

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

Annual report 2018

The Annual General Meeting adopted the annual report on 12.04.2019

Chairman of the General Meeting

Name: Ole Lund Madsen

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Consolidated income statement for 2018	10
Consolidated balance sheet at 31.12.2018	11
Consolidated statement of changes in equity for 2018	13
Consolidated cash flow statement for 2018	14
Notes to consolidated financial statements	15
Parent income statement for 2018	20
Parent balance sheet at 31.12.2018	21
Parent statement of changes in equity for 2018	23
Notes to parent financial statements	24
Accounting policies	25

Entity details

Entity

DBI Holding A/S
Stationsvej 5
4295 Stenlille

Central Business Registration No: 29821739

Registered in: Sorø

Financial year: 01.01.2018 - 31.12.2018

Phone: +4557894800

Fax: +4557894848

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

Postboks 1600

0900 København 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 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of their operations and the Group's cash flows for the financial year 01.01.2018 - 31.12.2018.

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, 12.04.2019

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 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 01.01.2018 - 31.12.2018, 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 31.12.2018, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent 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, 12.04.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

René Carøe Andersen
State Authorised Public Accountant
Identification number (MNE) mne34499

Ane Sachs Aasand
State Authorised Public Accountant
Identification number (MNE) mne42783

Management commentary

	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000	2014 DKK'000
Financial highlights					
Key figures					
Revenue	170,910	172,672	160,029	150,158	138,206
Gross profit/loss	101,797	101,623	95,760	89,721	81,209
Operating profit/loss	14,390	10,108	16,806	20,571	16,889
Net financials	(686)	(1,802)	(1,179)	(905)	(768)
Profit/loss for the year	10,149	6,567	11,976	15,528	12,315
Total assets	172,579	168,300	161,305	152,297	144,382
Investments in property, plant and equipment	9,469	10,730	13,331	15,800	23,952
Equity incl minority interests	104,548	117,535	110,656	98,969	83,488
Average invested capital incl goodwill	99,570	127,912	142,197	131,714	125,296
Interest bearing debt, net	(4,978)	10,377	31,543	32,745	41,854
Employees in average	199	192	178	148	137
Ratios					
Gross margin (%)	59.6	58.9	59.8	59.8	58.8
Net margin (%)	5.9	3.8	7.5	10.3	8.9
Return on equity (%)	9.1	5.8	11.4	17.0	17.2
Revenue per employee	858.8	899.3	899.0	1,014.6	1,008.8
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 the current version of "Recommendations & Ratios" 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 ended at DKK 170,910 thousand, largely unchanged from 2017.

During the year the Company consolidated its European logistics and warehouse operations in Poland causing the closure of these activities in France and Germany. This restructuring is progressing as planned, and it is expected that the restructuring costs will end at the level provided for in the 2017 accounts (DKK 5,628 thousand).

The consolidated profit for the year ended at DKK 10,149 thousand, up from DKK 6,567 thousand in 2017.

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 2018.

Outlook

A slight growth rate and a result at the level of 2018 is expected for 2019.

