Synbra Danmark A/S

Tvilhovej 8-10
Glejbjerg
Denmark

CVR no. 25 04 43 98

Annual report 2017

The annual report was presented and adopted at the Company's annual general meeting
on Tuesday May 29 20 18

chairman

Contents

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 Synbra Danmark A/S for the financial year 1 January – 31 December 2017.

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 2017 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 2017.

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.

Glejbjerg, 29 May 2018
Executive Board:

Rik Prosper Dobbelaere

Board of Directors:

Jozef H. Verstegen Chairman	Rik Prosper Dobbelaere	Steffen Busk Jespersen

KPMG

Independent auditor's report

To the shareholders of Synbra Danmark A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Synbra Danmark A/S for the financial year 1 January – 31 December 2017 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 2017 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 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.

Independent auditor's report

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 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.

Independent auditor's report

- 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.

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.

Independent auditor's report

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.

Kolding, 29 May 2018
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised
Public Accountant
MNE no. 33220

Management's review

Company details

Synbra Danmark A/S
Tvilhovej 8-10
Glejbjerg
Denmark

Telephone:	+45 79 79 81 11
CVR no.:	25 04 43 98
Established:	15 November 1999
Registered office:	Vejen
Financial year:	1 January – 31 December

Board of Directors

Jozef H. Verstegen (Chairman)
Rik Prosper Dobbelaere
Steffen Busk Jespersen

Executive Board

Rik Prosper Dobbelaere

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Jupitervej 4
6000 Kolding

Management's review

Financial highlights for the Group

DKK'000	2017	2016	2015	2014	2013
Gross profit	58,334	61,878	45,201	49,424	44,031
Profit/loss before financial income and expenses	-67	5,899	880	4,625	1,650
Profit/loss from financial income and expenses	-1,027	-1,091	-1,164	-1,295	-1,606
Profit/loss for the year	**-872**	**3,664**	**-274**	**2,355**	**524**
Total assets	113,397	100,127	97,842	106,595	108,540
Investment in property, plant and equipment	4,828	10,374	5,966	6,308	2,246
Equity	**41,932**	**42,804**	**39,140**	**39,414**	**37,059**
Current ratio	111.2%	161.5%	154.0%	107.4%	143.3%
Return on equity	-2.1%	8,9%	-0.7%	6.2%	1.4%
Rate of return	-0.1%	5.9%	0.9%	4.3%	1.5%
Solvency ratio	37.0%	42.7%	40.0%	37.0%	34.1%

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios “Recommendations and Ratios". The financial ratios have been calculated as follows:

Current ratio $\frac{\text{Current assets x 100}}{\text{Current liabilities}}$

Return on equity $\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average equity}}$

Rate of return $\frac{\text{Profit before financial income and expenses and tax x 100}}{\text{Assets}}$

Solvency ratio $\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$

Management's review

Operating review

Principal activities of the Group

The Group is primarily engaged in the manufacturing and sale of packaging and technical products made from EPS (Expandable Polystyrene) and EPS insulating material:

The production facilities are situated in Denmark.

The products of the Group are mainly sold in Denmark, Germany and Sweden.

Development in activities and financial position

Loss for the year after tax represented DKK 872 thousand against a profit of DKK 3,664 thousand last year.

Management considers the loss for the year to be at an unsatisfactory level and not in line with forecast.

Events after the balance sheet date

Moreover, reference is made to note 18, in which the matter is described in further detail.

Environment

The Group prepares an environmental statement for the production site placed in Tvilho in Denmark. The overall objective is to avoid any accidents which may cause damage to persons, technical equipment and surroundings. It is of crucial importance that all group activities in Denmark take place with the lowest possible environmental strain on the surroundings and with a high safety standard.

Outlook

Management expects to make a positive development in activities during the coming financial year.

For 2018, the Company expects the earnings capacity of the subsidiary to be positive.

Risks

The Group's most significant operating risk relates to its ability to be strongly positioned on its domestic market.

