

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

## **Annual report 2017**

The Annual General Meeting adopted the annual report on 31.05.2018

### **Chairman of the General Meeting**

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Name: Ole Lund Madsen

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## Entity details

### Entity

DBI Holding A/S  
Stationsvej 5  
4295 Stenlille

Central Business Registration No: 29821739  
Registered in: Sorø  
Financial year: 01.01.2017 - 31.12.2017

Phone: +4557894800  
Fax: +4557894848

### Board of Directors

Hans Christian Petersen, Chairman  
Per Toft Valstorp  
Claus Henningsen

### 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 on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of DBI Holding A/S for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2017 and of the results of their operations and the Group's cash flows for the financial year 01.01.2017 - 31.12.2017.

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, 31.05.2018

### Executive Board

Hans Hellstrøm Henningsen  
Chief Executive Officer

### Board of Directors

Hans Christian Petersen  
Chairman

Per Toft Valstorp

Claus Henningsen

# Independent auditor's report

## To the shareholders of DBI Holding A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of DBI Holding A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2017, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2017 - 31.12.2017 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 financial statements section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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

## Independent auditor's report

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent 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 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 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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 commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 31.05.2018

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No: 33963556

Max Damborg  
State Authorised Public Accountant  
Identification number (MNE) mne33772

## Management commentary

	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>	<b>2015</b> <b>DKK'000</b>	<b>2014</b> <b>DKK'000</b>	<b>2013</b> <b>DKK'000</b>
<b>Financial highlights</b>					
<b>Key figures</b>					
Revenue	172.672	160.029	150.158	138.206	128.484
Gross profit/loss	101.623	95.760	89.721	81.209	66.326
Operating profit/loss	10.108	16.806	20.571	16.889	8.201
Net financials	(1.802)	(1.179)	(905)	(768)	(599)
Profit/loss for the year	6.566	11.976	15.528	12.315	5.484
Total assets	168.300	161.305	152.297	144.382	79.561
Investments in property, plant and equipment	10.730	13.331	15.800	23.952	10.824
Equity incl minority interests	117.535	110.656	98.969	83.488	59.861
Average invested capital incl goodwill	127.912	142.197	131.714	125.296	107.284
Interest bearing debt, net	10.377	31.543	32.745	41.854	34.986
Employees in average	192	178	148	137	124
<b>Ratios</b>					
Gross margin (%)	58,9	59,8	59,8	58,8	51,6
Net margin (%)	3,8	7,5	10,3	8,9	4,3
Return on equity (%)	5,8	11,4	17,0	17,2	9,5
Revenue per employee	899,3	899,0	1.014,6	1.008,8	1.036,2
Equity ratio (%)	69,8	68,6	65,0	57,8	75,2
Return on assets (%)	6,5	10,7	13,9	12,6	9,1

*Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.*



## Management commentary

Ratios	Calculation formula	Ratios
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity incl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Revenue per employee	$\frac{\text{Revenue}}{\text{Revenue per employee}}$	The entity's productivity
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.
Return on assets (%)	$\frac{\text{Operating profit/loss for the year} \times 100}{\text{Average assets (except cash)}}$	The entity's return on total assets.

## Management commentary

### Primary activities

The primary activities of the Group 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 group chart on page 9.

### Development in activities and finances

The Group's revenue for the year increased by 7.9% to DKK 172,672 thousand.

To match the future ambitions and leadership requirements, a new management team has been put in place. Towards the end of 2017, the Company decided to consolidate its European logistics and warehouse operations in Poland causing the warehouses in France and Germany to be closed during 2018. To reflect this, a restructuring charge of DKK 5,628 thousand has been provided for in the financial statements and the consolidated profit for the year then amounts to DKK 6,566 thousand.

### Uncertainty relating to recognition and measurement

The valuation of assets and liabilities is made in accordance with current accounting policies, and Management of DBI Holding 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 2017.

### Outlook

As a result of the changes initiated in 2017, a stronger growth rate and a significantly improved performance are expected for 2018.

### Particular risks

The Group'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 Group's activities are not considered to involve any special foreign exchange risks.

### Intellectual capital resources

The Group employs the needed number of employees with relevant qualifications who possess considerable know-how of the Group's products and production. Further and supplementary training is provided to the extent necessary.

