

Color Print A/S

Charles Lindberghs Vej 10, 9430 Vadum

CVR no. 34 62 60 73

Annual report 2018/19

Approved at the Company's annual general meeting on 21 June 2019

Chairman:



Carsten Christensen

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Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Color Print A/S for the financial year 1 May 2018 - 30 April 2019.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 April 2019 and of the results of the Company's operations for the financial year 1 May 2018 - 30 April 2019 in accordance with the Danish Financial Statements Act.

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

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

Vadum, 21 June 2019
Executive Board:



Søren S. Henriksen
CEO

Board of Directors:



Carsten Christensen
Chairman



Søren Hove



Søren S. Henriksen

Independent auditor's report

To the shareholders of Color Print A/S

Opinion

We have audited the financial statements of Color Print A/S for the financial year 1 May 2018 - 30 April 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 30 April 2019 and of the results of the Company's operations for the financial year 1 May 2018 - 30 April 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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.

Independent auditor's report

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the 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's review.

Aarhus, 21 June 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28



Jens Weiersøe Jakobsen
State Authorised
Public Accountant
mne30152



Søren Jensen
State Authorised
Public Accountant
mne34132

Management's review

Company details

Name	Color Print A/S
Address	Charles Lindberghs Vej 10, DK-9430 Vadum
CVR No.	34 62 60 73
Established	8 August 2012
Registered office	Aalborg
Financial year	1 May - 30 April
Website	www.stibocomplete.com
Telephone	+45 96 38 06 38
Board of Directors:	Carsten Christensen, Chairman Søren Hove Søren S. Henriksen
Executive Board	Søren S. Henriksen, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, DK-8000 Aarhus C

Management's review

Financial highlights

DKK'000	2018/19	2017/18	2016/17	2015/16	2014/15
Key figures					
Revenue	278,279	314,794	361,422	431,834	442,640
Gross margin	61,366	69,526	89,900	109,265	102,002
EBITDA	11,964	18,576	32,322	45,104	28,994
Operating profit/loss	-4,649	1,811	15,927	29,247	19,536
Profit/loss after tax in group entities	26	32	25	20	112
Profit/loss before net financials	-4,623	1,843	15,952	29,267	19,648
Profit/loss from net financials	-443	-2,857	-2,110	-3,122	-3,917
Profit/loss before tax	-5,066	-1,014	13,842	26,145	15,731
Profit/loss for the year	-3,939	-790	10,784	20,392	12,067
Fixed assets	58,198	73,987	82,742	95,573	111,233
Current assets	73,393	83,673	97,549	98,146	90,184
Total assets	131,591	157,660	180,291	193,719	201,417
Share capital	10,100	10,100	10,100	10,100	10,100
Equity	97,468	101,406	102,345	101,299	80,777
Provisions	6,436	7,959	8,029	7,964	6,370
Non-current liabilities other than provisions	0	0	9,662	18,034	25,986
Current liabilities other than provisions	27,687	48,295	60,255	66,422	88,284
Investments for the year in property, plant and equipment	874	895	3,634	8,119	1,707
Financial ratios %					
Profit margin	-1.7	0.6	4.4	6.8	4.4
Return on capital employed	-3.4	1.2	9.3	15.9	9.7
Gross margin	22.1	22.1	24.9	25.3	23.0
Equity ratio	74.1	64.3	56.8	52.3	40.1
Return on equity	-4.0	-0.8	10.6	22.4	17.1
Average number of employees	88	94	107	115	127

For terms and definitions, please see the accounting policies.

Management's review

Operating review

Color Print A/S forms part of the Stibo Complete A/S Group, which is owned by the foundation-owned Stibo Group.

Stibo Complete A/S is the Parent Company of Scandinavia's largest manufacturer of physical marketing materials and is the owner of the companies: Color Print A/S, Stibo Graphic A/S and Distribution Plus A/S (70%-ownership) in Denmark and Sörmlands Printing Solutions AB, Stibo Media AB and GigantPrint AB in Sweden.