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

Income statement

		Group		Parent Company	
DKK'000	Note	2017	2016	2017	2016
Gross profit	2	58,334	61,878	0	0
Distribution costs	2	-44,723	-42,112	0	0
Administrative expenses	2	-13,678	-13,705	-14	-13
Other operating costs		0	-162	0	0
Profit/loss before financial income and expenses		-67	5,899	-14	-13
Income from investment in subsidiary	3	0	0	825	5,495
Financial income		0	0	0	0
Financial expenses	4	-1,027	-1,091	-2,162	-2,335
Profit/loss before tax		-1,094	4,808	-1,351	3,147
Tax on profit/loss for the year	5	222	-1,144	479	517
Profit/loss for the year	6	-872	3,664	-872	3,664

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

Balance sheet

DKK'000	Note	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
ASSETS					
Fixed assets					
Property, plant and equipment	7				
Land and buildings		21,220	21,878	0	0
Plant and machinery		12,925	11,951	0	0
Fixtures and fittings, tools and equipment		623	978	0	0
Property, plant and equipment under construction		2,168	2,692	0	0
		36,936	37,499	0	0
Investments					
Investments in subsidiary	3	0	0	95,409	94,584
		0	0	95,409	94,584
Total fixed assets		36,936	37,499	95,409	94,584
Current assets					
Inventories					
Raw materials and consumables		5,085	3,832	0	0
Finished goods and goods for resale		11,091	9,953	0	0
		16,176	13,785	0	0
Receivables					
Trade receivables		59,029	47,568	0	0
Other receivables		249	326	0	0
Corporation tax		545	0	0	0
Prepayments	8	446	78	0	0
Deferred tax assets	9	0	0	283	0
		60,269	47,972	283	0
Cash at bank and in hand	10	16	871	0	0
Total current assets		76,461	62,628	283	0
TOTAL ASSETS		113,397	100,127	95,692	94,584

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

Balance sheet

DKK'000	Note	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
EQUITY AND LIABILITIES					
Equity					
Contributed capital	11	1,000	1,000	1,000	1,000
Revaluation reserves		768	768	0	0
Retained earnings		40,164	41,036	40,932	41,804
Total equity		41,932	42,804	41,932	42,804
Provisions					
Provisions for deferred tax	9	2,399	2,621	0	0
Total provisions		2,399	2,621	0	0
Liabilities other than provisions					
Non-current liabilities other than provisions					
Bank loans	12	0	15,919	0	15,919
		0	15,919	0	15,919
Current liabilities other than provisions					
Current portion of long-term liabilities other than provisions	13	18,732	2,813	18,732	2,813
Banks, current liabilities		1,819	95	0	0
Trade payables		9,685	9,038	0	0
Payables to group entities		24,502	13,429	35,028	33,048
Corporation tax		0	107	0	0
Other payables		14,328	13,301	0	0
		69,066	38,783	53,760	35,861
Total liabilities other than provisions		69,066	54,702	53,760	51,780
TOTAL EQUITY AND LIABILITIES		113,397	100,127	95,692	94,584

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

Statement of changes in equity

	Group			
DKK'000	Contri-buted capital	Revalua-tion reserve	Retained earnings	Total
Equity at 1 January 2017	1,000	768	41,036	42,804
Loss for the year	0	0	-872	-872
Equity at 31 December 2017	1,000	768	40,164	41,932

	Parent company		
DKK'000	Contri-buted capital	Retained earnings	Total
Equity at 1 January 2017	1,000	41,804	42,804
Loss for the year	0	-872	-872
Equity at 31 December 2017	1,000	40,932	41,932

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

Cash flow statement

		Group	
DKK'000	Note	2017	2016
Profit/loss for the year		-872	3,664
Depreciation, amortisation and impairment losses		5,391	5,238
Other adjustments of non-cash operating items	15	581	292
Cash generated from operations before changes in working capital		5,100	9,194
Changes in working capital	16	-13,119	-4,195
Cash generated from operations		-8,019	4,999
Interest expense		-1,027	-1,091
Corporation tax paid		222	982
Cash flows from operating activities		-8,824	4,890
Acquisition of property, plant and equipment		-4,828	-10,374
Disposal of property, plant and equipment		0	3,975
Cash flows from investing activities		-4,828	-6,399
Repayment of long-term debt		-15,919	-418
Proceeds from incurring mortgage debt		0	-185
Increase in payables to credit institutions		15,919	0
Increase of debt to intercompany		11,073	0
Cash flows from financing activities		11,073	-603
Cash flows for the year		-2,579	-2,112
Cash and cash equivalents at the beginning of the year		776	2,888
Cash and cash equivalents at year end	17	-1,803	776

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Synbra Danmark A/S for 2017 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 financial statements are consistent with those of last year.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Synbra Danmark A/S, and subsidiary in which the Company directly or indirectly holds more than 50% of the votes or in some other way exercises control.