### Environmental performance

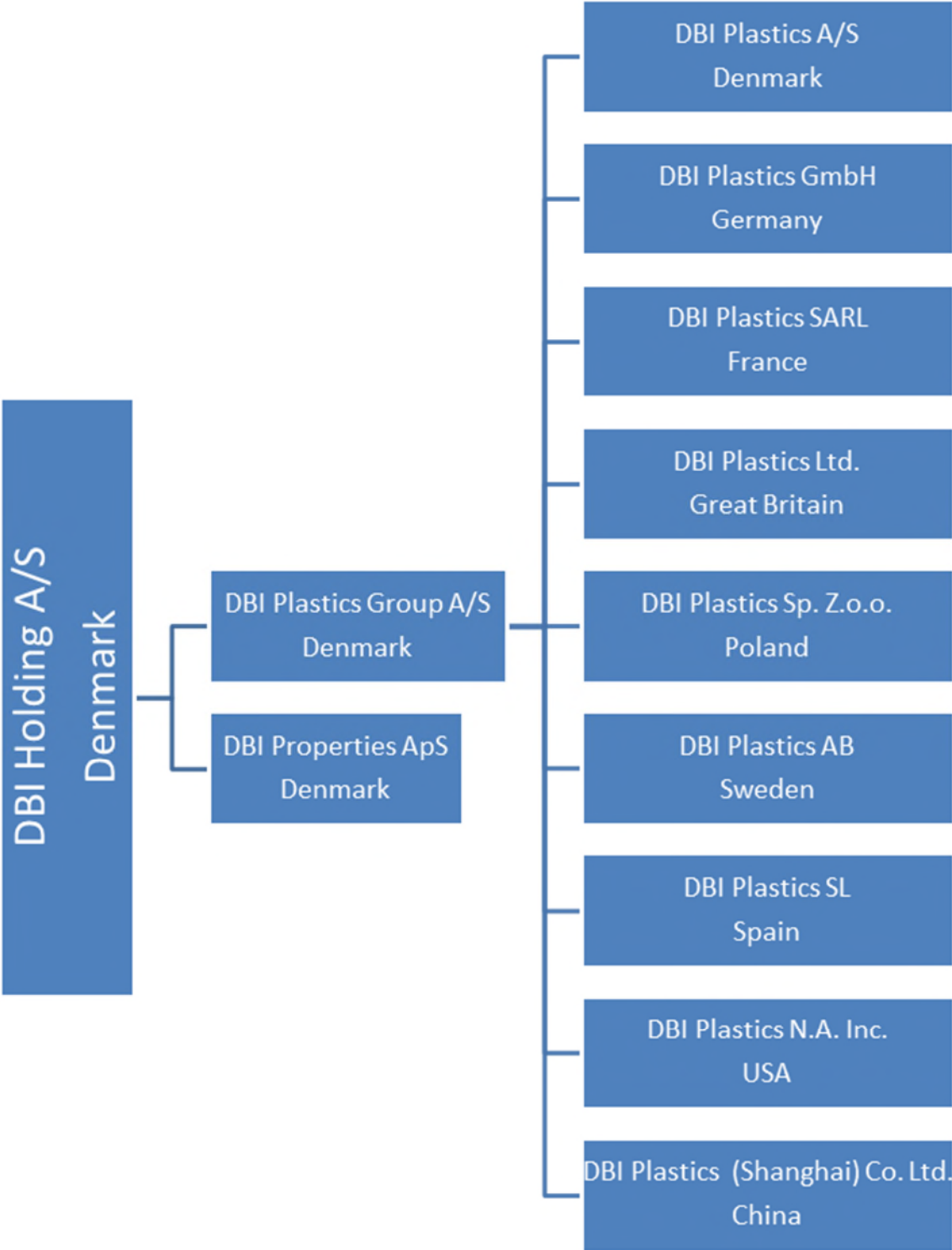
The manufacturing company is environmentally certified under ISO 14001 and, moreover, also under ISO 9001, ISO 50001 and TS 16949. The Group's activities do not have any material environmental impact.