What we do

Stibo has run a printing house for more than 225 years, and today, we are one of the largest and strongest players in Scandinavia. There is still, and for many years to come will be a large market for graphic products in Scandinavia for players that are able to adjust to a changing market. And Stibo Complete is in the best possible position to take advantage of this market thanks to its market position, specialist expertise and solid, forward-looking ownership as a foundation-owned company.

Color Print's primary business activities relate to the development and production of graphic products, primarily marketing materials, but also journals, magazines, newspaper inserts and catalogues for a wide range of customers on the Scandinavian markets. The customers receive competitive and flexible solutions with short production and delivery times.

Color Print has a strong market position within its business area. The production facilities are market-leading in Scandinavia within marketing materials. In close cooperation with the other entities in Stibo Complete, Color Print is to maintain and expand its leading position even further.

Color Print A/S forms part of the foundation-owned Stibo Group. We refer to the annual report for Stibo-Fonden.

The year's headlines:

1. Structural market changes with increasing digitalisation are affecting all businesses engaged in the printing industry. We are continually assessing the possibility to combine physical and digital marketing materials in order to provide effective solutions to our customers. We have strengthened our cooperation with our affiliated companies CCI Europe and Stibo Systems.
2. Several very large competitors within the heatset print industry in Europe have gone bankrupt because of the falling market and the heavy increase in the price of paper and distribution costs. We expect to see many bankruptcies in Europe in the coming period.
3. Our market share in Sweden grew again in 2018/19. Sweden is the largest and most interesting growth market for the Group.
4. Color Print A/S is continuously expanding its position as Scandinavian market leader primarily within marketing materials, and is actively engaged in cultivating the market to attract new customers.

Key figures 2018/19 Color Print A/S

Revenue	DKK 278 million (2017/18: DKK 315 million)
EBITDA	DKK 12 million (2017/18: DKK 19 million)
Profit before tax:	DKK -5 million (2017/18: DKK -1 million)
Equity	DKK 97 million (2017/18: DKK 101 million)
Number of employees	88 (2017/18: 94)

Results of operation for 2018/19 are not satisfactory and are lower than last year, but in line with expectations for the year.

Color Print's financial statements show a relatively high depreciation/amortisation level, and the Company overall generates, as in previous years, a relatively high EBITDA level and a positive cash flow.

Management's review

Operating review

The fundamental and structural changes in the market are naturally reflected in the 2018/19 financial statements. Decreasing revenue does not relate to an outflow of customers, but a decreasing volume in general and a decrease in demand on the traditional printing market. The activity is thus affected by a decrease in the circulation volume, in the number of pages and a reduced frequency in the number of publications. Moreover, the activity is negatively affected by the trend in "Advertisements - No thank you" and a decrease in the demand on the traditional printing market, which competes with other media.

Events after the balance sheet date

Due to increasing demand in Sweden, it has been decided to move a heatset printing machine from Denmark to our facilities in Katrineholm, which will come into operation around 1st of October 2019.

Outlook

Together with the other Stibo Complete group entities, Color Print is market leader in Scandinavia. We are still investing heavily in business development and in the consolidation of the industry. Companies in the Stibo Complete Group offer a unique range of graphic services, and long-term expectations are therefore positive.

Management expects that the described market trend will continue in the coming years. Measures already taken and investments made are expected to foster further growth of our market shares in Sweden and in particular growth in the sale of new graphic services. Thus, Management expects that Color Print's results of operations in 2019/20 will be affected by the ongoing transformation. The Company expects to report results of operations in line with 2018/19, but with a positive effect if the Swedish and the Norwegian kroner increase vis-a-vis the Danish kroner.

Risks

Future market risks are currently related to high distribution prices for publishers, mainly due to changes in PostNord, and naturally, this may imply that they select other marketing solutions, resulting in a further decrease in market demand.

Corporate social responsibility

Corporate social responsibility is an integral part of Stibo Complete's business strategy. The Group's goal is to act responsibly vis-a-vis its customers, employees, business partners and the community. Color Print A/S is included in Stibo Complete's CSR report, which is published in the annual report of Stibo Complete A/S.

Section 99b of the Danish Financial Statements Act - Gender composition of Management

Color Print A/S has also published its Report on gender composition in the annual report of Stibo Complete A/S.

