	13,647,512	1,615,211	75.11 %
Fiberline Composites Tianjin Ltd., Kina	9,842,051	2,770,433	100 %
Fiberline Pultrusion Tianjin Ltd., Kina	3,873,815	-1,133,875	100 %
Fiberline Composites Canada Inc., Canada	-6,239,370	-1,521,597	100 %
Advanced Carbon Pultrusion A/S, Middelfart	55,070,012	-135,727,040	51 %
Fiberline Ejendomme ApS, Middelfart	4,898	-14,465	100 %
Fiberline AC A/S, Middelfart	400,000	-	100 %

Investments in associates (DKK)

Name and registered office	Equity	Profit for the year	Ownership
Schöck Balkonsysteme GmbH, Tyskland	8,800,025	-785,641	25 %

Prepayments and accrued income 13

Prepayments and accrued income recognized under liabilities include costs incurred for subsequent financial years.

Share capital 14

	2018 DKK	2017 DKK '000
Specification of the share capital:		
Equities, 1,217 in the denomination of 1,000 DKK	1,217,000	1,217
	1,217,000	**1,217**

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Note

Provision for deferred tax 15

Provision for deferred tax comprises deferred tax on prepayments and accrued income, inventory, intangible and tangible fixed assets, including financial lease obligations and tax loss carryforward.

Deferred tax, beginning of year......	19,498,567	6,004	23,877,588	16,428
Deferred tax of the year, income statement...............................	9,590,203	6,568	20,303,245	1,712
Deferred tax of the year, equity.....	4,436,918	6,933	4,436,918	6,933
Transfers to/from other items	0	0	1,003,676	-1,196
Provision for deferred tax 31 December 2018........................	**33,525,688**	**19,505**	**49,621,427**	**23,877**

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Note

Long-term liabilities 16

	Group				
	31/12 2018 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2017 total liabilities	Current portion at the beginning of the year
Mortgage debt	63,712,983	9,061,264	19,230,000	73,848,197	9,295,624
Bank loan	86,131,021	5,937,113	18,295,000	72,336,860	9,248,122
Other bank debt	8,674,169	3,252,813	0	3,116,487	1,038,829
Hedging instruments	14,704,909	0	0	18,513,001	0
Subordinate loan capital	20,681,049	1,779,000	18,902,000	23,848,489	3,997,004
Lease liabilities	5,056,634	1,232,301	0	6,182,628	1,125,994
	198,960,765	**21,262,491**	**56,427,000**	**197,845,662**	**24,705,573**

	Parent company				
	31/12 2018 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2017 total liabilities	Current portion at the beginning of the year
Mortgage debt	63,712,983	9,061,264	19,230,000	73,848,197	9,295,624
Bank loan	86,131,021	5,937,113	18,295,000	72,336,860	9,248,122
Hedging instruments	14,704,909	0	0	18,513,001	0
Subordinate loan capital	20,681,049	1,779,000	18,902,000	23,848,489	3,997,004
Lease liabilities	5,056,634	1,232,301	0	6,182,628	1,125,994
	190,286,596	**18,009,678**	**56,427,000**	**194,729,175**	**23,666,744**

Subordinate loan capital
Subordinated loan capital is at interest with the company's bank overdraft rate + 2%. The principal is irrevocable from the lender's side until a change of ownership is made directly or indirectly by the company or the equity ratio is 30% or more. The solvency ratio is calculated using the same principle as in the Annual Report for 2013 (Solidarity II is applied), with the exception that the exclusively accounting consequences of the company's swap business are not recognized in the statement. Finally, the subordinated loan may be redeemed in whole or in part by further supply of subordinated capital.

Subordinate loan capital "Vækstfonden"
Subordinated loan capital yields CIBOR 3 months + 9%. The principals are irrevocable from the lender's side until a change of ownership is made directly or indirectly by the company or in the event of default. The loan periods are 5 years, the first installment takes place respectively March 31, 2016 and January 1, 2017.

Hedging instruments
The fair value of the interest rate swap agreed upon will pose DKK 0 when it expires at the end of the agreement period.

Until the expiration date, the fair value of the hedging instrument will develop based on developments in interest rates and the remaining maturity of the agreement.

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Contingencies etc. 17
Contingent liabilities

Financial instruments
Long-term debt includes the negative fair value of interest rate swaps of DKK 14,705,000. Interest rate swaps have been entered into to hedge at fixed interest rate on the Group's floating rate and mortgage loans. The interest rate swap has a principal of DKK 106 million and ensures a fixed interest rate of between 3.78% and 4.38% for a loan period of between 1 and 9 years. Priority loans, bank loans and interest rate swaps have been concluded with the same counterparty.

