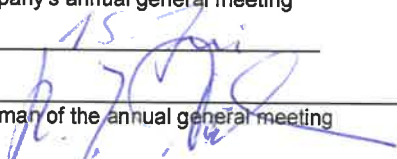


Röchling Meta-Plast A/S

Tøjstrupvej 31
8961 Allingåbro

Annual report 2019

The annual report was presented and approved at the
Company's annual general meeting
on 15. Juni 2020

chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Röchling Meta-Plast A/S for the financial year 1 January – 31 December 2019.

The annual report has been 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 Group's and the Parent Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

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

Allingåbro, 15 June 2020

Executive Board:



Martin Busk Jensen

Board of Directors:



Heinrich Josef Dirksen
Chairman



Dirk Johannes Aikes



Martin Busk Jensen

Independent auditor's report

To the shareholder of Röchling Meta-Plast A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Röchling Meta-Plast A/S for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and 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 Group's and the Parent Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and 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.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company financial statements.

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

- identify and assess the risks of material misstatement of the 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 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.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the 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 the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 15 June 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Mikkel Trabjerg Knudsen
State Authorised
Public Accountant
mne34459



Katrine Gybel State
Authorised Public
Accountant
mne45848

Röchling Meta-Plast A/S
Annual report 2019

Management's review

Company details

Röchling Meta-Plast A/S
Tøjstrupvej 31
8961 Allingåbro

Website:	www.meta-plast.dk
CVR no.	19 27 03 35
Established:	9 May 1996
Registered office:	Norddjurs
Financial year:	1 January – 31 December

Board of Directors

Heinrich Josef Dirksen, Chairman
Dirk Johannes Aikes
Martin Busk Jensen

Executive Board

Martin Busk Jensen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V

Management's review

Financial highlights for the Group

DKK'000	2019	2018	2017	2016	2015
Gross profit	32,957	30,695	29,043	25,268	17,625
Ordinary operating profit	7,563	6,471	6,811	5,447	2,875
Profit/loss from financial income and expenses	-15	-10	9	2	-1
Profit for the year	6,448	5,908	5,880	4,597	4,802
Total assets	69,198	61,493	56,033	47,082	43,391
Current assets	49,705	41,848	37,969	30,844	27,529
Equity	59,745	53,297	47,389	41,509	36,911
Current liabilities other than provisions	8,023	6,692	7,162	4,001	5,281
Investments in property, plant and equipment	3,509	5,089	5,535	3,293	3,058
Return on invested capital	11.6%	11.0%	13.2%	12.0%	7.2%
Current ratio	519.5%	625.3%	530.1%	770.9%	521.3%
Return on equity	11.4%	11.7%	13.2%	11.7%	13.9%

This is the third year that Röchling Meta-Plast A/S has presented consolidated financial statements. As a result of the transition, comparative figures for 2015 under Financial Highlights do not account for the Group, but only for the Parent Company.

Financial ratios are calculated in accordance with the guidelines "Recommendations & Ratios" issued by the Danish Society of Financial Analysts. The financial ratios have been calculated as follows:

Return on invested capital

$$\frac{\text{Operating profit} \times 100}{\text{Average invested capital}}$$

Current ratio

$$\frac{\text{Current assets} \times 100}{\text{Current liabilities other than provisions}}$$

Return on equity

$$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$$

Management's review

Operating review

The Group's principal activities

The Company's and the Group's principal activities comprise the production and sale of metal and plastic components.

Development in activities and financial position

Profit for the year

The Group reported a profit of DKK 6,448 thousand for 2019 (2018: DKK 5,908 thousand), and at 31 December 2019, Group equity amounted to DKK 59,745 thousand (2018: DKK 53,297 thousand)

Management expected profit for 2019 to be in line with 2018. Based on the realised profit for the year, Management considers the profit for the year satisfactory.

Outlook

Due to the current situation with the COVID-19 virus and its impact on global business, we expect to report a profit for 2020 which will be down on 2019.

Particular risks

Management is of the opinion that the Company and the Group are not affected by any particular risks other than regular business risks applying to entities of this type.

Environmental matters

It is company policy to observe environmental legislation and generally accepted legal frameworks. The Company and the Group do not carry out any production with a major impact on the environment.

Research and development activities

The Company's and the Group's products undergo continuous development. The products are continuously developed and customised in line with the customers' and the markets' requirements and development. All costs are expensed as incurred.

Events after the balance sheet date

A change in business has occurred in the light of the COVID-19 virus and the impact it has had on global business. We see less activity with our Danish customers as well with our foreign clients. We are aware of the situation and closely monitor the development.