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 subsidiary are set off against the proportionate share of subsidiary 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.

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Financial statements 1 January – 31 December

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Accounting policies (continued)

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. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Production costs

Production costs comprise costs incurred to generate revenue for the year, including depreciation, amortisation, wages and salaries incurred to generate revenue for the year.

Distribution costs

Costs incurred to sell and distribute goods sold during the year and in conducting sales campaigns, etc., during the year are recognised as distribution costs. Also, costs relating to sales staff, advertising, exhibitions and depreciation are recognised as distribution costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, management, office premises, office expenses and depreciation.

Other operating income

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

Other operating costs

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

Financial income and expenses

Financial income and expenses comprise interest income and expense, expenses pertaining to finance leases, 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.

Financial statements 1 January – 31 December

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Accounting policies (continued)

Tax on profit/loss for the year

The Company is covered by the Danish rules on compulsory joint taxation of the Synbra Group's Danish subsidiary. Subsidiary form part of the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements and up to the date on which they exit the consolidation.

Synbra Danmark A/S is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by the settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers, energy consumption, staff and depreciation of machinery used.

Revaluation of non-current assets was made with reference to a reassessment of the value of the assets at the date of acquisition.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets.

The estimated useful lives are as follows:

Buildings	10-50 years
Plant and machinery	8-12 years
Fixtures and fittings, tools and equipment	2-8 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.

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

Notes

Accounting policies (continued)

Depreciation is recognised in the income statement as production costs, sales and distribution costs and administrative expenses, respectively.

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.

Leases

All other leases are treated as operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in contingencies, etc.

Impairment of non-current assets

The carrying amount of property, plant and equipment 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.

The recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is determined as the present value of the forecasted net cash flows from the use of the asset or the group of assets, including forecasted net cash flows from the disposal of the asset or group of assets after the end of the useful life.

Investments in subsidiary

Investments in subsidiary are measured in the parent company according to the equity method.

The share of the subsidiary results after tax for the year is recognised in the income statement of the parent company under the item "income from investments in subsidiary".

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

Notes

Accounting policies (continued)

Investments in subsidiary are measured in the parent company's balance sheet 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 profits and losses.

The difference between cost and the net asset value in the enterprise acquired is computed at the date of acquisition. Any positive differences are capitalised in the balance sheet of the Parent Company under the item "investments in subsidiary".

Inventories

Raw materials and consumables are measured at the lower of cost in accordance with the FIFO method and the net realisable value.

Finished goods are measured at the lower of the cost plus indirect production overheads and net realisable value.

Finished goods are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise costs for factory administration and management.

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

Accounting policies (continued)

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

In its capacity as the administrative company, Synbra Danmark A/S is liable for its subsidiary corporation taxes to the tax authorities concurrently with the payment of joint taxation contributions by the subsidiary.

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.

Joint taxation contributions payable and receivable is recognised in the balance sheet as "Corporation tax".

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. However, deferred tax is not recognised on temporary differences relating to other items where temporary differences arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax losses carried forward, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net 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.

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

Notes

Accounting policies (continued)

Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

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 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 profit/loss 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 and of property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which can be freely converted into cash and which are subject to an insignificant risk of changes in value reduced by current liabilities in the form of bank loans.

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

Notes

2 Staff costs

	Group		Parent Company	
DKK'000	2017	2016	2017	2016
Wages and salaries	54,244	51,400	0	0
Pension contribution	4,288	4,181	0	0
Other social security costs	2,288	2,325	0	0
	60,820	57,906	0	0
Average number of full-time employees	132	136	0	0

Referring to section 98 b (3) of the Danish Financial Statements Act, remuneration of the Executive Board is not disclosed.

3 Investments in subsidiary

	Parent Company	
DKK'000	2017	2016
Cost at 1 January	243,589	243,589
Value adjustment at 1 January	-149,005	-154,500
Share of profit for the year after tax	825	5,495
Value adjustment at 31 December	-148,180	-149,005
Carrying amount at 31 December	95,409	94,584

Name and registered office	Ownership	Equity	Profit/loss for the year
		DKK'000	DKK'000
Styropack A/S, Vejen	100%	95,409	825

