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## Scandinavian Packaging A/S

Bækgårdsvej 56  
4140 Borup

**CVR no. 66 15 28 12**

**Annual report 2017**

The annual report has been presented and approved on the Company's ordinary general meeting on 11<sup>th</sup> of April 2018



Chairman of general meeting

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**COMPANY DETAILS**

<b>Reporting entity</b>	Scandinavian Packaging A/S Bækgårdsvej 56 4140 Borup
	CVR no.: 66 15 28 12
	Date of foundation: August 14, 1980
	Reporting entity: Borup
	Reporting period: 1 January 2017 - 31 December 2017
<b>Board of Directors</b>	Hanne Zinck Jørgensen, chairman Bjarke Rolf Arlø Steen Larsen Uffe Rolf Theilade
<b>Executive Board</b>	Bjarke Rolf Arlø
<b>Company auditors</b>	Kallermann Revision A/S - statsautoriseret revisionsfirma Stationspladsen 1 og 3 3000 Helsingør
	CVR no.: 30 19 52 64

**STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT**

The Board of Directors and the Executive Board have today considered and approved the annual report for the financial year 1 January - 31 December 2017 for Scandinavian Packaging A/S.

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

In our opinion the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of its financial performance for the financial year 1 January - 31 December 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.

Borup, 3 April 2018

**Executive board**



Bjarke Rolf Arto

**Board of Directors**



Hanne Zinck Jørgensen  
chairman



Bjarke Rolf Arto



Steen Larsen



Uffe Rolf Theilade

## INDEPENDENT AUDITOR'S REPORT

### To the shareholders of Scandinavian Packaging A/S

#### Opinion

We have audited the Financial Statements of Scandinavian Packaging A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Company. 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 Company's financial position at 31 December 2017 and of the result of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. 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 the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's Responsibility for the 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 Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

**INDEPENDENT AUDITOR'S REPORT**

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 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 Management's Review**

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Elsinore, 3 April 2018

CVR no. 30 19 52 64

Kallermann Revision A/S - statsautoriseret revisionsfirma



Peter Kallermann

State Authorized Public Accountant

MNE no.: mne8285

## MANAGEMENT'S REVIEW

### Primary activities

The main activity of the company is design, development, manufacturing and sales of standard and specialty packaging.

### Uncertainty relating to recognition and measurement

The financial report is not affected by uncertainty in recognition and measurement.

### Development in activities and finances

The annual report for the period 01-01-2017 to 31-12-2017 shows a result of DKK 3.380.920 against DKK 1.566.716 for the period 01-01-2016 to 31-12-2016. For 2017 the EBITDA was DKK 9.939.440 and the balance shows an equity of DKK 16.969.283.

During the year the company has had a positive sales growth, but based on increased focus on improved contribution and general cost savings the growth of the earning for the year supersedes the sales growth.

Furthermore new production capacity and new technology has been installed and implemented during the year preparing for future growth. In light of this the result for the year is very satisfactory.

### Description of environmental matters

During the year the company has maintained its certifications within quality management (ISO9001), food safety (ISO22000/FSSC22000), GMP pharma production (ISO15378) and also environmental management (ISO14001). Further projects creating energy reductions has been implemented and also planned for the future.

### Events after the balance sheet date

After the year end Scandinavian Packaging Holding Aps, being the owners of Scandinavian Packaging A/S, have merged Scandinavian Packaging A/S into the Dutch packaging group Novio Packaging Group B.V. Scandinavian Packaging A/S is thereby a part of a larger group with global reach. This will have a positive impact on the sales activities in Scandinavia due to access to a larger assortment and also a positive impact on export based on the new groups sales organization. The group will support the continuous growth of Scandinavian Packaging A/S and the Danish company will contribute to the further expansion of Novio Packaging Group B.V.

### Statement of corporate social responsibility

The company continues to work according to UN Global Compact principles being used in developing the organization and in choosing suppliers to work this. The company has also undertaken to work according the 17 UN Sustainable Development Goals. During the year the company won the "Initiative Price" for best SME in the region with a high focus on social responsibility, sustainability and digitalization.

## ANNUAL REPORT

### ACCOUNTING POLICIES

This annual report of Scandinavian Packaging A/S for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with additional choice of a few rules from class C enterprises.

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

#### Recognition and measurement

Income is recognised in the income statement when earned, hereunder valuation adjustment concerning financial assets and liabilities. Costs are also recognised in the income statement, hereunder depreciations and amortisations.

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 Company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Company 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 Company, and the value of the liabilities can be measured reliably.