COVID-19 broke out in 2020 and was not evident at the balance sheet at 31 December 2019. Management is of the opinion that the Group's ability to continue as a going concern is not subject to any uncertainty. The COVID-19 outbreak is considered a non-adjusting subsequent event and thereby does not affect the financial reporting for the financial year end at 31 December 2019.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Income statement

DKK'000	Note	Group		Parent Company	
		2019	2018	2019	2018
Gross profit		32,957	30,695	21,790	19,612
Staff costs	2	-21,908	-20,949	-15,868	-15,019
Depreciation, amortisation and impairment losses	3, 4	-3,486	-3,275	-2,209	-2,104
Ordinary operating profit		7,563	6,471	3,713	2,489
Income from equity investments in group entities		0	0	3,542	3,951
Other financial income	5	25	24	25	24
Other financial expenses		-40	-34	-24	-5
Profit before tax		7,548	6,461	7,256	6,459
Tax on profit for the year	6	-1,100	-553	-808	-551
Profit for the year	7	6,448	5,908	6,448	5,908

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	Group		Parent Company	
		2019	2018	2019	2018
ASSETS					
Fixed assets					
Intangible assets					
Software	3	256	393	0	0
		<u>256</u>	<u>393</u>	<u>0</u>	<u>0</u>
Property, plant and equipment					
Land and buildings	4	949	500	0	0
Plant and machinery		16,306	16,534	11,585	12,502
Fixtures and fittings, tools and equipment		1,133	1,189	719	630
Leasehold improvements		327	507	327	507
		<u>18,715</u>	<u>18,730</u>	<u>12,631</u>	<u>13,639</u>
Investments					
Equity investments in group entities	8	0	0	5,347	3,970
Deposits		522	522	522	522
		<u>522</u>	<u>522</u>	<u>5,869</u>	<u>4,492</u>
Total fixed assets		<u>19,493</u>	<u>19,645</u>	<u>18,500</u>	<u>18,131</u>
Current assets					
Inventories					
Raw materials and consumables		5,116	4,507	4,471	4,044
Work in progress		75	55	75	55
Finished goods and goods for resale		4,374	3,483	3,552	3,178
		<u>9,565</u>	<u>8,045</u>	<u>8,098</u>	<u>7,277</u>
Receivables					
Trade receivables		8,366	13,075	7,668	12,333
Receivables from group entities		19,103	12,960	24,446	16,840
Other receivables		541	752	270	398
Corporation tax		203	309	203	309
Prepayments	9	276	81	47	54
		<u>28,489</u>	<u>27,177</u>	<u>32,634</u>	<u>29,934</u>
Cash at bank and in hand		<u>11,651</u>	<u>6,626</u>	<u>11,381</u>	<u>6,347</u>
Total current assets		<u>49,705</u>	<u>41,848</u>	<u>52,113</u>	<u>43,558</u>
TOTAL ASSETS		<u>69,198</u>	<u>61,493</u>	<u>70,613</u>	<u>61,689</u>

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	Group		Parent Company	
		2019	2018	2019	2018
EQUITY AND LIABILITIES					
Equity					
Contributed capital	10	3,800	3,800	3,800	3,800
Reserve for net revaluation according to the equity method		0	0	5,325	3,948
Retained earnings		55,945	49,497	50,620	45,549
Total equity		59,745	53,297	59,745	53,297
Provisions					
Provisions for deferred tax	11	1,325	1,346	1,325	1,346
Total provisions		1,325	1,346	1,325	1,346
Liabilities other than provisions					
Non-current liabilities other than provisions					
Deferred income	12	105	158	0	0
Long term part of other payables		367	0	367	0
		472	158	367	0
Current liabilities other than provisions					
Current portion of deferred income	12	53	52	0	0
Banks, current liabilities		7	2	7	2
Trade payables		2,482	3,904	1,598	3,854
Payables to group entities		2,623	283	5,319	1,105
Corporation tax		0	0	0	0
Other payables		2,491	2,451	2,251	2,085
		7,656	6,692	9,175	7,046
Total liabilities other than provisions		8,128	6,850	9,542	7,046
TOTAL EQUITY AND LIABILITIES		69,198	61,493	70,613	61,689
Contractual obligations, contingencies, etc.	15				
Related parties	16				

Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Group		
	Contributed capital	Retained earnings	Total
Equity at 1 January 2019	3,800	49,497	53,297
Transferred over the profit appropriation	0	6,448	6,448
Equity at 31 December 2019	3,800	55,945	59,745

DKK'000	Parent Company			
	Contributed capital	Net revaluation according to the equity method	Retained earnings	Total equity
Equity at 1 January 2019	3,800	3,948	45,549	53,297
Transferred over the profit appropriation	0	1,377	5,071	6,448
Equity at 31 December 2019	3,800	5,325	50,620	59,745