Lease obligation
The Group has entered into lease agreements regarding leasing of standard and special tools. For lease agreements where the secondary period has occurred, the lease agreement can be terminated with 3 months notice. The secondary lease payment constitutes per. 31 December 2018 DKK 134,535 annually.

There is full deduction access between loan payment regarding the lease agreements and payment on the balance sheet receivable (DKK 7,743,628).

The Group has entered into operating lease agreements, where the annual payment amounts to DKK 3,653,000. The total residual lease payment amounts to DKK 8,546,000 per 31 December 2018, of which DKK 0 is due after 5 years.

Other liabilities
In connection with capital injections in the Chinese company, an "Exit Agreement" has been concluded with IFU that Fiberline A/S guarantee for the purchase of IFU's equity investments in the Chinese company on specified terms after the end of 2020.

Joint liabilities
The company is jointly and severally liable together with the parent company and the other group companies in the jointly taxed group for tax on the group’s jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group’s jointly taxed income is stated in the annual report of Ejner Holding ApS, which serves as management company for the joint taxation.

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Note

Charges and securities 18

	Group		Parent company	
	Carrying amount of assets	Nominal value of mortgage or outstanding debt	Carrying amount of assets	Nominal value of mortgage or outstanding debt
	DKK	DKK	DKK	DKK
The following assets are set as security for debt:				
Owner mortgage in the property land no 5e Staurby by, Vejlby........	213,000,000	38,600,000	213,000,000	38,600,000
The following assets are financed by financial leasing:				
Production plant and machinery.....	4,790,957	5,056,634	4,790,957	5,056,634
Other plant, fixtures and equipment...............................	16,031,276	7,743,628	16,031,276	7,743,628

There is registered a floting charge to Nordea of DKK 40,000,000. The floating charge includes the following assets whose carrying amount amounts to:

Acquired intangible fixed assets	DKK 10,601,830
Production plants and machinery as well as other plant, fixtures and equipment	DKK 40,611,557
Inventories	DKK 81,425,591
Trade receivables	DKK 46,716,355

In addition, mortgage loans have been secured to mortgage credit institutions. Outstanding debt per. 31 December 2018 amounts to DKK 63,712,983. The book value of the property Barmstedt Allé amounts to DKK 213,000,000.

The book value of pledged assets is stated solely on the basis of the distribution used in the annual report. In addition, it may be added the book value of operating equipment etc. which will be covered by the mortgage under section 37 of the Danish Land Registration Act.

For the security of the subsidiary Fiberline Composites Tianjin Ltd.'s commitment to banking, DKK 7,571,841, the parent company has issued a guaranty of payment.

For the security of the subsidiary Fiberline Composites Tianjin Ltd.'s commitment to IFU, DKK 8,674,169, the parent company has issued a guaranty of payment.

NOTES

Note

Related parties **19**

The company's related parties include the following:

Determining influence

Director Henrik Thorning, Ægirsvej 10, 6000 Kolding, is the ultimate shareholder

Other related parties having performed transactions with the company

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

Transactions with related parties

The company did not carry out any substantial transactions that were not concluded on market conditions.

Consolidated financial statements **20**

The company is included in the consolidated financial statements for Ejner Holding ApS Barmstedt Allé 5, 5500 Middelfart, CVR-no. 35 52 31 70.

ACCOUNTING POLICIES

The Annual Report of Fiberline A/S for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large enterprise.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated financial statements
The consolidated financial statements include the parent company Fiberline A/S and its subsidiaries in which Fiberline A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

New acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement up to the time of disposal. Comparative figures are not adjusted for new acquired, sold or wound up enterprises.

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipment.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' market value of net assets and liabilities at the acquisition date.

Positive differences between acquisition value and market value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the Income Statement under an individual assessment of the useful life. Negative differences are recognised in the Income Statement upon acquisition. Differences from acquired enterprises amounts to 0 DKK ('000).

Investments in associates are measured in the balance sheet at the proportional share of the value of the enterprises, calculated under the accounting policies of the parent company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the income statement after elimination of the proportional share of internal gains and losses.

Minority interests
The accounting items of the subsidiaries are recognised in full in the consolidated financial statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and in individual main items under equity.

INCOME STATEMENT

Net revenue
Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

ACCOUNTING POLICIES

Other operating income
Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible fixed assets.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses
Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement during the continuance of the contract. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Investments in subsidiaries and associates
The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

The income statement of the ower company recognises the proportional share of the results of each associate after proportional elimination of intercompany profits/losses and deduction of amortisation of goodwill.

