



## **DBI Plastics Group A/S**

Stationsvej 5  
4295 Stenlille  
CVR No. 27171737

### **Annual report 2019**

The Annual General Meeting adopted the annual report on 19.06.2020

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**Ole Lund Madsen**

Chairman of the General Meeting

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# Entity details

## Entity

DBI Plastics Group A/S

Stationsvej 5

4295 Stenlille

CVR No.: 27171737

Registered office: Sorø

Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Hans Christian Petersen, Chairman

Michael Laursen

Claus Henningsen

Per Toft Valstorp

## Executive Board

Hans Hellstrøm Henningsen, Chief Executive Officer

## Bank

Handelsbanken

Rådhuspladsen 2

4200 Slagelse

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of DBI Plastics Group A/S for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Stenlille, 19.06.2020

## Executive Board

**Hans Hellstrøm Henningsen**

Chief Executive Officer

## Board of Directors

**Hans Christian Petersen**

Chairman

**Michael Laursen**

**Claus Henningsen**

**Per Toft Valstorp**

# Independent auditor's report

## To the shareholder of DBI Plastics Group A/S

### Opinion

We have audited the financial statements of DBI Plastics Group A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 19.06.2020

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**René Carøe Andersen**

State Authorised Public Accountant  
Identification No (MNE) mne34499

**Ane Sachs Aasand**

State Authorised Public Accountant  
Identification No (MNE) mne42783

# Management commentary

## Primary activities

The primary activities of the Company comprise the development, manufacturing and sale of protective solutions, which are sold mainly on the European market. The production is carried out primarily in Denmark, and sales are carried out through enterprises in Denmark, six other European countries, North America and Asia; see the grup chart on page 8.

## Development in activities and finances

The Group's income from investment in subsidiaries was slightly down at DKK 7,919 thousand.

The consolidated profit for the year ended at DKK 8,778 thousand, on par with 2018

## Uncertainty relating to recognition and measurement

The valuation of assets and liabilities is made in accordance with current accounting policies, and Management of DBI Plastics Group A/S is of the opinion that no uncertainty is related to recognition and measurement.

## Unusual circumstances affecting recognition and measurement

There have been no unusual circumstances affecting recognition and measurement in the financial year 2019.

## Outlook

The overall strategy progression continues as planned, and is expected to gradually improve both growth rates and results. The uncertainty from current global market conditions, notably the impact from COVID-19, is likely to have a delaying effect. It is at this stage impossible to assess the duration and impact of the COVID-19. A number of customers have been closed and are now starting to open up their production facilities again, so we hope the impact is of a temporary nature.

## Particular risks

The Company's activities do not involve any particular risks; neither operating nor financial risks. As the main part of transactions is carried out in euro, the Company's activities are not considered to involve any special foreign exchange risks.