Financial statements 1 May - 30 April

Income statement

Note	DKK'000	2018/19	2017/18
	Revenue	278,279	314,794
	Changes in inventories of work in progress	441	-1,537
2	Other operating income	7,804	10,192
		<u>286,524</u>	<u>323,449</u>
	Raw materials and consumables	-201,846	-227,371
	Other external expenses	-23,312	-26,552
	Gross margin	61,366	69,526
3	Staff costs	-49,218	-50,786
4	Amortisation and depreciation	-16,797	-16,929
	Operating profit/loss	-4,649	1,811
9	Profit/loss after tax in group entities	26	32
5	Financial income	309	584
6	Financial expenses	-752	-3,441
	Profit/loss before tax	-5,066	-1,014
7	Tax for the year	1,127	224
	Profit/loss for the year	<u>-3,939</u>	<u>-790</u>
	 Proposed distribution of profit/loss		
	Proposed dividend	0	0
	Transfer to reserve for net revaluation according to the equity method	26	32
	Retained earnings	-3,965	-822
		<u>-3,939</u>	<u>-790</u>

Financial statements 1 May - 30 April

Balance sheet

Note	DKK'000	30/4 2019	30/4 2018
	ASSETS		
	Fixed assets		
8	Property, plant and equipment		
	Plant and machinery	46,510	62,249
	Fixtures and fittings, tools and equipment	0	0
		<u>46,510</u>	<u>62,249</u>
	Investments		
9	Investments in group entities	440	413
	Deposits	4,229	4,229
	Receivables from group entities	7,019	7,096
		<u>11,688</u>	<u>11,738</u>
	Total fixed assets	<u>58,198</u>	<u>73,987</u>
	Current assets		
	Inventories		
	Raw materials and consumables	19,548	17,551
	Work in progress	2,904	2,463
		<u>22,452</u>	<u>20,014</u>
	Receivables		
	Trade receivables	36,478	39,718
	Receivables group entities	3,565	13,110
	Joint taxation contributions receivable	0	192
	Other receivables	4,628	529
	Prepayments	1,184	1,291
		<u>45,855</u>	<u>54,840</u>
	Cash	<u>5,086</u>	<u>8,819</u>
	Total current assets	<u>73,393</u>	<u>83,673</u>
	TOTAL ASSETS	<u>131,591</u>	<u>157,660</u>

Financial statements 1 May - 30 April

Balance sheet

Note	DKK'000	30/4 2019	30/4 2018
	EQUITY AND LIABILITIES		
10	Equity		
	Share capital	10,100	10,100
	Reserve for net revaluation according to the equity method	334	307
	Retained earnings	87,034	90,999
	Proposed dividend	0	0
	Total equity	97,468	101,406
	Provisions		
11	Deferred tax	6,436	7,959
	Total provisions	6,436	7,959
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Current portion of non-current liabilities other than provisions	0	9,662
	Trade payables	2,606	4,018
	Joint taxation contribution payable	396	0
	Payables to group entities	19,406	23,738
	Other payables	5,279	10,877
		27,687	48,295
	Total liabilities other than provisions	27,687	48,295
	TOTAL EQUITY AND LIABILITIES	131,591	157,660

- 1 Accounting policies
- 12 Charges, collateral and contingent liabilities
- 13 Rental and lease commitments
- 14 Currency risks and use of derivative financial instruments
- 15 Related parties

Financial statements 1 May - 30 April

Statement of changes in equity

Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Proposed dividend	Total
	Equity at 1 May 2018	10,100	307	90,999	0	101,406
	Distributed dividend	0	0	0	0	0
	Exchange rate adjustments resulting from translation of foreign entities	0	1	0	0	1
	Transferred; see distribution of profit/loss	0	26	-3,965	0	-3,939
	Equity at 30 April 2019	10,100	334	87,034	0	97,468

Financial statements 1 May - 30 April

Notes

1 Accounting policies

The annual report of Color Print A/S for 2018/19 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

In accordance with section 86, 96 and 112 of the Danish Financial Statements Act, the Company does not prepare any cash flow statement, information of fees to the auditors appointed at the annual general meeting and independent consolidated financial statements of Color Print A/S as the Company is included in Stibo-Fonden's cash flow statement, audit note and consolidated financial statements.