### 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.

# Management commentary

## Group chart



## Consolidated income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Revenue		172.672.100	160.029
Changes in inventories of finished goods and work in progress		0	6.181
Costs of raw materials and consumables		(38.625.164)	(34.957)
Other external expenses		(32.424.281)	(35.493)
<b>Gross profit/loss</b>		<b>101.622.655</b>	<b>95.760</b>
Staff costs	1	(69.801.737)	(64.133)
Depreciation, amortisation and impairment losses	2	(16.084.312)	(14.821)
Other operating expenses		(5.628.469)	0
<b>Operating profit/loss</b>		<b>10.108.137</b>	<b>16.806</b>
Other financial income	3	55.545	6
Other financial expenses	4	(1.857.827)	(1.185)
<b>Profit/loss before tax</b>		<b>8.305.855</b>	<b>15.627</b>
Tax on profit/loss for the year	5	(1.739.421)	(3.651)
<b>Profit/loss for the year</b>	6	<b>6.566.434</b>	<b>11.976</b>

## Consolidated balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Land and buildings		41.474.977	43.420
Plant and machinery		26.210.188	33.273
Other fixtures and fittings, tools and equipment		3.282.340	3.518
Leasehold improvements		2.351.717	709
Property, plant and equipment in progress		1.727.401	1.425
<b>Property, plant and equipment</b>	7	<b>75.046.623</b>	<b>82.345</b>
Deposits		216.208	255
Deferred tax	9, 10	1.296.000	0
<b>Fixed asset investments</b>	8	<b>1.512.208</b>	<b>255</b>
<b>Fixed assets</b>		<b>76.558.831</b>	<b>82.600</b>
Raw materials and consumables		3.733.675	5.147
Manufactured goods and goods for resale		34.631.904	37.763
<b>Inventories</b>		<b>38.365.579</b>	<b>42.910</b>
Trade receivables		35.082.227	31.988
Other receivables		1.923.938	2.979
Prepayments		59.258	810
<b>Receivables</b>		<b>37.065.423</b>	<b>35.777</b>
<b>Cash</b>		<b>16.309.917</b>	<b>18</b>
<b>Current assets</b>		<b>91.740.919</b>	<b>78.705</b>
<b>Assets</b>		<b>168.299.750</b>	<b>161.305</b>

## Consolidated balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Contributed capital		2.000.000	2.000
Retained earnings		115.535.266	108.656
<b>Equity</b>		<b>117.535.266</b>	<b>110.656</b>
Deferred tax	9, 10	0	826
Other provisions	11	5.628.469	0
<b>Provisions</b>		<b>5.628.469</b>	<b>826</b>
Mortgage debts		16.512.291	16.512
Bank loans		5.387.500	8.293
<b>Non-current liabilities other than provisions</b>	12	<b>21.899.791</b>	<b>24.805</b>
Current portion of long-term liabilities other than provisions	12	2.905.000	2.945
Payables to other credit institutions		0	3.346
Trade payables		5.905.326	6.112
Income tax payable		1.881.748	465
Other payables		12.544.150	12.150
<b>Current liabilities other than provisions</b>		<b>23.236.224</b>	<b>25.018</b>
<b>Liabilities other than provisions</b>		<b>45.136.015</b>	<b>49.823</b>
<b>Equity and liabilities</b>		<b>168.299.750</b>	<b>161.305</b>
Unrecognised rental and lease commitments	14		
Mortgages and securities	15		
Subsidiaries	16		

## Consolidated statement of changes in equity for 2017

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	2.000.000	108.655.563	110.655.563
Exchange rate adjustments	0	313.269	313.269
Profit/loss for the year	0	6.566.434	6.566.434
<b>Equity end of year</b>	<b>2.000.000</b>	<b>115.535.266</b>	<b>117.535.266</b>