## Environmental performance

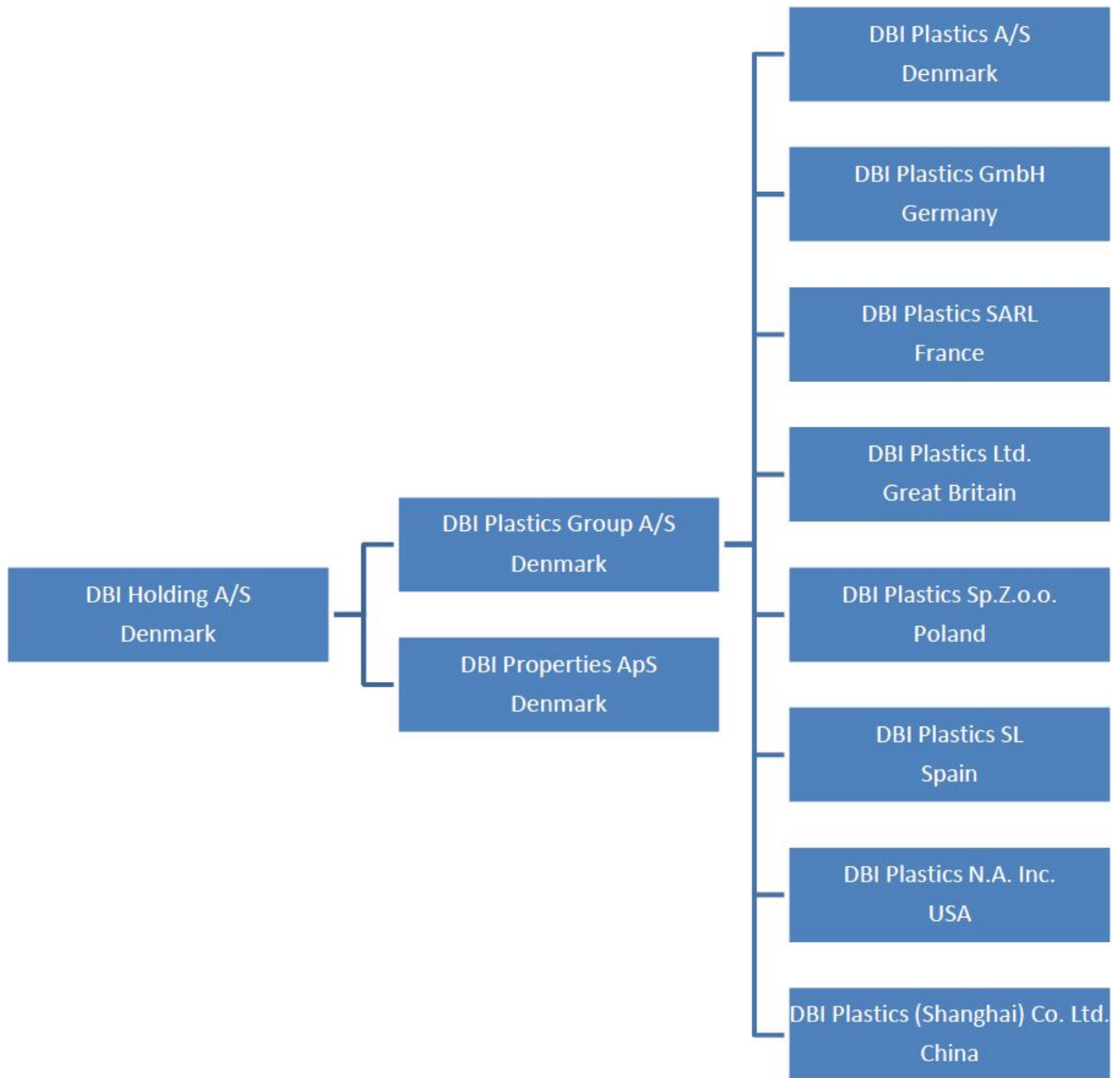
The manufacturing company is environmentally certified under ISO 14001 and, moreover, also under ISO 9001, ISO 50001 and IATF 16949. The Company's activities do not have any material environmental impact.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



**Group chart**



# Income statement for 2019

	Notes	2019 DKK	2018 DKK
Other external expenses		(25,000)	(37,500)
<b>Gross profit/loss</b>		<b>(25,000)</b>	<b>(37,500)</b>
Income from investments in group enterprises		7,918,749	8,031,046
Other financial income	1	978,365	949,076
Other financial expenses	2	(592)	(31,944)
<b>Profit/loss before tax</b>		<b>8,871,522</b>	<b>8,910,678</b>
Tax on profit/loss for the year	3	(93,806)	(193,059)
<b>Profit/loss for the year</b>		<b>8,777,716</b>	<b>8,717,619</b>
<b>Proposed distribution of profit and loss:</b>			
Ordinary dividend for the financial year		0	23,000,000
Retained earnings		8,777,716	(14,282,381)
<b>Proposed distribution of profit and loss</b>		<b>8,777,716</b>	<b>8,717,619</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK	2018 DKK
Investments in group enterprises		75,473,697	75,835,972
Deferred tax		116,000	479,000
<b>Other financial assets</b>	4	<b>75,589,697</b>	<b>76,314,972</b>
<b>Fixed assets</b>		<b>75,589,697</b>	<b>76,314,972</b>
Receivables from group enterprises		44,063,531	35,743,638
Joint taxation contribution receivable		835,135	565,941
<b>Receivables</b>		<b>44,898,666</b>	<b>36,309,579</b>
<b>Cash</b>		<b>896</b>	<b>1,896</b>
<b>Current assets</b>		<b>44,899,562</b>	<b>36,311,475</b>
<b>Assets</b>		<b>120,489,259</b>	<b>112,626,447</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK</b>	<b>2018 DKK</b>
Contributed capital		500,000	500,000
Reserve for net revaluation according to the equity method		35,317,469	53,929,664
Retained earnings		57,207,643	29,947,870
Proposed dividend		0	23,000,000
<b>Equity</b>		<b>93,025,112</b>	<b>107,377,534</b>
Other provisions	5	525,396	2,146,102
Provisions for investments in group enterprises	5	1,049,934	1,542,578
<b>Provisions</b>		<b>1,575,330</b>	<b>3,688,680</b>
Payables to group enterprises		25,887,328	1,528,466
Other payables		1,489	31,767
<b>Current liabilities other than provisions</b>		<b>25,888,817</b>	<b>1,560,233</b>
<b>Liabilities other than provisions</b>		<b>25,888,817</b>	<b>1,560,233</b>
<b>Equity and liabilities</b>		<b>120,489,259</b>	<b>112,626,447</b>
Contingent liabilities	7		
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# Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	53,929,664	29,947,870	23,000,000	107,377,534
Ordinary dividend paid	0	0	0	(23,000,000)	(23,000,000)
Exchange rate adjustments	0	19,829	140,858	0	160,687
Other entries on equity	0	(783,469)	492,644	0	(290,825)
Dividends from group enterprises	0	(25,763,768)	25,763,768	0	0
Profit/loss for the year	0	7,915,213	862,503	0	8,777,716
<b>Equity end of year</b>	<b>500,000</b>	<b>35,317,469</b>	<b>57,207,643</b>	<b>0</b>	<b>93,025,112</b>