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

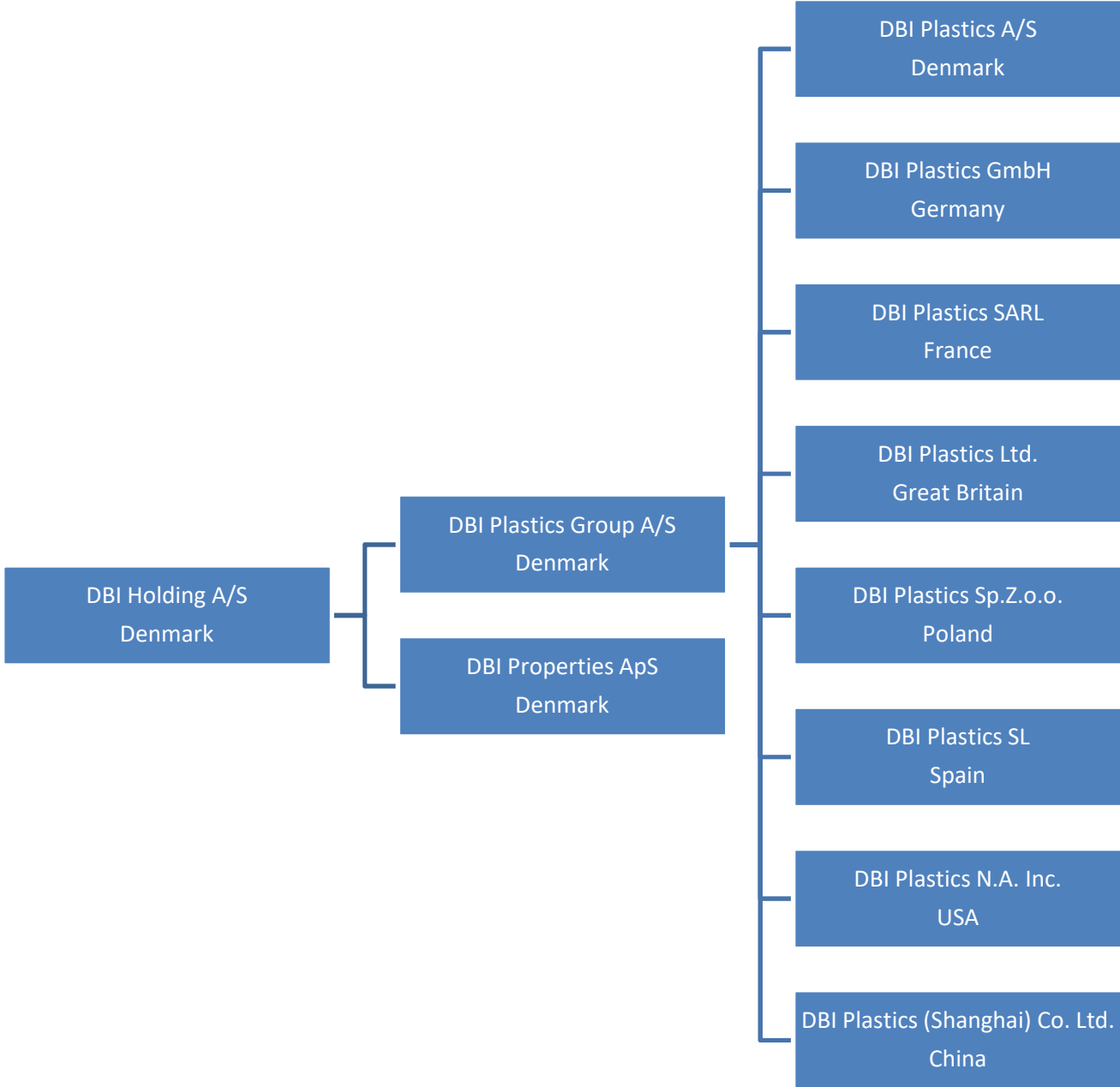
The manufacturing company is environmentally certified under ISO 14001 and, moreover, also under ISO 9001, ISO 50001 and IATF 16949. The Group's activities do not have any material environmental impact.

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 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Revenue		170,910,003	172,672
Costs of raw materials and consumables		(37,909,993)	(38,625)
Other external expenses		(31,203,351)	(32,424)
Gross profit/loss		101,796,659	101,623
Staff costs	1	(72,178,836)	(69,802)
Depreciation, amortisation and impairment losses	2	(15,228,237)	(16,084)
Other operating expenses		0	(5,629)
Operating profit/loss		14,389,586	10,108
Other financial income	3	12,962	55
Other financial expenses	4	(699,364)	(1,857)
Profit/loss before tax		13,703,184	8,306
Tax on profit/loss for the year	5	(3,554,171)	(1,739)
Profit/loss for the year	6	10,149,013	6,567