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

Income statement

Revenue

Revenue from the sale of goods and services is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be measured reliably and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress include the changes in the year of inventories of finished goods and work in progress.

Other operating income

Other operating income comprises items secondary to the primary activities of the company.

Raw materials and consumables

Raw materials and consumables include the year's purchase of goods and services and the changes in the year of inventories of raw materials and consumables.

Other external expenses

Other external expenses comprise cost for the year primary to the principal activities of the Company,

Staff costs

Staff costs comprise wages and salaries, remuneration, pension and other staff costs regarding the Company's employees, including members of the Executive Board and the Board of Directors.

Amortisation and depreciation

Depreciation for the year comprises depreciation for the year on property plant and equipment.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Profit/loss after tax in group entity

The proportionate share of the results after tax of the individual subsidiaries is recognised in the Company's income statement after full elimination of intra-group profits/losses and amortisation of goodwill.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc. Interest expenses are not capitalised.

Tax for the year

The Company is covered by the Danish rules on compulsory joint taxation of the Stibo Group's Danish companies. Subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company Stibo Holding A/S is the administration company under the joint taxation and accordingly pays all corporation taxes to the tax authorities.

The current Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income upon settlement of joint taxation contributions. Loss-making entities receive joint taxation contributions from entities which have been able to apply the losses to reduce their own taxable income

Tax for the year comprises the year's joint taxation contribution charge and changes in deferred tax. The tax expense is recognised in profit or loss. The portion attributable to changes in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Plant and machinery are measured at cost less accumulated depreciation.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives. The expected useful lives are 3-15 years.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

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

Financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Leases

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of future lease payments. In calculating the present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

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

Investments in group entities

Investments in group entities are measured according to the equity method.

Investments in group entities are measured in the balance sheet at the proportionate share of the entities' net asset value according to the Parent Company's accounting policies minus or plus unrealised intra-group gains and losses plus goodwill on consolidation.

Group entities with a negative net asset value are measured at DKK 0, and any receivable is written down by the Parent Company's share of the negative net asset value insofar as it is considered irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the Parent Company has a legal or a constructive obligation to cover the subsidiary's deficit.

Net revaluation of investments in group entities is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost.

Inventories

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

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The cost of work in progress includes the cost of raw materials, consumables, manufacturing costs and production overheads.

Receivables

Receivables are measured at amortised cost. Write-down is made for expected losses.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Joint taxation contribution and deferred tax

Joint taxation contribution payable and receivable are recognised in the balance sheet as a separate line item.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Changes in deferred tax resulting from changed tax rates are recognised in the income statement

Liabilities other than provisions

Debt to mortgage credit institutions and banks are recognised at the date of borrowing at the proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables or other payables.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of the fair value of a recognised asset or liability are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised in other receivables or other payables and in equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Segment information

The Company only has publishing activities and the Company therefore only operates within one segment.

Financial statements 1 May - 30 April

Notes

1 Accounting policies (continued)

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Profit margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Return on capital employed	$\frac{\text{Operating profit} \times 100}{\text{Average operating assets}}$
Operating assets	Operating assets comprise total assets less cash, investments in group entities and securities.
Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$

Financial statements 1 May - 30 April

Notes

2 Other operating income

The item mainly includes income on the sale of paper shredder as well as gains on the sale of property, plant and equipment.

DKK'000	2018/19	2017/18
3 Staff costs		
Wages and salaries	44,770	46,280
Pensions	3,395	3,405
Other social security costs	1,053	1,101
	<u>49,218</u>	<u>50,786</u>
Average number of employees	<u>88</u>	<u>94</u>

In accordance with section 98b(3) of the Danish Financial Statements Act, no disclosures are made on Management's remuneration.