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

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

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets
Patents, licences and software are measured at the lower of cost less accumulated amortisation or the recoverable amount. Patents are amortised over the residual patent term. Licences and software are amortised over 3-5 years.

Development costs are capitalized only to the extent that they relate to development projects that will lead to expansion of the company's product range or improvement of the company's production methods. Costs incurred for testing in connection with the production of customer-specific profiles are expensed in the income statement under other operating expenses. Received grants are recognized in the income statement under Other operating income or offset under capitalized development costs and are recognized as income in line with depreciation.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

The company's products have a long life cycle. A developmental course typically takes 2-4 years, and the lifespan of the products is typically 5-20 years or in some cases longer. Capitalized development costs are depreciated on line after completion of development work over the estimated economic useful life, which is on average 7 years.

Tangible fixed assets
Domicile properties are recognized at fair value, see section 41 of the Danish Financial Statements Act. Revenue is recognized directly in equity.

Production plants and machinery are measured at revalued value according to section 41 of the Danish Financial Statements Act, reduced by accumulated depreciation and write-downs. Revenue is recognized directly in equity. As fair value assessments do not take into account the costs incurred by the company for initiation and process development of the company's production facilities and machinery, the estimated fair value of the costs incurred is added.

Other plant, equipment and fixtures are measured at cost.

The depreciation basis is cost plus additions according to section 41 of the Danish Financial Statements Act, less the estimated residual value after completion of the useful life. There are no depreciations on land.

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

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

	Useful life	Residual value
Buildings	50 years	0 %
Production plant and machinery	3-15 years	0 %
Other plant, fixtures and equipment	3-20 years	0 %
Leasehold improvements	5 years	0 %

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

ACCOUNTING POLICIES

Lease contracts
Lease contracts relating to tangible fixed assets where the company bears all material risks and benefits attached to the ownership (finance lease) are recognised as assets in the balance sheet. The assets are at the initial recognition measured at calculated cost equal to the lower of fair value and present value of the future lease payments. The internal interest rate of the lease contract is used as discounting factor or an approximate value when calculating the present value. Finance lease assets are depreciated similarly to the group and the company's other tangible fixed assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

The leasing relationship is established in conjunction with the transfer of tools and that, in connection with the transfer, a receivable is settled in accordance with the lease term of the lease contract, the lease liabilities are offset against the receivable relating to handover of tools.

For leases that are considered operating leases, benefits are recognized in the income statement over the term of the contract. The Group's total liability relating to operating leases and leases and finance leases, which are not capitalized / deferred in accordance with the transitional provisions, are disclosed in contingent items etc.

Fixed asset investments
Investments in subsidiaries and associates are measured in the company's balance sheet under the equity method.

Investments in subsidiaries and associates are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries and associates with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receiv- ables, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiary's and associates' deficit.

Investments in foreign subsidiaries are exchanged into DKK. The profit and loss account is exchanged as an average and balance sheet items are exchanged at the exchange rate date. Exchange rate adjustments are recognized under equity under reserve for revaluation.

Other receivables:
In connection with the transfer of tools, a long-term receivable has arisen. The loan is settled over 5 years.

Impairment of fixed assets
The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

Finished goods and work in progress are included at the standard cost. In addition, indirect production costs are imposed.

Indirect production costs include indirect materials and wages, energy consumption in production, as well as maintenance, depreciation and leasing expenses on the machinery, factory buildings and equipment used in the production process.

Uncurricular and slowly tradable goods are written down to the expected net realizable value.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

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

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

ACCOUNTING POLICIES

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

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

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

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

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

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

Amortised cost of current liabilities usually corresponds to nominal value.

The capitalised residual lease liability on finance lease contracts is also recognised as financial liabilities.

Derivative financial instruments
The initial recognition measures derivative financial instruments in the balance sheet at cost price and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in receivables and liabilities, respectively.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of future cash flows is recognised under receivables or payables and under equity. If the future transaction results in recognition of assets or liabilities, all amounts recognised under equity are transferred from equity and recognised under initial cost for the asset or liability, respectively. If the future transaction results in income or expenses amounts recognised under equity are transferred to the Income Statement for the period where the Income Statement was affected by the hedged amount.

As regards possible derivative financial instruments, which do not comply with the criteria for classification as hedging instruments, any changes in fair value are recognised on a current basis in the Income Statement.

ACCOUNTING POLICIES

Foreign currency translation

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

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

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

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include bank overdraft and cash in hand.