Consolidated balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK'000
Land and buildings		39,396,731	41,475
Plant and machinery		23,494,020	26,210
Other fixtures and fittings, tools and equipment		2,284,696	3,283
Leasehold improvements		1,374,494	2,351
Property, plant and equipment in progress		1,040,418	1,727
Property, plant and equipment	7	67,590,359	75,046
Deposits		297,451	217
Deferred tax	9	1,350,000	1,296
Fixed asset investments	8	1,647,451	1,513
Fixed assets		69,237,810	76,559
Raw materials and consumables		3,420,236	3,734
Manufactured goods and goods for resale		32,595,478	34,632
Inventories		36,015,714	38,366
Trade receivables		35,503,421	35,082
Other receivables		2,575,617	1,924
Prepayments		185,474	59
Receivables		38,264,512	37,065
Cash		29,061,417	16,310
Current assets		103,341,643	91,741
Assets		172,579,453	168,300

Consolidated balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Contributed capital		2,000,000	2,000
Retained earnings		102,547,787	115,535
Equity		104,547,787	117,535
Other provisions	10	2,146,102	5,629
Provisions		2,146,102	5,629
Mortgage debts		16,512,291	16,512
Bank loans		3,562,500	5,388
Non-current liabilities other than provisions	11	20,074,791	21,900
Current portion of long-term liabilities other than provisions	11	1,825,000	2,905
Trade payables		8,178,088	5,903
Payables to group enterprises		21,556,000	0
Income tax payable		2,182,850	1,882
Other payables		12,008,418	12,546
Deferred income	12	60,417	0
Current liabilities other than provisions		45,810,773	23,236
Liabilities other than provisions		65,885,564	45,136
Equity and liabilities		172,579,453	168,300
Unrecognised rental and lease commitments	14		
Mortgages and securities	15		
Subsidiaries	16		

Consolidated statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Total DKK
Equity beginning of year	2,000,000	115,535,266	0	117,535,266
Extraordinary dividend paid	0	0	(23,000,000)	(23,000,000)
Exchange rate adjustments	0	(136,492)	0	(136,492)
Profit/loss for the year	0	(12,850,987)	23,000,000	10,149,013
Equity end of year	2,000,000	102,547,787	0	104,547,787

Consolidated cash flow statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Operating profit/loss		14,389,586	10,108
Amortisation, depreciation and impairment losses		15,228,237	16,084
Other provisions		(3,482,367)	5,628
Working capital changes	13	2,815,507	3,740
Cash flow from ordinary operating activities		28,950,963	35,560
Financial income received		0	308
Financial income paid		(686,402)	(2,110)
Income taxes refunded/(paid)		(3,307,069)	(2,445)
Cash flows from operating activities		24,957,492	31,313
Acquisition etc of property, plant and equipment		(9,469,434)	(8,920)
Sale of property, plant and equipment		1,693,300	151
Acquisition of fixed asset investments		(80,649)	39
Cash flows from investing activities		(7,856,783)	(8,730)
Instalments on loans etc		(2,905,209)	(2,945)
Incurrence of debt to group enterprises		21,556,000	0
Dividend paid		(23,000,000)	0
Cash flows from financing activities		(4,349,209)	(2,945)
Increase/decrease in cash and cash equivalents		12,751,500	19,638
Cash and cash equivalents beginning of year		16,309,917	(3,328)
Cash and cash equivalents end of year		29,061,417	16,310