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

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

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

#### Foreign currency translation

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 date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

#### Leasing

Leasing contracts concerning equipment, where the Company has all significant risks and advantages with the ownership (financial leasing) are included in the balance sheet as assets. The assets are measured at first recognition calculated at cost, which equals fair value or (if lower) present value of the future leasing payments. When calculating the present value the internal interest rate of the leasing agreement is used as discount rate or the Company's alternative mortgage rate as an approximate rate. Financial leased assets are deducted as other similar equipment.

The capitalized residual lease commitment is recognized in the balance sheet as a liability, and the leasing payment is recognized during the contract's duration in the income statement.

All other leasing contracts are considered to be operational leasing. Payments in connection with operational leasing and other lease agreements are recognized in the income statement during the contract's duration. The Company's total liability concerning lease agreements are mentioned under mortgages and collaterals.



## **ANNUAL REPORT**

### **ACCOUNTING POLICIES**

#### **INCOME STATEMENT**

##### **Revenue**

Revenue deducted other external costs is summarized in the income statement as gross profit according to the rules in the Danish Financial Statements Act, section 32.

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.

##### **External expenses**

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, operational costs etc.

##### **Staff costs**

Staff costs comprise salaries and wages including holiday pay and pensions as well as social security costs, etc for the Company's staff. Received compensations from the authorities have been deducted in staff costs.

##### **Financial income and expenses**

These items comprise interest income and expenses, financial costs concerning financial leasing, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, amortisation premium or allowance on mortgage debt etc as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme.

##### **Income tax**

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.

Current tax liabilities or tax receivables are included in the balance sheet as calculated tax of the year's taxable income, regulated for paid tax on account.

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.

The Parent Company Scandinavian Packaging Holding ApS is jointly taxed with all of its wholly owned Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income. The Parent Company acts as administration company for the jointly taxed companies and manages payment of the tax to the Danish authorities.

#### **BALANCE SHEET**

##### **Property, plant and equipment**

Plant and machinery as well as other fixtures and fittings, tools and equipment and computer systems are measured at cost less accumulated depreciation and impairment losses.

The basis of depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price and costs directly attributable to the acquisition until the time when it is ready to be put into operation.

## **ANNUAL REPORT**

### **ACCOUNTING POLICIES**

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery, 7 years  
Other fixtures and fittings, tools and equipment, 5 years  
Computer systems, 3 years

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

Assets with a cost price under the tax limit concerning accelerated depreciation of small assets are recognised as costs in the income statement in the acquisition year.

#### **Investments**

Deposits are measured at cost.

#### **Inventories**

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

Cost of goods for resale, raw materials and consumables 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 direct production costs.

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 equalling nominal value less provisions for bad debts.

#### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years.

#### **Dividends**

Proposed dividend for the financial year is measured under liabilities other than provisions. Proposed dividend is measured as an obligation at the time of adoption on the General Meeting. Dividend paid during the year is shown under liabilities other than provisions.

#### **Tax payables and deferred tax**

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 on equity by the portion attributable to entries directly on equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

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 is measured on basis of the tax rules and tax rates which are valid when deferred tax is expected to be current tax. Changes in deferred tax as a consequence of changes in tax rates are recognised in the income statement. The current tax rate is 22 per cent.

**ANNUAL REPORT****ACCOUNTING POLICIES****Liabilities other than provisions**

Financial liabilities are recognised at cost price at the time of borrowing, equalling the received proceeds after deduction of paid transaction costs. During the following periods the financial liabilities are measured at amortised cost equalling the capitalized value by using the effective interest rate in order to recognise the difference between the proceeds and the face value in the income statement.

Mortgage debt is recognized at amortized cost price which for cashloans equals the loans' unpaid debt. For debenture loans the amortized cost price equals an unpaid debt which is calculated as the loan's underlying cash value at time of acceptance regulated with a deduction of the loan's exchange rate adjustment at time of acceptance.

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

**Deferred income liabilities**

Deferred income comprises prepayment from customers in subsequent financial years.