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

Notes

		Group		Parent Company	
	DKK'000	2017	2016	2017	2016
4	**Financial expenses**				
	Financial expenses from group entities	505	479	1,749	1,868
	Other financial expenses	522	612	413	467
		1,027	1,091	2,162	2,335
5	**Tax on profit/loss for the year**				
	Total tax for the year	0	-955	196	517
	Adjustment of deferred tax	222	-183	283	0
	Adjustment prior year tax	0	-6	0	0
		222	-1,144	479	517
6	**Proposed profit appropriation/distribution of loss**				
	Transferred to retained earnings	-872	3,664	-872	3,664

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

Notes

7 Property, plant and equipment

	Group				
DKK'000	Land and buildings	Plant and machinery	Fixtures, fittings and equipment	Property, plant and equip-ment under construc-tion	Total
Cost at 1 January 2017	45,286	110,722	2,935	2,692	161,635
Additions for the year	620	1,984	56	2,168	4,828
Disposals for the year	0	-4,139	0	0	-4,139
Transfers for the year	0	2,518	174	-2,692	0
Cost at 31 December 2017	45,906	111,085	3,165	2,168	162,324
Revaluations at 1 January 2017	2,527	0	0	0	2,527
Revaluations at 31 December 2017	2,527	0	0	0	2,527
Depreciation losses at 1 January 2017	-25,935	-98,771	-1,957	0	-126,663
Depreciation for the year	-1,278	-3,528	-585	0	-5,391
Reversed depreciation on assets sold	0	4,139	0	0	4,139
Depreciation at 31 December 2017	-27,213	-98,160	-2,542	0	-127,915
Carrying amount at 31 December 2017	21,220	12,925	623	2,168	36,936

8 Prepayments

Prepayments consist of prepaid expenses.

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9 Deferred tax

	Group		Parent Company	
DKK'000	2017	2016	2017	2016
Deferred tax at 1 January	-2,621	-2,438	0	0
Deferred tax adjustment for the year in the income statement	222	-183	283	0
	-2,399	-2,621	283	0

10 Cash at bank and in hand

The Company has a bank account registered as a deed account. The bank account amount, DKK 0 thousand (2016: DKK 609 thousand), is tied up until the sale of property has been finalised.

11 Contributed capital

The contributed capital consists of 1 share of a nominal value of DKK 1,000 thousand.

The contributed capital has remained unchanged for the past five years.

All shares rank equally.

12 Non-current liabilities other than provisions

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

	Parent company 2017
	DKK'000
Bank loans:	
0-1 years	18,732
1-5 years	0
Total non-current liabilities other than provisions	18,732

Collateral is disclosed in note 13.

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13 Contractual obligations, contingencies, etc.

Contingent liabilities

In June 2015, Synbra Holding B.V. entered into a three-year senior Facility Agreement. In relation to this, the shares in Synbra Danmark A/S have been provided as collateral to the lenders.

The company is jointly taxed with other Danish group companies. As a group company, together with the other companies included in the joint taxation, the company has unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the jointly taxed unit. The jointly taxed entities' total known net liability to SKAT is disclosed in the financial statements of the administrative company, Synbra Danmark A/S (CVR No. 25 04 43 98). Any subsequent corrections to the joint taxation income and withholding taxes, etc. may result in an increased liability for the Company.

Operating lease obligations

The Group has entered into operating leases with a remaining term of 1-91 months and an average monthly lease payments of DKK 88 thousand, totalling DKK 8,019 thousand.

14 Related parties

Synbra Danmark A/S' related parties comprise the following:

Control

Synbra International B.V., Zeedijk 25, Etten-Leur, the Netherlands.

The company is fully owned by Synbra International B.V.

Synbra Danmark A/S is part of the consolidated financial statements of Synbra International B.V., the Netherlands, which is the smallest and largest group respectively in which the Company is included as a subsidiary.

The consolidated financial statements of Synbra International B.V. can be obtained by contacting the Company.

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

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		2017
		DKK'000
15	**Other adjustments**	
	Financial expenses	1,027
	Tax on profit/loss for the year	-222
	Provisions	-224
		-581
16	**Changes in working capital**	
	Change in inventories	-2,391
	Change in receivables	-12,297
	Change in trade and other payables	1,569
		-13,119
17	**Cash and cash equivalents at year end**	
	Cash and cash equivalents according to the balance sheet	16
	Deposit Groups cash pool under Banks, current liabilities	-1,819
		-1,803

18 Events after the balance sheet date

No significant events have occurred after the balance sheet date, which are considered to have a material effect on the assessment of the consolidated financial statements and the parent company financial statements.