4 Amortisation and depreciation

Plant and machinery	16,613	16,722
Fixtures and fittings, tools and equipment	0	43
Minor acquisitions	184	164
	<u>16,797</u>	<u>16,929</u>

5 Financial income

Interest income from group entities	237	249
Other financial income	72	335
	<u>309</u>	<u>584</u>

6 Financial expenses

Interest expenses to group entities	217	222
Other financial expenses	535	3,219
	<u>752</u>	<u>3,441</u>

7 Tax for the year

Current tax	396	-192
Deferred tax	-1,523	-32
	<u>-1,127</u>	<u>-224</u>

Financial statements 1 May - 30 April

Notes

8 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, tools and equipment
Cost at 1 May 2018	150,691	484
Additions	874	0
Disposals	0	0
Cost at 30 April 2019	<u>151,565</u>	<u>484</u>
Amortisation at 1 May 2018	-88,442	-484
Disposals	0	0
Amortisation and depreciation	-16,613	0
Amortisation at 30 April 2019	<u>-105,055</u>	<u>-484</u>
Carrying amount at 30 April 2019	<u><u>46,510</u></u>	<u><u>0</u></u>
Amortised over	<u>3-15 years</u>	<u>5-10 years</u>

DKK'000	2018/19	2017/18
9 Investments in group entities		
Cost at 1 May	106	106
Additions	0	0
Cost at 30 April	<u>106</u>	<u>106</u>
Adjustments at 1 May	307	288
Exchange rate adjustment relating to group entities	1	-13
Profit/loss for the year after tax	26	32
Adjustments at 30 April	<u>334</u>	<u>307</u>
Carrying amount at 30 April	<u><u>440</u></u>	<u><u>413</u></u>
Hereof goodwill	<u>0</u>	<u>0</u>

Name	Registered office	Ownership interest
Stibo Norge AS	Norway	100%

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DKK'000	2018/19	2017/18
10 Equity		
Proposed distribution of profit/loss		
Proposed dividend	0	0
Provision for net revaluation reserve according to the equity method	26	32
Retained earnings	-3,965	-822
	-3,939	-790

In 2014/15, the share capital was increased upon a merger from DKK 10,000 thousand to DKK 10,100 thousand. The share capital has remained unchanged in the past years. The share capital totals 10,100,000 shares of DKK 1 each.

DKK'000	2018/19	2017/18
11 Deferred tax		
Deferred tax at 1 May	7,959	8,029
Changes in the year, see note 7	-1,523	-32
Changes in the year re. changes in equity	0	-38
Deferred tax at 30 April	6,436	7,959

12 Charges, collateral and contingent liabilities

The Company is jointly taxed with the other Danish consolidated entities. As a consolidated entity, the Company has joint and several unlimited liability, together with other consolidated entities, for all Danish income taxes and withholding taxes on dividend, interest and royalties within the joint taxation group.

The jointly taxed entities' total known net liabilities to the Danish Customs and Tax Administration are stated in the financial statements of the administration company Stibo Holding A/S. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc. could entail an increase in the entity's tax liability.

13 Rental and lease commitments

The Company has entered into leases totalling DKK 26.5 million (2017/18: DKK 31.2 million) with a term of 1-6 years.

The lease commitments (operating leases) fall due within 5 years at an amount of DKK 3.1 million (2017/18: DKK 3.8 million).

14 Currency risks and use of derivative financial instruments

At 30 April 2019, the Company has not entered into any forward exchange contracts.

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15 Related parties

Control

Stibo-Fonden, Axel Kiers Vej 11, DK-8270 Højbjerg.

Color Print A/S is wholly-owned by Stibo Complete A/S, Horsens, whose ultimate parent company is Stibo-Fonden, Aarhus.

Color Print A/S is included as subsidiary in the consolidated financial statements of Stibo Complete A/S, Aarhus.

Related party transactions

Related parties include Stibo-Fonden and subsidiaries in which Stibo-Fonden directly or indirectly exercises control.

Related party transactions in 2018/19:

DKK'000	2018/19
Income ¹	9,049
Expenses ¹	25,232
Financial income and expenses, net ²	-6
Receivables from group entities ³	10,584
Payables to group entities ³	19,406

¹ Include purchase and sale of goods and services.

² Include financial income or financial expenses in relation to intra-group financing.

³ Include receivables and payables in connection with purchase and sale of goods and services as well as intra-group financing.