Consolidated financial statements and parent company financial statements 1 January – 31 December

Cash flow statement

DKK'000	Note	Group	
		2019	2018
Profit for the year		6,448	5,908
Depreciation, amortisation and impairment losses		3,486	3,275
Other adjustments of non-cash operating items	13	1,127	637
Cash generated from operations before changes in working capital		11,061	9,820
Changes in working capital	14	2,244	-1,343
Cash generated from operations		13,305	8,477
Interest income		25	24
Interest expense		-40	-34
Corporation tax paid		-1,015	-1,338
Cash flows from operating activities		12,275	7,129
Acquisition of intangible assets	3	0	-364
Acquisition of property, plant and equipment	4	-3,511	-5,089
Disposal of property, plant and equipment		59	597
Cash flows from investing activities		-3,452	-4,856
Repayment of payables to group entities (net)		-3,803	-1,638
Increase/repayment of payables to credit institutions		5	1
Cash flows from financing activities		-3,798	-1,637
Cash flows for the year		5,025	636
Cash and cash equivalents at the beginning of the year		6,626	5,990
Cash and cash equivalents at year end		11,651	6,626

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Röchling Meta-Plast A/S for 2019 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last year.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Röchling Meta-Plast A/S, and the subsidiary Meta-Plast LSEZ Ltd. in which Röchling Meta-Plast A/S holds 100% of the votes.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Equity investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Upon recognition of foreign subsidiaries which are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided to comprise revenue, cost of sales, other external expenses and other operating profit into gross profit.

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Other external costs

Other external costs comprise costs related to sales, advertising, administration, buildings, bad debts, operating leases expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees. Refunds from public authorities have been deducted from staff costs.

Other operating income

Other operating income comprises items secondary to the activities of the Group, including gains on the disposal of intangible assets and property, plant and equipment.

Other operating costs

Other operating costs comprise items secondary to the activities of the Group, including losses on the disposal of intangible assets and property, plant and equipment.

Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Parent Company's income statements after elimination of a proportionate share of intra-group gains/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement at the amount attributable to the profit for the year and directly in equity at the amount attributable to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Software

Software is measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis, not exceeding 3 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Plant and machinery	5-10 years
Fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	5 years
Buildings	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Investments

Equity investments in subsidiaries are measured at the proportionate share of the entities' net asset value calculated in accordance with the Parent Company's accounting policies plus or minus unrealised intra-group gains or losses.

Net revaluation of equity investments in group entities is tied as a net revelation reserve under equity according to the equity method to the extent that the carrying amount exceeds costs.

Deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as investments is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production costs. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Equity

Net revaluation reserve according to the equity method

Net revaluation reserve according to the equity method comprises net revaluation of equity investments in associates in proportion to cost.

Reserves may be eliminated in connection with loss, realisation of equity investments or changes in accounting estimates.

Reserves cannot be recognised at a negative amount.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received regarding income in subsequent years.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

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

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's contributed capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividend to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash in banks.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

2 Staff costs

DKK'000	Group		Parent Company	
	2019	2018	2019	2018
Wages and salaries	19,268	18,448	14,422	13,698
Pensions	1,166	1,062	1,166	1,062
Other social security costs	1,410	1,376	242	218
Other staff costs	64	63	38	41
	<u>21,908</u>	<u>20,949</u>	<u>15,868</u>	<u>15,019</u>
Average number of full-time employees	<u>76</u>	<u>76</u>	<u>37</u>	<u>36</u>

Pursuant to section 98b (3) of the Danish Financial Statements Act, remuneration of Management and the Board of Directors is not disclosed.

3 Intangible assets

DKK'000	Group
	Software
Cost at 1 January 2019	531
Additions	0
Cost at 31 December 2019	<u>531</u>
Amortisation and impairment losses at 1 January 2019	-138
Amortisation	-137
Amortisation and impairment losses at 31 December 2019	<u>-275</u>
Carrying amount at 31 December 2019	<u>256</u>

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

4 Property, plant and equipment

DKK'000	Group				Total
	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvements	
Cost at 1 January 2019	1,776	34,720	3,590	1,730	41,816
Additions	458	2,633	420	0	3,511
Disposals	0	-590	0	0	-590
Cost at 31 December 2019	2,234	36,763	4,010	1,730	44,737
Depreciation and impairment losses at 1 January 2019	-1,276	-18,186	-2,401	-1,223	-23,086
Depreciation	-9	-2,802	-476	-180	-3,467
Depreciation on disposals	0	531	0	0	531
Depreciation and impairment losses at 31 December 2019	-1,285	-20,457	-2,877	-1,403	-26,022
Carrying amount at 31 December 2019	949	16,306	1,133	327	18,715