# Notes

## 1 Other financial income

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Financial income from group enterprises	978,365	949,076
	<b>978,365</b>	<b>949,076</b>

## 2 Other financial expenses

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Exchange rate adjustments	(408)	30,944
Other financial expenses	1,000	1,000
	<b>592</b>	<b>31,944</b>

## 3 Tax on profit/loss for the year

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Change in deferred tax	363,000	759,000
Refund in joint taxation arrangement	(269,194)	(565,941)
	<b>93,806</b>	<b>193,059</b>

#### 4 Financial assets

	Investments in group enterprises DKK	Deferred tax DKK
Cost beginning of year	21,906,308	479,000
Exchange rate adjustments	140,858	0
Additions	18,109,062	0
Disposals	0	(363,000)
<b>Cost end of year</b>	<b>40,156,228</b>	<b>116,000</b>
Revaluations beginning of year	53,929,664	0
Exchange rate adjustments	19,829	0
Share of profit/loss for the year	8,985,381	0
Adjustment of intra-group profits	(1,070,168)	0
Dividend	(25,763,768)	0
Investments with negative equity value transferred to provisions	(492,644)	0
Other adjustments	(290,825)	0
<b>Revaluations end of year</b>	<b>35,317,469</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>75,473,697</b>	<b>116,000</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
DBI Plastics A/S	Denmark	A/S	100
DBI Plastics GmbH	Germany	GmbH	100
DBI Plastics SARL	France	SARL	100
DBI Plastics Ltd.	UK	Ltd.	100
DBI Plastics Sp. Z.o.o.	Poland	Sp. Z.o.o.	100
DBI Plastics SL	Spain	SL	100
DBI Plastics N.A. Inc.	USA	N.A. Inc.	100
DBI Plastics (Shanghai) Co. Ltd.	China	Ltd.	100

#### 5 Other provisions

Other provisions relate to a restructuring liability.

#### 6 Provisions for investments in group enterprises

A provision for subsidiaries with negative equity has been made, as the Company will cover this negative value.

#### 7 Contingent liabilities

The Company has issued a cross guarantee for the bank debt of the Danish group enterprises. The total bank debt for the Danish group enterprises.

The Entity participates in a Danish joint taxation arrangement where Hans Hellstømm Henningsen Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax

Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

### **8 Related parties with controlling interest**

The Company has registered the following shareholder to hold more than 5% of the voting share capital, or of the nominal value of the share capital:

DBI Holding A/S, Stationsvej 5, 4295 Stenlille, Central Business Registration No. 29821739

All transactions with related parties which have not been according with market conditions will be disclosed. There have been no such transactions in the financial year.

### **9 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Hans Hellstrøm Henningsen Holding A/S, Stationsvej 5, 4295 Stenlille, Central Business Registration No. 40730885.



# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

## Income statement

### Other external expenses

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

### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

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

The Entity is jointly taxed with the Parent and all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Balance sheet

### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Receivables**

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

**Joint taxation contributions receivable or payable**

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**Cash**

Cash comprises cash in hand and bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

**Other financial liabilities**

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