

**Reichhold Danmark A/S**  
**Central Business Registration No**  
**20015993**  
**Rådhuspladsen 4**  
**1550 København V**

**Annual report 2015**

The Annual General Meeting adopted the annual report on 31.05.2016

**Chairman of the General Meeting**



Name: Thomas Bang

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## Entity details

### Entity

Reichhold Danmark A/S  
Rådhuspladsen 4  
1550 København V

Central Business Registration No: 20015993

Registered in: København

Financial year: 01.01.2015 - 31.12.2015

### Board of Directors

Alberto Piccinotti, Chairman

Guenther Tappeiner

Gerhard Verheij

### Executive Board

Gerhard Verheij

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus 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 Reichhold Danmark A/S for the financial year 01.01.2015 - 31.12.2015.

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 Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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.

København, 31.05.2016

### Executive Board

Gerhard Verheij

### Board of Directors

  
Alberto Piccinotti  
Chairman

  
Guenther Tappeiner

  
Gerhard Verheij

## Independent auditor's reports

### To the owners of Reichhold Danmark A/S

#### Report on the financial statements

We have audited the financial statements of Reichhold Danmark A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### 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.

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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 Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

#### Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

#### Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Aarhus, 31.05.2016

**Deloitte**

Statsautoriseret Revisionspartnerselskab

  
Torben Aunbøl

State Authorised Public Accountant

CVR-nr. 33963556

## **Management commentary**

### **Primary activities**

The Company sells unsaturated polymer resins and complementary goods to the Danish market.

### **Development in activities and finances**

The Company continues to remain strong in the pipe relining and wind energy market.

The management expects the year 2016 to continue at the same level as 2015.

### **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.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these 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.

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

### Income statement

#### Gross profit or loss

Gross profit/loss includes revenue, cost of sales and production costs.

#### 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.

## Accounting policies

### Production costs

Production costs comprise costs incurred to earn revenue for the financial year, including wages and salaries.

### Cost of sales

Cost of sales comprises cost of sales for the financial year measured at cost.

### Administrative expenses

Administrative expenses comprise expenses in-curred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationary and office supplies.

### Other financial income

Other financial income comprises interest in-come, net capital gains on transactions in for-eign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest ex-penses, net capital losses on transactions in for-eign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Income taxes

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.

## Balance sheet

### Receivables

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

### Cash

Cash comprises bank deposits.

### 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.



## **Accounting policies**

### **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.

**Income statement for 2015**

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
<b>Gross profit</b>	1	3.121	2.469
Administrative costs	2	(1.170)	(1.099)
<b>Operating profit/loss</b>		<b>1.951</b>	<b>1.370</b>
Other financial income		94	199
Other financial expenses		(343)	(359)
<b>Profit/loss from ordinary activities before tax</b>		<b>1.702</b>	<b>1.210</b>
Tax on profit/loss from ordinary activities	3	(405)	(307)
<b>Profit/loss for the year</b>		<b><u>1.297</u></b>	<b><u>903</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>1.297</u>	<u>903</u>
		<b><u>1.297</u></b>	<b><u>903</u></b>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Trade receivables		12.280	18.416
Receivables from group enterprises		26.085	17.481
Other short-term receivables		47	36
<b>Receivables</b>		<u><b>38.412</b></u>	<u><b>35.933</b></u>
<b>Cash</b>		<u><b>177</b></u>	<u><b>25</b></u>
<b>Current assets</b>		<u><b>38.589</b></u>	<u><b>35.958</b></u>
<b>Assets</b>		<u><u><b>38.589</b></u></u>	<u><u><b>35.958</b></u></u>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	4	3.125	3.125
Retained earnings		26.542	25.245
<b>Equity</b>		<u>29.667</u>	<u>28.370</u>
Trade payables		19	12
Debt to group enterprises		6.409	5.339
Income tax payable		223	265
Other payables		2.271	1.972
<b>Current liabilities other than provisions</b>		<u>8.922</u>	<u>7.588</u>
<b>Liabilities other than provisions</b>		<u>8.922</u>	<u>7.588</u>
<b>Equity and liabilities</b>		<u>38.589</u>	<u>35.958</u>
Unrecognised rental and lease commitments	5		
Contingent liabilities	6		
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**Statement of changes in equity for 2015**

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	3.125	25.245	28.370
Profit/loss for the year	0	1.297	1.297
<b>Equity end of year</b>	<b>3.125</b>	<b>26.542</b>	<b>29.667</b>

## Notes

### 1. Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided not to disclose revenue, i.e. gross profit includes revenue, cost of sales and production costs.

	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
<b>2. Staff costs</b>		
Wages and salaries	1.060	1.012
Pension costs	99	77
Other social security costs	11	10
	<u>1.170</u>	<u>1.099</u>

Staff costs are included in the income statement under administrative expenses.

	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
<b>3. Tax on ordinary profit/loss for the year</b>		
Current tax	405	307
	<u>405</u>	<u>307</u>

	<u>Number</u>	<u>Par value</u> <u>DKK</u>	<u>Nominal</u> <u>value</u> <u>DKK'000</u>
<b>4. Contributed capital</b>			
Shares	6	500,00	3.000
Shares	5	25,00	125
	<u>11</u>		<u>3.125</u>

	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
<b>5. Unrecognised rental and lease commitments</b>		
Commitments under rental agreements or leases until expiry	<u>55</u>	<u>50</u>

## Notes

### 6. Contingent liabilities

Reichhold Holdings International B.V. obtained a loan from its shareholders per March 31, 2015 through which all subsidiaries, including Reichhold Danmark A/S, signed as guarantor.

As a guarantor Reichhold Danmark A/S is jointly and severally liable for the due and punctual payment in full of all obligations of the loan. The liability amounts to USD 151.2 million per December 31, 2015.

### 7. Assets charged and collateral

The group enterprises' debt to Cantor Fitzgerald Securities, US is secured by a registered letter of indemnity of nominal USD 4,000k (DKK 27,320k) on trade receivables.

The carrying amount of receivables provided as security is DKK 12,280k.

### 8. Ownership

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

Reichhold Norway AS, Klinestadmoen 9, Box 2061, 3202 Sandefjord, Norge.

### 9. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Coöperatie Reichhold Holdings Netherlands, U.A.