

# Umicore Building Products Scandinavia A/S

Lysbrohøjen 5  
8600 Silkeborg

CVR no. 19 67 82 02

## Annual report 2016

The annual report was presented and approved at the  
Company's annual general meeting on

15 May 2017

chairman

**Mads Balsby Wilkens**  
Advokat (H)

Badehusvej 16 • 9100 Aalborg  
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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Umicore Building Products Scandinavia A/S for the financial year 1 January – 31 December 2016.

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 Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Silkeborg, 15 May 2017

Executive Board:

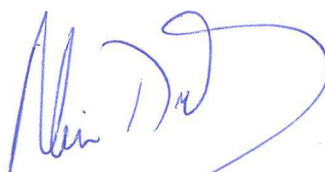


Erik Andersen

Board of Directors:



Franck Martinelli  
Chairman



Alain Byl



Erik Andersen

# ***Independent Auditor's Report***

To the Shareholders of Umicore Building Products Scandinavia A/S

## **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Umicore Building Products Scandinavia A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("financial statements").

## **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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **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, in our view, 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 in Management's Review.

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 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.

Aarhus, 15/5 - 2017

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Michael Nielsson  
State Authorised Public Accountant

Peter U. Faurschou  
State Authorised Public Accountant

Umicore Building Products Scandinavia A/S  
Annual report 2016  
CVR no. 19 67 82 02

## Management's review

### Company details

Umicore Building Products Scandinavia A/S  
Lysbrohøjen 5  
8600 Silkeborg

Telephone: 86848005

CVR no.: 19 67 82 02

Financial year: 1 January – 31 December

### Board of Directors

Franck Martinelli, Chairman  
Alain Byl  
Erik Andersen

### Executive Board

Erik Andersen

### Auditor

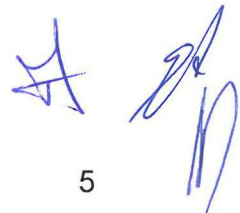
PriceWaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Nobelparken  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C

### Attorneys

Hjulmand & Kaptain  
Badelusvej 16  
Postboks 1440  
DK-9100 Aalborg

### Bank

Danske Bank  
Frederiksberggade 1  
DK-1012 København K



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## Management's review

### Operating review

#### Principal activities

As in previous years, the main activity of the Company is to market all types of laminated zinc products and accessories related herewith, primarily for the building industry, as well as to further develop for the market for the above mentioned products. Furthermore, the Company has engaged in technical support in connection with the application of the above mentioned products and accessories.

#### Development in activities and financial position

The income statement of the Company for 2016 shows a profit of DKK 4,306,340 and at 31 December 2016 the balance sheet of the Company shows equity of DKK 13,459,954.

The Board of Directors considers the annual result satisfactory.

The Company expects to realise a net profit for the year 2017.

#### Events after the balance sheet date

No events materially affecting the assesment of the Annual Report have occurred after the balance sheet date.



## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2016	2015
<b>Gross profit</b>		13,427,628	12,321,943
Staff costs	2	-7,730,475	-7,241,991
Depreciation, amortisation and impairment		-43,853	-97,760
<b>Operating profit</b>		5,653,300	4,982,192
Financial income	3	246,881	52,513
Financial expenses	4	-360,578	-187,844
<b>Profit before tax</b>		5,539,603	4,846,861
Tax on profit/loss for the year	5	-1,233,263	-1,213,905
<b>Profit for the year</b>		4,306,340	3,632,956

### Proposed profit appropriation

Proposed dividend for the financial year	4,306,340	3,632,956
	4,306,340	3,632,956



## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2016	2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
Fixtures and fittings, tools and equipment		12,646	131,261
		12,646	131,261
<b>Investments</b>			
Receivables (non-current)		196,000	196,000
		196,000	196,000
<b>Total fixed assets</b>		208,646	327,261
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		3,384,126	3,124,882
		3,384,126	3,124,882
<b>Receivables</b>			
Trade receivables		8,791,379	7,640,135
Receivables from group entities		5,403,901	3,856,455
Other receivables		27,379	28,135
Deferred tax asset		29,800	32,000
		14,252,459	11,556,725
<b>Cash at bank and in hand</b>		2,178,548	3,732,351
<b>Total current assets</b>		19,815,133	18,413,958
<b>TOTAL ASSETS</b>		20,023,779	18,741,219