## ANNUAL REPORT

## INCOME STATEMENT FOR 2017

	Notes	2017 DKK	2016 DKK
<b>Gross profit</b>		<b>25.539.559</b>	<b>20.255.443</b>
Staff costs	1	-15.600.119	-15.085.749
Depreciation, amortisation and impairment losses		-3.979.949	-2.815.942
<b>Profit (loss) from ordinary operating activities</b>		<b>5.959.491</b>	<b>2.353.752</b>
Financial income	2	232.654	249.651
Financial expenses	3	-1.833.225	-564.760
<b>Profit (loss) from ordinary activities before tax</b>		<b>4.358.920</b>	<b>2.038.643</b>
Tax	4	-978.000	-471.927
<b>PROFIT/LOSS FOR THE YEAR</b>		<b><u>3.380.920</u></b>	<b><u>1.566.716</u></b>
<b>Proposed distribution of results:</b>			
Proposed dividend recognised in liabilities		0	800.000
Retained earnings		3.380.920	766.716
		<b><u>3.380.920</u></b>	<b><u>1.566.716</u></b>

## ANNUAL REPORT

## BALANCE OF 31 DECEMBER 2017

	<b>Notes</b>	<b>2017 DKK</b>	<b>2016 DKK</b>
<b>ASSETS</b>			
Plant and machinery		23.260.963	16.568.121
Fixtures, fittings, tools and equipment		13.985.975	8.541.079
<b>Property, plant and equipment</b>	5	<b><u>37.246.938</u></b>	<b><u>25.109.200</u></b>
Deposits, investments and receivables		395.400	395.400
<b>Long-term investments and receivables</b>		<b><u>395.400</u></b>	<b><u>395.400</u></b>
<b>FIXED ASSETS</b>		<b><u>37.642.338</u></b>	<b><u>25.504.600</u></b>
Raw materials and consumables		1.222.355	1.478.702
Manufactured goods and goods for resale		11.035.049	8.744.000
Prepayments for goods		37.235	0
<b>Inventories</b>		<b><u>12.294.639</u></b>	<b><u>10.222.702</u></b>
Trade receivables		9.793.833	6.843.144
Receivables from group enterprises		9.493.685	8.253.470
Other receivables		521.199	230.412
Deferred income assets		365.971	414.872
<b>Receivables</b>		<b><u>20.174.688</u></b>	<b><u>15.741.898</u></b>
<b>Cash and cash equivalents</b>		<b><u>31.250</u></b>	<b><u>442.574</u></b>
<b>CURRENT ASSETS</b>		<b><u>32.500.577</u></b>	<b><u>26.407.174</u></b>
<b>ASSETS</b>		<b><u>70.142.915</u></b>	<b><u>51.911.774</u></b>

## ANNUAL REPORT

## BALANCE OF 31 DECEMBER 2017

	<b>Notes</b>	<b>2017 DKK</b>	<b>2016 DKK</b>
<b>EQUITY AND LIABILITIES</b>			
Contributed capital		2.250.000	2.250.000
Retained earnings		<u>14.719.283</u>	<u>11.338.363</u>
<b>EQUITY</b>		<b><u>16.969.283</u></b>	<b><u>13.588.363</u></b>
Provisions for deferred tax		<u>2.142.000</u>	<u>1.164.000</u>
<b>PROVISIONS</b>		<b><u>2.142.000</u></b>	<b><u>1.164.000</u></b>
Debt to banks		1.500.000	2.250.000
Debt to other credit institutions		<u>10.368.950</u>	<u>7.493.535</u>
<b>Long-term liabilities other than provisions</b>	6	<b><u>11.868.950</u></b>	<b><u>9.743.535</u></b>
Debt to other credit institutions		14.996.670	11.014.426
Prepayments received from customers		115.769	0
Trade payables		16.176.758	9.581.697
Other payables		3.037.205	2.308.081
Short-term part of long-term liabilities other than provisions		<u>4.836.280</u>	<u>3.711.672</u>
<b>Short-term liabilities other than provisions</b>		<b><u>39.162.682</u></b>	<b><u>26.615.876</u></b>
<b>Proposed dividend</b>		<u>0</u>	<u>800.000</u>
<b>LIABILITIES OTHER THAN PROVISIONS</b>		<b><u>51.031.632</u></b>	<b><u>37.159.411</u></b>
<b>EQUITY AND LIABILITIES</b>		<b><u>70.142.915</u></b>	<b><u>51.911.774</u></b>
Contingent liabilities	7		
Mortgages and collaterals	8		

## ANNUAL REPORT

## STATEMENT OF CHANGES IN EQUITY FOR 2017

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK</b>
<b>Contributed capital:</b>		
Capital, 1 January 2017	<u>2.250.000</u>	<u>2.250.000</u>
<b>Capital, 31 December 2017</b>	<b><u>2.250.000</u></b>	<b><u>2.250.000</u></b>
<b>Retained earnings:</b>		
Retained earnings, 1 January 2017	11.338.363	10.571.647
Increase	<u>3.380.920</u>	<u>766.716</u>
<b>Retained earnings, 31 December 2017</b>	<b><u>14.719.283</u></b>	<b><u>11.338.363</u></b>
<b>Equity, 31 December 2017</b>	<b><u>16.969.283</u></b>	<b><u>13.588.363</u></b>