## Consolidated cash flow statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Operating profit/loss		10.108.137	16.806
Amortisation, depreciation and impairment losses		16.084.312	14.821
Other provisions		5.628.469	0
Working capital changes	13	3.739.103	(12.245)
<b>Cash flow from ordinary operating activities</b>		<b>35.560.021</b>	<b>19.382</b>
Financial income received		307.890	6
Financial income paid		(2.110.167)	(1.206)
Income taxes refunded/(paid)		(2.444.680)	(2.558)
<b>Cash flows from operating activities</b>		<b>31.313.064</b>	<b>15.624</b>
Acquisition etc of property, plant and equipment		(8.920.458)	(13.331)
Sale of property, plant and equipment		150.520	306
Acquisition of fixed asset investments		39.367	(31)
Sale of fixed asset investments		0	2
<b>Cash flows from investing activities</b>		<b>(8.730.571)</b>	<b>(13.054)</b>
Loans raised		0	10.000
Instalments on loans etc		(2.945.000)	(10.524)
<b>Cash flows from financing activities</b>		<b>(2.945.000)</b>	<b>(524)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>19.637.493</b>	<b>2.046</b>
Cash and cash equivalents beginning of year		(3.327.576)	(5.374)
<b>Cash and cash equivalents end of year</b>		<b>16.309.917</b>	<b>(3.328)</b>
Cash and cash equivalents at year-end are composed of:			
Cash		16.309.917	18
Short-term debt to banks		0	(3.346)
<b>Cash and cash equivalents end of year</b>		<b>16.309.917</b>	<b>(3.328)</b>



## Notes to consolidated financial statements

	<b>2017 DKK</b>	<b>2016 DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	63.832.749	56.617
Pension costs	1.929.171	2.742
Other social security costs	3.794.361	4.206
Other staff costs	245.456	568
	<b>69.801.737</b>	<b>64.133</b>
Average number of employees	<b>192</b>	<b>178</b>
	<b>Remunera- tion of manage- ment 2017 DKK</b>	<b>Remunera- tion of manage- ment 2016 DKK'000</b>
Total amount for management categories	4.804.992	4.344
	<b>4.804.992</b>	<b>4.344</b>
	<b>2017 DKK</b>	<b>2016 DKK'000</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	16.211.820	14.930
Profit/loss from sale of intangible assets and property, plant and equipment	(127.508)	(109)
	<b>16.084.312</b>	<b>14.821</b>
	<b>2017 DKK</b>	<b>2016 DKK'000</b>
<b>3. Other financial income</b>		
Interest income	3.421	2
Other financial income	52.124	4
	<b>55.545</b>	<b>6</b>
	<b>2017 DKK</b>	<b>2016 DKK'000</b>
<b>4. Other financial expenses</b>		
Interest expenses	561.356	780
Exchange rate adjustments	1.296.272	395
Other financial expenses	199	10
	<b>1.857.827</b>	<b>1.185</b>

## Notes to consolidated financial statements

	<b>2017</b> <b>DKK</b>	<b>2016</b> <b>DKK'000</b>
<b>5. Tax on profit/loss for the year</b>		
Tax on current year taxable income	3.861.056	3.386
Change in deferred tax for the year	(2.121.635)	(283)
Adjustment concerning previous years	0	548
	<b>1.739.421</b>	<b>3.651</b>

	<b>2017</b> <b>DKK</b>	<b>2016</b> <b>DKK'000</b>
<b>6. Proposed distribution of profit/loss</b>		
Retained earnings	6.566.434	11.976
	<b>6.566.434</b>	<b>11.976</b>

	<b>Land and buildings DKK</b>	<b>Plant and machinery DKK</b>	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improve- ments DKK</b>
<b>7. Property, plant and equipment</b>				
Cost beginning of year	60.841.753	146.752.709	9.909.035	8.825.411
Exchange rate adjustments	0	0	61.900	0
Additions	0	5.598.043	782.797	2.236.846
Disposals	0	(1.398.728)	(463.181)	0
<b>Cost end of year</b>	<b>60.841.753</b>	<b>150.952.024</b>	<b>10.290.551</b>	<b>11.062.257</b>
Depreciation and impairment losses beginning of the year	(17.421.996)	(113.479.713)	(6.391.139)	(8.115.598)
Exchange rate adjustments	0	0	(45.994)	0
Depreciation for the year	(1.944.780)	(12.637.839)	(1.034.259)	(594.942)
Reversal regarding disposals	0	1.375.716	463.181	0
<b>Depreciation and impairment losses end of the year</b>	<b>(19.366.776)</b>	<b>(124.741.836)</b>	<b>(7.008.211)</b>	<b>(8.710.540)</b>
<b>Carrying amount end of year</b>	<b>41.474.977</b>	<b>26.210.188</b>	<b>3.282.340</b>	<b>2.351.717</b>

