

Reichhold Danmark A/S

c/o Advokat Thomas Bang
Lett Advokatfirma
Rådhuspladsen 4
1550 København V

CVR no. 20 01 59 93

Annual report 2017

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

09.05. 2018

Ejil Holtman

chairman

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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 2017.

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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

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.

15 April 2018
Executive Board:

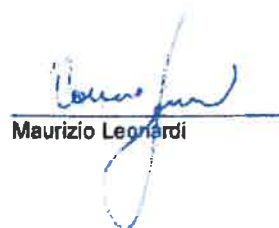


Gerhard Verheij

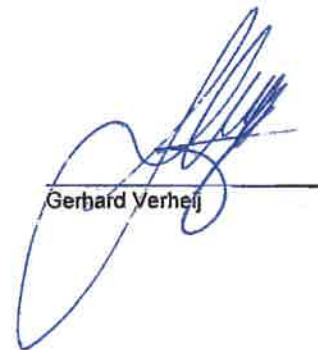
Board of Directors:



Alberto Piccinotti
Chairman



Maurizio Leonardi



Gerhard Verheij



Independent auditor's report

To the shareholder 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 2017 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 2017 and of the results 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 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, 15 April 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Henrik Kyhnau
State Authorised
Public Accountant
MNE no. 40028

Reichhold Danmark A/S
Annual report 2017
CVR no. 20 01 59 93

Management's review

Company details

Reichhold Danmark A/S
c/o Advokat Thomas Bang, Lett Advokatfirma Rådhuspladsen 4
1550 København V

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

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 from the end of October 2017. 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	2017	2016
Gross profit		3.312	2.936
Staff costs	2	273	-1.153
Operating profit		3.585	1.783
Financial income		77	73
Financial expenses		-417	-334
Profit before tax		3.245	1.522
Tax on profit/loss for the year	3	-721	-338
Profit for the year		2.524	1.184
Proposed profit appropriation			
Retained earnings		2.524	1.184

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
ASSETS			
Current assets			
Receivables			
Trade receivables		4.717	16.778
Receivables from group entities		29.204	25.551
Other receivables		39	40
		<u>33.960</u>	<u>42.369</u>
Cash at bank and in hand		<u>143</u>	<u>202</u>
Total current assets		<u>34.103</u>	<u>42.571</u>
TOTAL ASSETS		<u>34.103</u>	<u>42.571</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
EQUITY AND LIABILITIES			
Equity			
Contributed capital	4	3.125	3.125
Retained earnings		30.250	27.726
Total equity		33.375	30.851
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		1	1.250
Payables to group entities		0	7.771
Corporation tax		568	111
Other payables		159	2.588
		728	11.720
Total liabilities other than provisions		728	11.720
TOTAL EQUITY AND LIABILITIES		34.103	42.571
Fees to auditor appointed at the general meeting			
Assets charged and collateral			
Mortgages and collateral	5		

Financial statements 1 January – 31 December

Statement of changes in equity

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2017	3.125	27.726	30.851
Transferred over the profit appropriation	0	2.524	2.524
Equity at 31 December 2017	3.125	30.250	33.375

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Reichhold Danmark A/S for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

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 costs.

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 the 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 on behalf of third parties. All discounts granted are recognised in revenue.

Cost of sales

Cost of sales also 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.

Financial income and expenses

Financial income and costs comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

Balance sheet

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable 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 and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Liabilities other than provisions

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.

2 Staff costs

DKK'000	2017	2016
Wages and salaries	-274	1.051
Pensions	0	101
Other social security costs	1	1
	<u>-273</u>	<u>1.153</u>
Average number of full-time employees	<u>0</u>	<u>1</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.

Financial statements 1 January – 31 December

Notes

3 Tax on profit/loss for the year

DKK'000

Current tax for the year

2017	2016
721	338
721	338

4 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.

5 Related party disclosures

Reichhold Danmark A/S related parties comprise the following:

Control

Reichhold Norway A/S, Klinestadmoen 9, Box 2061, 3202 Sandefjord, Norge

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

Reichhold Danmark A/S is part of the consolidated financial statements of Coöperatie Reichhold Holdings Netherlands, U.A., Lichtenauerlaan 00102, 3062 Me Rotterdam, which is the smallest and largest group in which the company is included as a subsidiary.

The consolidated financial statements of Coöperatie Reichhold Holdings Netherlands, U.A. can be obtained by contacting the Company.