

# Reichhold Danmark A/S


c/o Advokat Thomas Bang, DLA Piper Danmark Advokatpartnerselskab  
Rådhuspladsen 4  
1550 København V  
Denmark

CVR no. 20 01 59 93

## **Annual report 2018**

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

28 June 2019

  
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chairman

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Reichhold Danmark A/S  
Annual report 2018  
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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 Reichhold Danmark A/S for the financial year 1 January – 31 December 2018.

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 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

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.

Copenhagen, 17 June 2019  
Executive Board:



Gerhard Verheij

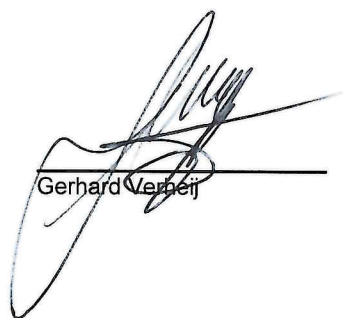
Board of Directors:



Alberto Piccinotti  
Chairman



Maurizio Leonardi



Gerhard Verheij



## Independent auditor's report

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

#### Opinion

We have audited the financial statements of Reichhold Danmark A/S for the financial year 1 January – 31 December 2018 comprising 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 Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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 that 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 the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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 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.

Copenhagen, 17 June 2019

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR.no. 25 57 81 98



Henrik Kyhnauv  
State Authorised  
Public Accountant  
mne40028

**Reichhold Danmark A/S**  
Annual report 2018  
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## **Management's review**

### **Company details**

Reichhold Danmark A/S  
c/o Advokat Thomas Bang  
DLA Piper Danmark Advokatpartnerselskab Rådhuspladsen 4  
1550 København V  
Denmark

CVR no.: 20 01 59 93  
Financial year: 1 January – 31 December

### **Board of Directors**

Alberto Piccinotti, Chairman  
Maurizio Leonardi  
Gerhard Verheij

### **Executive Board**

Gerhard Verheij

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen  
Denmark

## **Management's review**

### **Operating review**

#### **Principal activities**

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

#### **Development in activities and financial position**

The company have suspended its activities. Management is currently considering the company's future activities.

#### **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.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2018	2017
<b>Gross profit/loss</b>		-97	3.312
Staff costs	2	0	273
<b>Operating profit/loss</b>		-97	3.585
Financial income		2.630	77
Financial expenses		-407	-417
<b>Profit before tax</b>		2.126	3.245
Tax on profit for the year		-463	-721
<b>Profit for the year</b>		1.663	2.524
<b>Proposed profit appropriation</b>			
Retained earnings		1.663	2.524
		1.663	2.524



## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2018	2017
<b>ASSETS</b>			
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		0	4.717
Receivables from group entities		35.174	29.204
Other receivables		204	39
		<u>35.378</u>	<u>33.960</u>
<b>Cash at bank and in hand</b>		<u>23</u>	<u>143</u>
<b>Total current assets</b>		<u>35.401</u>	<u>34.103</u>
<b>TOTAL ASSETS</b>		<u>35.401</u>	<u>34.103</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2018	2017
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	3	3.125	3.125
Retained earnings		31.913	30.250
<b>Total equity</b>		<u>35.038</u>	<u>33.375</u>
<b>Liabilities</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		45	1
Corporation tax		212	568
Other payables		106	159
		<u>363</u>	<u>728</u>
<b>Total liabilities</b>		<u>363</u>	<u>728</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>35.401</u>	<u>34.103</u>
<b>Related party disclosures</b>	4		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2018	3.125	30.250	33.375
Transferred over the profit appropriation	0	1.663	1.663
<b>Equity at 31 December 2018</b>	<b>3.125</b>	<b>31.913</b>	<b>35.038</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Reichhold Danmark A/S for 2018 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

#### 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

#### Gross Profit

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

#### Revenue

Income from sale of manufactured goods and goods for resale is recognised in revenue when delivery and transfer of risk to the buyer have taken place.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged in behalf of third parties. All discounts granted are recognised in revenue.

#### Cost of sales

Cost of sales comprises direct costs for goods for resale and changes to inventory of goods for resale.

#### Administrative expenses

Administrative expenses comprise expenses, including expenses for administrative staff, Management, office premises, office expenses and depreciation.

#### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, 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.

##### 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.

##### 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.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash.

##### Liabilities

Other liabilities are measured at net realisable value.

##### 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.

## Financial statements 1 January – 31 December

### Notes

DKK'000	2018	2017
<b>2 Staff costs</b>		
Wages and salaries	0	-274
Other social security costs	0	1
	<u>0</u>	<u>-273</u>

The entity has no staff employed and all the payroll costs are part of the management fee over sales people, customer service and tax & accounting services in the other expenses caption.

### 3 Share capital

The share capital consists of 6 shares of a nominal value of DKK 500 thousand each and 5 shares of DKK 25 thousand each.

### 4 Related party disclosures

Reichhold Danmark A/S' related parties comprise the following:

#### Control

Reichhold Norway A/S, Lilleborggata 4, NO-1630 Gamle Fredrikstad, Norway

Reichhold Norway A/S holds the majority of the share capital in the Company.

#### Consolidated financial statements

The sole shareholder is Reichhold Norway AS, Lilleborggata 4, NO-1630 Gamle Fredrikstad, Norway, which is a wholly owned subsidiary of Reichhold Holdings International B.V. ("RHIBV"), located in the Netherlands. RHIBV was owned indirectly by Reichhold Industries Inc. up till April 1, 2015, on that date, RHIBV became a wholly owned subsidiary of Coöperatie Reichhold Holdings Netherlands U.A. ("Dutch Coop"), also located in the Netherlands. From April 1, 2015 until May 17, 2017, the Dutch Coop was at the top-level of the company group and the group's consolidated financial statements were published on the level of the Dutch Coop in the Netherlands.

The Polynt group and Reichhold group announced a definitive agreement to combine their activities. The closure of the merger has taken place on May 17, 2017. Dutch Coop is as of May 17, 2017 indirectly owned by Speciality Chemical International Limited, located in the United Kingdom. Speciality Chemical International Limited is at the top-level of the company group; the group's consolidated financial statements are published on the level of Speciality Chemical International B.V., a company registered in The Netherlands.