Notes to consolidated financial statements

	2018 DKK	2017 DKK'000
1. Staff costs		
Wages and salaries	65,882,014	63,833
Pension costs	2,143,577	1,929
Other social security costs	3,333,909	3,794
Other staff costs	819,336	246
	72,178,836	69,802
Average number of employees	199	192
	Remunera- tion of manage- ment 2018 DKK	Remunera- tion of manage- ment 2017 DKK'000
Total amount for management categories	2,805	4,805
	2,805	4,805
	2018 DKK	2017 DKK'000
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	15,228,237	16,212
Profit/loss from sale of intangible assets and property, plant and equipment	0	(128)
	15,228,237	16,084
	2018 DKK	2017 DKK'000
3. Other financial income		
Interest income	0	3
Other financial income	12,962	52
	12,962	55
	2018 DKK	2017 DKK'000
4. Other financial expenses		
Interest expenses	440,280	561
Exchange rate adjustments	259,084	1,296
	699,364	1,857

Notes to consolidated financial statements

	2018 DKK	2017 DKK'000
5. Tax on profit/loss for the year		
Tax on current year taxable income	3,902,753	3,861
Change in deferred tax for the year	(54,000)	(2,122)
Adjustment concerning previous years	(294,582)	0
	3,554,171	1,739

	2018 DKK	2017 DKK'000
6. Proposed distribution of profit/loss		
Extraordinary dividend distributed in the financial year	23,000,000	0
Retained earnings	(12,850,987)	6,567
	10,149,013	6,567

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
7. Property, plant and equipment				
Cost beginning of year	60,841,753	150,952,024	10,290,551	11,062,257
Exchange rate adjustments	0	0	(25,262)	0
Additions	0	8,962,046	391,309	29,343
Disposals	(531,050)	0	(1,379,248)	0
Cost end of year	60,310,703	159,914,070	9,277,350	11,091,600
Depreciation and impairment losses beginning of the year	(19,366,776)	(124,741,837)	(7,008,211)	(8,710,539)
Exchange rate adjustments	0	0	21,101	0
Depreciation for the year	(1,547,196)	(11,678,213)	(996,261)	(1,006,567)
Reversal regarding disposals	0	0	990,717	0
Depreciation and impairment losses end of the year	(20,913,972)	(136,420,050)	(6,992,654)	(9,717,106)
Carrying amount end of year	39,396,731	23,494,020	2,284,696	1,374,494

Notes to consolidated financial statements

	Property, plant and equipment in progress DKK	
	<u>DKK</u>	
7. Property, plant and equipment		
Cost beginning of year		1,727,401
Exchange rate adjustments		0
Additions		86,736
Disposals		(773,719)
Cost end of year		<u>1,040,418</u>
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
Depreciation and impairment losses end of the year		<u>0</u>
Carrying amount end of year		<u>1,040,418</u>
	Deposits DKK	Deferred tax DKK
	<u>DKK</u>	<u>DKK</u>
8. Fixed asset investments		
Cost beginning of year	217,626	1,296,000
Additions	81,243	54,000
Cost end of year	<u>298,869</u>	<u>1,350,000</u>
Impairment losses beginning of year	(1,418)	0
Impairment losses end of year	<u>(1,418)</u>	<u>0</u>
Carrying amount end of year	<u>297,451</u>	<u>1,350,000</u>

Notes to consolidated financial statements

	2018 DKK	2017 DKK'000
9. Deferred tax		
Property, plant and equipment	(879,000)	(1,379)
Inventories	1,746,000	1,433
Receivables	4,000	4
Provisions	479,000	1,238
	1,350,000	1,296

Changes during the year

Beginning of year	1,296,000
Recognised in the income statement	54,000
End of year	1,350,000

10. Other provisions

Other provisions relate to a restructuring liability.