## ANNUAL REPORT

## NOTES

	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK</u>
<b>1. Staff costs</b>		
Wages and salaries	14.845.301	14.061.701
Post-employment benefit expense	1.088.705	1.038.498
Social security contributions	217.363	242.493
Employee expenses transferred to assets	-814.592	-658.950
Other employee expense	263.342	402.007
<b>Employee benefits expense</b>	<b><u>15.600.119</u></b>	<b><u>15.085.749</u></b>
Average number of employees	<u>37</u>	<u>37</u>
<b>2. Other finance income</b>		
Interest income from group enterprises	232.654	249.651
<b>Other finance income</b>	<b><u>232.654</u></b>	<b><u>249.651</u></b>
<b>3. Other finance expenses</b>		
Other interest expenses	1.438.875	964.760
Other adjustments of finance expenses	394.350	-400.000
<b>Other finance expenses</b>	<b><u>1.833.225</u></b>	<b><u>564.760</u></b>
<b>4. Tax</b>		
Current tax expense	0	0
Adjustments for deferred tax	978.000	471.927
<b>Tax expense on ordinary activities</b>	<b><u>978.000</u></b>	<b><u>471.927</u></b>
<b>5. Property, plant and equipment</b>		
<b>Plant and machinery:</b>		
Cost, 1 January 2017	31.242.729	25.891.355
Reclassified	270.951	0
Additions	9.045.899	5.351.374
<b>Cost, 31 December 2017</b>	<b><u>40.559.579</u></b>	<b><u>31.242.729</u></b>
Accumulated depreciation, 1 January 2017	-14.674.608	-12.872.770
Depreciation	-2.616.290	-1.801.838
Reclassified	-7.718	0
<b>Accumulated depreciation, 31 December 2017</b>	<b><u>-17.298.616</u></b>	<b><u>-14.674.608</u></b>
<b>Plant and machinery, 31 December 2017</b>	<b><u>23.260.963</u></b>	<b><u>16.568.121</u></b>



## ANNUAL REPORT

## NOTES

	<u>2017</u> DKK	<u>2016</u> DKK
<b>5. Plant and machinery, continued</b>		
<b>Fixtures, fittings, tools and equipment</b>		
Cost, 1 January 2017	26.782.380	24.219.113
Reclassified	-270.951	0
Additions	7.071.788	2.733.952
Disposals	0	-170.685
<b>Cost, 31 December 2017</b>	<b><u>33.583.217</u></b>	<b><u>26.782.380</u></b>
Accumulated depreciation, 1 January 2017	-18.241.301	-17.227.197
Depreciation	-1.363.659	-1.014.515
Reversals of impairment losses and depreciation	0	411
Reclassified	7.718	0
<b>Accumulated depreciation, 31 December 2017</b>	<b><u>-19.597.242</u></b>	<b><u>-18.241.301</u></b>
<b>Fixtures, fittings, tools and equipment, 31 December 2017</b>	<b><u>13.985.975</u></b>	<b><u>8.541.079</u></b>
Accounting value of assets, which are not owned by the Company, amounts to 19.702.823 DKK.		
<b>6. Long-term liabilities</b>		
Long-term liabilities other than provisions due after five years and more	<u>529.832</u>	<u>613.689</u>
<b>Long-term liabilities other than provisions due after five years and more</b>	<b><u>529.832</u></b>	<b><u>613.689</u></b>

**7. Contingent liabilities**

The Group's Danish companies are jointly and severally liable for tax of the Group's jointly taxable income.

The Company has rent commitments of 7.204 DKK'000 at 31 December 2017.

The Company's contractual lease commitments, which are not recognized in the balance at 31 December 2017, amount to 8.500 T.DKK. The lease commitments' start-up is in 2018.

**8. Mortgages and collaterals**

As collateral for debt to banks, the Company has issued mortgage deeds of a total of 20.500 DKK'000, which give security in fixed assets, prepayments and stock with a accounting value of total 39.633 DKK'000.

Accounts receivables of a total accounting value of 14.996 DKK'000 have been given as collateral for debt to banks of 7.485 DKK'000.

As collateral for debt to leasing company a security of 735 DKK'000 has been made.