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Notes

4 Property, plant and equipment (cont.)

DKK'000	Parent Company			Total
	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvements	
Cost at 1 January 2019	26,001	2,509	1,730	30,240
Additions	887	373	0	1260
Disposals	-590	0	0	-590
Cost at 31 December 2019	26,298	2,882	1,730	30,910
Depreciation and impairment losses at 1 January 2019	-13,499	-1,879	-1,223	-16,601
Depreciation for the year	-1,745	-284	-181	-2,210
Reversed depreciation and impairment losses	531	0	0	531
Depreciation and impairment losses at 31 December 2019	-14,713	-2,163	-1,404	-18,280
Carrying amount at 31 December 2019	11,585	719	327	12,631

DKK'000	Group		Parent Company	
	2019	2018	2019	2018
5 Financial income				
Interest income from group entities	25	24	25	24
6 Tax on profit for the year				
Current tax for the year	1,121	479	829	477
Deferred tax adjustment for the year	-21	74	-21	74
	1,100	553	808	551

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7 Proposed profit appropriation

DKK'000	Group		Parent Company	
	2019	2018	2019	2018
Reserve for net revaluation according to the equity method	0	0	1,377	680
Retained earnings	6,448	5,908	5,071	5,228
	<u>6,448</u>	<u>5,908</u>	<u>6,448</u>	<u>5,908</u>

8 Investments

DKK'000	Parent Company
	2019
Equity investments in subsidiaries	
Cost at 1 January 2019	22
Cost at 31 December 2019	22
Value adjustments at 1 January 2019	3,948
Profit for the year	3,542
Paid dividends	-2,165
Value adjustments at 31 December 2019	5,325
Carrying amount at 31 December 2019	<u>5,347</u>

DKK'000	Group	Parent Company
	2019	2019
Deposits		
Cost at 1 January	522	522
Cost at 31 December	522	522
Carrying amount at 31 December	<u>522</u>	<u>522</u>

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Notes

8 Investments (cont.)

Name/legal form	Registered office	Equity interest
Subsidiaries: Meta-Plast LSEZ Ltd	Liepāja, Latvia	100%

9 Prepayments

Prepayments consist of expenses to software licenses, insurance, etc. relating to subsequent years.

10 Contributed capital

The contributed capital consists of:

1 A share of nom. DKK 3,800,000.

11 Deferred tax

DKK'000	Group		Parent Company	
	2019	2018	2019	2018
Deferred tax at 1 January	1,346	1,272	1,346	1,272
Deferred tax adjustment for the year in the income statement	-21	74	-21	74
	<u>1,325</u>	<u>1,346</u>	<u>1,325</u>	<u>1,346</u>

12 Non-current liabilities other than provisions

Non-current liabilities other than provisions can be specified as follows:

DKK'000	Group	
	2019	2018
Deferred income		
0-1 years	53	52
1-5 years	105	158
Total non-current liabilities other than provisions	<u>158</u>	<u>210</u>

Deferred income of DKK 158 thousand (2018: DKK 210 thousand) comprise payments received from customers that cannot be recognised until the subsequent financial year.

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Notes

DKK'000	2019	2018
13 Other adjustments		
Other financial income	-25	-24
Financial expenses	40	34
Tax on profit for the year	1,100	553
Provisions	-21	74
Other	33	0
	<u>1,127</u>	<u>637</u>
14 Changes in working capital		
Change in inventories	-1,520	-1,350
Change in receivables	4,832	-1,583
Change in trade and other payables	-1,068	1,590
	<u>2,244</u>	<u>-1,343</u>
15 Contractual obligations, contingencies, etc.		

Operating lease obligations

The Company has entered into operating leases for property and cars with a remaining term up to 60 months and with a total of DKK 5,543 thousand.

16 Related parties

Röchling Meta-Plast A/S' related parties comprise the following:

Control

Röchling Engineering Plastics SE & Co KG, Röchlingstrasse 1, 49733 Haren, Germany

Röchling Engineering Plastics SE & Co KG holds the majority of the contributed capital in the Company.

Röchling Meta-Plast A/S is part of the consolidated financial statements of Röchling Engineering Plastics SE & Co KG, Haren, Germany, which is the smallest and largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Röchling Engineering Plastics SE & Co KG can be obtained by contacting the company at the above address.

Related party transactions

DKK'000	2019
Group	
Sale of goods and services	6,085
Purchase of goods and services	16,670
Interest income	25
	<u>22,780</u>

Receivables and payables to group entities are disclosed in the balance sheet and interest income is disclosed in note 5.

Pursuant to section 98c (3) of the Danish Financial Statements Act, related party transactions with fully owned subsidiaries in Röchling Meta-Plast A/S group are not disclosed.