	Instalments within 12 months 2018 DKK	Instalments within 12 months 2017 DKK'000	Instalments beyond 12 months 2018 DKK	Outstanding after 5 years DKK
11. Liabilities other than provisions				
Mortgage debts	0	0	16,512,291	12,463,884
Bank loans	1,825,000	2,905	3,562,500	0
	1,825,000	2,905	20,074,791	12,463,884

12. Short-term deferred income

Deferred income recognized as liabilities relates to income to recognition in following financial years

	2018 DKK	2017 DKK'000
13. Change in working capital		
Increase/decrease in inventories	2,349,865	4,545
Increase/decrease in receivables	(1,199,089)	(1,290)
Increase/decrease in trade payables etc	1,797,447	188
Other changes	(132,716)	297
	2,815,507	3,740

Notes to consolidated financial statements

	<u>2018</u> <u>DKK</u>	<u>2017</u> <u>DKK'000</u>
14. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	<u>13,239,911</u>	<u>13,430</u>

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 39,397 thousand.

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>	<u>Equity DKK</u>	<u>Profit/loss DKK</u>
16. Subsidiaries					
DBI Plastics Group A/S	DK	A/S	100.0	107,377,534	8,717,619
DBI Properties ApS	DK	ApS	100.0	20,631,307	1,791,329

Parent income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Other external expenses		(125,849)	(87)
Operating profit/loss		(125,849)	(87)
Income from investments in group enterprises		10,247,252	6,635
Other financial income		(389)	0
Profit/loss before tax		10,121,014	6,548
Tax on profit/loss for the year		28,000	19
Profit/loss for the year	1	10,149,014	6,567

Parent income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Investments in group enterprises		127,747,144	117,637
Fixed asset investments	2	127,747,144	117,637
Fixed assets		127,747,144	117,637
Other receivables		0	2
Joint taxation contribution receivable		28,000	1,232
Receivables		28,000	1,234
Cash		175,114	0
Current assets		203,114	1,234
Assets		127,950,258	118,871

Parent balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Contributed capital		2,000,000	2,000
Reserve for net revaluation according to the equity method		78,956,593	68,845
Retained earnings		23,591,195	46,690
Equity		104,547,788	117,535
Payables to group enterprises		23,342,582	1,305
Other payables		59,888	31
Current liabilities other than provisions		23,402,470	1,336
Liabilities other than provisions		23,402,470	1,336
Equity and liabilities		127,950,258	118,871
Contingent liabilities	3		
Related parties with controlling interest	4		

Parent statement of changes in equity for 2018

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed extraordinary dividend DKK
Equity beginning of year	2,000,000	68,845,833	46,689,433	0
Extraordinary dividend paid	0	0	0	(23,000,000)
Exchange rate adjustments	0	(136,492)	0	0
Profit/loss for the year	0	10,247,252	(23,098,238)	23,000,000
Equity end of year	2,000,000	78,956,593	23,591,195	0
				Total DKK
Equity beginning of year				117,535,266
Extraordinary dividend paid				(23,000,000)
Exchange rate adjustments				(136,492)
Profit/loss for the year				10,149,014
Equity end of year				104,547,788

Notes to parent financial statements

	2018 DKK	2017 DKK'000
1. Proposed distribution of profit/loss		
Extraordinary dividend distributed in the financial year	23,000,000	0
Transferred to reserve for net revaluation according to the equity method	10,247,252	6,635
Retained earnings	(23,098,238)	(68)
	10,149,014	6,567
		Investments in group enterprises DKK
2. Fixed asset investments		
Cost beginning of year		48,790,551
Cost end of year		48,790,551
Revaluations beginning of year		68,845,833
Exchange rate adjustments		(136,492)
Share of profit/loss for the year		10,247,252
Revaluations end of year		78,956,593
Carrying amount end of year		127,747,144

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 9,452 thousand at 31.12.2018.

The Company participates in a Danish joint taxation arrangement in which DBI Holding II A/S serves as the administration company. 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 for obligations, if any, relating to the withholding tax on interest, royalties and dividend for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

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:

DBI Holding II A/S, Stationsvej 5, 4295 Stenlille, Central Business Registration No. 40085297

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.

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.

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.

Accounting policies

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, 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.

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.

Accounting policies

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.

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.

Accounting policies

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.

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

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.

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.