## Notes to consolidated financial statements

	<b>Property, plant and equipment in progress DKK</b>	
<b>7. Property, plant and equipment</b>		
Cost beginning of year		1.424.628
Exchange rate adjustments		0
Additions		2.111.902
Disposals		(1.809.129)
<b>Cost end of year</b>		<b>1.727.401</b>
Depreciation and impairment losses beginning of the year		0
Exchange rate adjustments		0
Depreciation for the year		0
Depreciation and impairment losses end of the year		0
<b>Depreciation and impairment losses end of the year</b>		<b>0</b>
<b>Carrying amount end of year</b>		<b>1.727.401</b>
	<b>Deposits DKK</b>	<b>Deferred tax DKK</b>
<b>8. Fixed asset investments</b>		
Cost beginning of year	255.386	0
Additions	5.991	1.296.000
Disposals	(43.751)	0
<b>Cost end of year</b>	<b>217.626</b>	<b>1.296.000</b>
Impairment losses beginning of year	189	0
Exchange rate adjustments	(1.607)	0
<b>Impairment losses end of year</b>	<b>(1.418)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>216.208</b>	<b>1.296.000</b>

## Notes to consolidated financial statements

	<b>2017</b> <b>DKK</b>	<b>2016</b> <b>DKK'000</b>
<b>9. Deferred tax</b>		
Property, plant and equipment	(1.379.000)	(2.050)
Inventories	1.433.000	1.220
Receivables	4.000	4
Provisions	1.238.000	0
	<b>1.296.000</b>	<b>(826)</b>

### Changes during the year

Beginning of year	(825.635)
Recognised in the income statement	2.121.635
<b>End of year</b>	<b>1.296.000</b>

### 10. Deferred tax

Deferred tax is mainly incumbent on internal profit on inventories and other provisions. Deferred tax on inventories is realised proportionally to selling. Considering the inventory turnover ratio, the tax asset has been recognised at par value. Deferred tax on provisions is realised within one to two years.

### 11. Other provisions

Other provisions relate to a restructuring liability.

	<b>Instalments within 12 months 2017 DKK</b>	<b>Instalments within 12 months 2016 DKK'000</b>	<b>Instalments beyond 12 months 2017 DKK</b>	<b>Outstanding after 5 years DKK</b>
<b>12. Liabilities other than provisions</b>				
Mortgage debts	0	0	16.512.291	14.180.757
Bank loans	2.905.000	2.945	5.387.500	0
	<b>2.905.000</b>	<b>2.945</b>	<b>21.899.791</b>	<b>14.180.757</b>

	<b>2017</b> <b>DKK</b>	<b>2016</b> <b>DKK'000</b>
<b>13. Change in working capital</b>		
Increase/decrease in inventories	4.544.849	(6.234)
Increase/decrease in receivables	(1.290.292)	(6.908)
Increase/decrease in trade payables etc	187.184	848
Other changes	297.362	49
	<b>3.739.103</b>	<b>(12.245)</b>

## Notes to consolidated financial statements

	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK'000</u>
<b>14. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>13.429.957</b>	<b>5.048</b>

### 15. Mortgages and securities

Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the property.

The carrying amount of mortgaged properties amounts to DKK 41,475 thousand.

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>	<u>Equity DKK</u>	<u>Profit/loss DKK</u>
<b>16. Subsidiaries</b>					
DBI Plastics Group A/S	DK	A/S	100,0	98.796.407	4.837.555
DBI Properties ApS	DK	ApS	100,0	18.839.978	1.797.128

## Parent income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Other external expenses		(87.500)	0
<b>Operating profit/loss</b>		<b>(87.500)</b>	<b>0</b>
Income from investments in group enterprises		6.634.684	11.976
<b>Profit/loss before tax</b>		<b>6.547.184</b>	<b>11.976</b>
Tax on profit/loss for the year		19.250	0
<b>Profit/loss for the year</b>	1	<b>6.566.434</b>	<b>11.976</b>

## Parent income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Investments in group enterprises		117.636.384	110.689
<b>Fixed asset investments</b>	2	<b>117.636.384</b>	<b>110.689</b>
<b>Fixed assets</b>		<b>117.636.384</b>	<b>110.689</b>
Other receivables		2.110	2
Income tax receivable		1.231.620	0
<b>Receivables</b>		<b>1.233.730</b>	<b>2</b>
<b>Cash</b>		<b>168</b>	<b>0</b>
<b>Current assets</b>		<b>1.233.898</b>	<b>2</b>
<b>Assets</b>		<b>118.870.282</b>	<b>110.691</b>

