

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 2019

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

24 June 2020

Alberto Piccinotti
chairman



Reichhold Danmark A/S
Annual report 2019
CVR no. 20 01 59 93

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Reichhold Danmark A/S
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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 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

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.


24 June 2020
Executive Board:



Gerard Verheij

Board of Directors:



Alberto Piccinotti
Chairman

Maurizio Leonardi

Gerard 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 2019 comprising income statement, balance sheet 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 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 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, 24 June 2020

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98


Henrik Kyhnaav
State Authorised
Public Accountant
mne40028

Reichhold Danmark A/S
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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 |
| Established: | 1 January 1997 |
| Financial year: | 1 January – 31 December |

Board of Directors

Alberto Piccinotti, Chairman
Maurizio Leonardi
Gerard Verheij

Executive Board

Gerard Verheij

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
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 has suspended its activities. Management is currently considering the Company's future activities.

Events after the balance sheet date

After the balance sheet date, the virus COVID-19 was declared a worldwide pandemic by the WHO, which affects large parts of the world and our society. The management expects the pandemic to have limited affect on the result for the financial year of 2020. At the moment, it is not possible to quantify the affect, as no one knows how the pandemic will affect the society on the long run.

Except for COVID-19, no significant events have occurred subsequent to the financial year-end.

Financial statements 1 January – 31 December

Income statement

| DKK'000 | Note | 2019 | 2018 |
|--------------------------------------|------|--------------|--------------|
| Gross loss | | <u>-149</u> | <u>-97</u> |
| Operating loss | | <u>-149</u> | <u>-97</u> |
| Financial income | 2 | 1.543 | 2.630 |
| Financial expenses | | <u>-19</u> | <u>-407</u> |
| Profit before tax | | 1.375 | 2.126 |
| Tax on profit for the year | | <u>-300</u> | <u>-463</u> |
| Profit for the year | | <u>1.075</u> | <u>1.663</u> |
| Proposed profit appropriation | | | |
| Retained earnings | | <u>1.075</u> | <u>1.663</u> |
| | | <u>1.075</u> | <u>1.663</u> |

Financial statements 1 January – 31 December

Balance sheet

| DKK'000 | Note | 2019 | 2018 |
|---------------------------------|------|----------------------|----------------------|
| ASSETS | | | |
| Current assets | | | |
| Receivables | | | |
| Receivables from group entities | | 36.635 | 35.174 |
| Other receivables | | <u>86</u> | <u>204</u> |
| | | <u>36.721</u> | <u>35.378</u> |
| Cash at bank and in hand | | <u>10</u> | <u>23</u> |
| Total current assets | | <u>36.731</u> | <u>35.401</u> |
| TOTAL ASSETS | | <u><u>36.731</u></u> | <u><u>35.401</u></u> |

Financial statements 1 January – 31 December

Balance sheet

| DKK'000 | Note | 2019 | 2018 |
|-------------------------------------|------|---------------|---------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 3 | 3.125 | 3.125 |
| Retained earnings | | <u>32.988</u> | <u>31.913</u> |
| Total equity | | <u>36.113</u> | <u>35.038</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade payables | | 19 | 45 |
| Payables to group entities | | 6 | 0 |
| Corporation tax | | 509 | 212 |
| Other payables | | <u>84</u> | <u>106</u> |
| | | <u>618</u> | <u>363</u> |
| Total liabilities | | <u>618</u> | <u>363</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>36.731</u> | <u>35.401</u> |
| Average number of employees | 4 | | |
| Related party disclosures | 5 | | |

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Reichhold Danmark A/S for 2019 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 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/loss

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

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 on 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 for administrative staff, Management, office premises, office expenses and depreciation.

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.

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.

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 at bank and in hand

Cash at bank and in hand 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.

2 Financial income

| DKK'000 | 2019 | 2018 |
|-------------------------------------|-------|-------|
| Interest income from group entities | 863 | 478 |
| Exchange gains | 680 | 2.152 |
| | 1.543 | 2.630 |

Financial statements 1 January – 31 December

Notes

3 Contributed capital

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

There has been no movement in the share capital for the last 5 years.

4 Average number of employees

Average number of full-time employees

| 2019 | 2018 |
|------|------|
| 0 | 0 |

The company has no staff employed.

5 Related party disclosures

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

Control

Reichhold Norway AS, Lilleborggata 4, NO-1630 Gamle Fredrikstad, Norway

Reichhold Norway AS holds the majority of the share capital in the Company.

Consolidated financial statements

The sole shareholder is Reichhold Norway AS, Klinestadmoen 9, NO-3241 Sandefjord, 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 took 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.

Reichhold Danmark A/S is part of the consolidated financial statements of Specialty Chemical International B.V, Lichtenauerlaan 102, 3062ME Rotterdam, Netherlands, and of Speciality Chemical International Limited, 54 Willow Lane Mitcham, Surrey CR4 4NA, United Kingdom. The consolidated financial statements of Specialty Chemical International B.V., which are the smallest and Speciality Chemical International Limited the largest groups, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Specialty Chemical International B.V. and the consolidated financial statements of Speciality Chemical International Ltd. can be obtained by contacting the companies at the above addresses.