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	6		
Share capital		1,500,000	1,500,000
Proposed dividends for the year		4,306,340	3,632,956
Retained earnings		<u>7,653,614</u>	<u>7,653,614</u>
<b>Total equity</b>		<u>13,459,954</u>	<u>12,786,570</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		407,178	168,026
Payables to group entities		2,248,276	2,112,439
Corporation tax		904,154	987,252
Other payables		<u>3,004,217</u>	<u>2,686,932</u>
		<u>6,563,825</u>	<u>5,954,649</u>
<b>Total liabilities other than provisions</b>		<u>6,563,825</u>	<u>5,954,649</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>20,023,779</u>	<u>18,741,219</u>
Contractual obligations, contingencies, etc.	7		
Related party disclosures	8		

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Umicore Building Products Scandinavia A/S for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, the residual value of property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

#### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

other social security costs, etc., to the Company's employees.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

#### Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

### Balance sheet

#### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Other fixtures and fittings, tools and equipment	5 years
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Depreciation period residual value are reassessed annually.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

##### Equity

###### *Dividend*

The expected dividend payment for the year is disclosed as a separate item under equity.

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Deferred tax is measured in accordance with 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 as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Leases

All leases are operating leases. Payments relating to operating leases and 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 as contractual obligations, etc.

#### Financial debts

Financial debts are measured at amortised cost, substantially corresponding to nominal value.

#### 2 Staff costs

	2016	2015
DKK		
Wages and salaries	6,192,671	6,129,520
Other social security costs	825,656	788,119
Other staff costs	712,148	324,352
	<u>7,730,475</u>	<u>7,241,991</u>
Average number of full-time employees	<u>12</u>	<u>12</u>

#### 3 Financial income

	2016	2015
DKK		
Interest income from group entities	0	214
Other interest income	246,881	52,299
	<u>246,881</u>	<u>52,513</u>

#### 4 Financial expenses

	2016	2015
DKK		
Interest expense to group entities	0	24
Other financial expenses	360,578	187,820
	<u>360,578</u>	<u>187,844</u>

## Financial statements 1 January – 31 December

### Notes

#### 5 Tax on profit/loss for the year

DKK	2016	2015
Current tax for the year	1,231,063	1,218,905
Adjustment of deferred tax for the year	2,200	-5,000
	<u>1,233,263</u>	<u>1,213,905</u>

#### 6 Equity

DKK	Share capital	Retained earnings	Proposed dividends	Total
<b>Equity at 1 January 2016</b>	1,500,000	7,653,614	3,632,956	12,786,570
Distributed dividends	0	0	-3,632,956	-3,632,956
Transferred over the profit appropriation	0	0	4,306,340	4,306,340
<b>Equity at 31 December 2016</b>	<u>1,500,000</u>	<u>7,653,614</u>	<u>4,306,340</u>	<u>13,459,954</u>

There have been no changes in the share capital during the last five years.

The share capital consists of 1,500 shares of a nominal value of DKK 1,000 each.

All shares rank equally.

#### 7 Contractual obligations, contingencies, etc.

##### Operating lease obligations

The Company has entered into a lease contract concerning lease of premises. The lease contract can be terminated with 6 months' notice. Rent for 6 months amount approximately DKK 252 thousand. Each year on 1 January the annual rent is adjusted with increase in the net price index.

The Company has entered into a lease contract concerning WareHouse. The lease contract can be terminated by 6 months notice. Rent for 6 months amount to approximately DKK 177 thousand.

At the balance sheet date the lease commitments regarding RICH0 copy machine amount to DKK 37 thousand and expire at July 2019.

The Company has entered into leasing commitments regarding cars which at the balance sheet date amounts to DKK 349 thousand in the period of nonterminatability expiring 3 in 2017, 1 in 2018 and 1 in 2019.

## Financial statements 1 January – 31 December

### Notes

#### 8 Related party disclosures

Umicore Building Products Scandinavia A/S' related parties comprise the following:

##### Control

n.v. Umicore s.a., Rue du Marias 31, B-1000 Bruxelles, Belgium.

n.v. Umicore s.a., holds the majority of the share capital in the Company

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital:

n.v. Umicore s.a., Rue du Marais 31, B-1000 Bruxelles, Belgium.

##### Consolidated financial statements

The Company is included in the Group Annual Report of n.v. Umicore s.a.

The Group Annual Report of n.v. Umicore s.a. is obtained at the following adress:

n.v. Umicore s.a.

Rue du Marais 31, B-1000 Bruxelles, Belgium.