## Parent balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Contributed capital		2.000.000	2.000
Reserve for net revaluation according to the equity method		68.845.833	61.898
Retained earnings		46.689.433	46.758
<b>Equity</b>		<b>117.535.266</b>	<b>110.656</b>
Payables to group enterprises		1.305.016	30
Other payables		30.000	5
<b>Current liabilities other than provisions</b>		<b>1.335.016</b>	<b>35</b>
<b>Liabilities other than provisions</b>		<b>1.335.016</b>	<b>35</b>
<b>Equity and liabilities</b>		<b>118.870.282</b>	<b>110.691</b>
Contingent liabilities	3		
Related parties with controlling interest	4		



## Parent statement of changes in equity for 2017

	<b>Contributed capital DKK</b>	<b>Reserve for net revaluation according to the equity method DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	2.000.000	61.897.880	46.757.683	110.655.563
Exchange rate adjustments	0	313.269	0	313.269
Profit/loss for the year	0	6.634.684	(68.250)	6.566.434
<b>Equity end of year</b>	<b>2.000.000</b>	<b>68.845.833</b>	<b>46.689.433</b>	<b>117.535.266</b>

## Notes to parent financial statements

	<b>2017</b> <b>DKK</b>	<b>2016</b> <b>DKK'000</b>
<b>1. Proposed distribution of profit/loss</b>		
Transferred to reserve for net revaluation according to the equity method	6.634.684	11.976
Retained earnings	(68.250)	0
	<b>6.566.434</b>	<b>11.976</b>
		<b>Investments in group enterprises DKK</b>
<b>2. Fixed asset investments</b>		
Cost beginning of year		48.790.551
<b>Cost end of year</b>		<b>48.790.551</b>
Revaluations beginning of year		61.897.880
Exchange rate adjustments		313.269
Share of profit/loss for the year		6.634.684
<b>Revaluations end of year</b>		<b>68.845.833</b>
<b>Carrying amount end of year</b>		<b>117.636.384</b>

### 3. Contingent liabilities

The Parent has issued a cross guarantee for the bank debt of the Danish group enterprises. The total bank debt of the Danish group enterprises that has been guaranteed amounts to DKK 14,720 thousand at 31.12.2017.

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

### 4. Related parties with controlling interest

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

Hans Hellstrøm Henningsen, Slotsvej 52, 2920 Charlottenlund  
 Sille Amalie Schreyer Henningsen, Malmlosevej 88, 2840 Holte  
 Oline Sophia Schreyer Henningsen, Slotsvej 52, 2920 Charlottenlund  
 Asger Emil Schreyer Henningsen, Malmlosevej 88, 2840 Holte

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

### 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.

### Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

### Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

### 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 one in effect at the payment

## Accounting policies

date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### **Income statement**

#### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### **Changes in inventories of finished goods and work in progress**

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress.

#### **Costs of raw materials and consumables**

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

#### **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 write-downs of receivables recognised in current assets.

#### **Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

#### **Depreciation, amortisation and impairment losses**

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

#### **Other operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

#### **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 internal profits or losses.

## Accounting policies

### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, as well as net capital gains on payables and transactions in foreign currencies.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on payables and transactions in foreign currencies, amortisation of financial liabilities as well as 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 all Danish subsidiaries. The current Danish tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with refund concerning tax losses).

### Balance sheet

#### Property, plant and equipment

Land and buildings, plant and machinery, other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	30 years
Plant and machinery	3-7 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Estimated useful lives and residual values are reassessed annually.

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

## Accounting policies

### 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 plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

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 under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally five years.

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 tax-based value of assets and liabilities, for which the tax-based value of assets 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.

### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

## Accounting policies

### Receivables

Receivables are measured at amortised cost, usually equaling nominal value, less write-downs for bad and doubtful debts.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

#### Other provisions

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

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

### Mortgage debt

#### Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

#### Other financial liabilities

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

#### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

### Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment.

## **Accounting policies**

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, instalments on interest-bearing debt and payment of dividend.

Cash and cash equivalents comprise cash and short-term bank debt.