

# **Calderys Danmark A/S**

Hammerholmen 48

2650 Hvidovre

CVR No. 23102714

## **Annual Report 2017**

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 4 June 2018

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Sarang Tavallaey-Roodsari  
Chairman

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## **Management's Statement**

Today, Management has considered and adopted the Annual Report of Calderys Danmark A/S for the financial year 1 January 2017 - 31 December 2017.

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 assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hvidovre, 4 June 2018

### **Executive Board**

Allan Højdorf  
Man. Director

### **Supervisory Board**

Sarang Tavallaey-Roodsari  
Chairman

Allan Højdorf

Julie Marie Emilie Thiery

## Independent Auditor's Report

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

#### Opinion

We have audited the financial statements of Calderys Danmark A/S for the financial year 1 January 2017 - 31 December 2017, which comprise an income statement, balance sheet and notes. 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 financial position at 31 December 2017 and of the results of its operations for the financial year 1 January 2017 - 31 December 2017 in accordance with the Danish Financial Statements Act.

#### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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.

#### 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

#### The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- \* Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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.

## Independent Auditor's Report

- \* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

### Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Copenhagen, 4 June 2018

**Deloitte**

**Statsautoriseret Revisionspartnerselskab**

CVR-no. 33963556

Flemming Larsen

State Authorised Public Accountant

mne27790

## **Calderys Danmark A/S**

### **Company details**

<b>Company</b>	Calderys Danmark A/S Hammerholmen 48 2650 Hvidovre
Telephone	36772811
Telefax	26770805
CVR No.	23102714
Financial year	1 January 2017 - 31 December 2017
<b>Supervisory Board</b>	Sarang Tavallaey-Roodsari, Chairman Allan Højdorf Julie Marie Emilie Thiery
<b>Executive Board</b>	Allan Højdorf, Man. Director
<b>Auditors</b>	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 P.O. Box 1600 0900 København K CVR-no.: 33963556

## Management's Review

### **The Company's principal activities**

The Company's principal activities consist of sale and installation of refractories for refuse disposal plants and ovens.

### **Exceptional circumstances**

No exceptional circumstances have affected recognition or measurement.

### **Development in activities and financial matters**

The Company's Income Statement of the financial year 1 January 2017 - 31 December 2017 shows a result of DKK -548.352 and the Balance Sheet at 31 December 2017 a balance sheet total of DKK 486.502.212 and an equity of DKK 14.475.175.

January 1, 2017 the Company acquired the company Damolin A/S (Imerys Industrial Minerals Denmark A/S) for a consideration of DKK 462.491.200. The acquisition is financed with a short term debt to group companies.

The investment in subsidiary companies is measured at cost. Therefore, the only impact to the income statement is the interest payments regarding the financing of the acquisition.

### **Post financial year events**

No events have occurred which may change the financial position of the entity substantially.

## **Accounting Policies**

### **Reporting Class**

The Annual Report of Calderys Danmark A/S for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

### **Consolidated Financial Statements**

The Company meets the conditions in the Danish Financial Statements Act § 112 for not preparing Consolidated Financial Statements which is why these have been omitted.

### **Reporting currency**

The Annual Report is presented in Danish kroner.

### **Foreign currency translation policies**

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

## **General Information**

### **Basis of recognition and measurement**

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## **Income Statement**

### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when



## Accounting Policies

delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

### Raw materials and consumables

Costs for raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationary and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

### Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

### Amortisation, depreciation and impairment losses

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life
Properties	33 years
Other fixtures and fittings, tools and equipment	3-10 years

Land is not amortised.

### Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

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

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

## Balance Sheet

### Tangible assets

Land and buildings as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

## Accounting Policies

### Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

### Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

### Prepayments

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years. Prepayments are measured at cost.

### Cash

Cash and cash equivalents comprise bank deposits.

### Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments in connection with contracts concluded.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is likely that total costs will exceed total income from a contract in progress, provisions are made for the total loss estimated to result from the relevant contract.

### Other financial liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

### Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax

## **Accounting Policies**

prepaid.

### **Contingent assets and liabilities**

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

## Income Statement

	Note	2017 DKK	2016 DKK
Revenue		49.370.722	46.025.333
Raw materials and cosumables used		-36.369.669	-34.350.287
Other external expenses		-5.972.241	-5.727.243
<b>Gross result</b>		<b>7.028.812</b>	<b>5.947.803</b>
Staff costs	1, 2	-5.034.765	-5.410.486
Depreciation, amortisation and impairment losses		-233.295	-247.269
<b>Profit from ordinary operating activities</b>		<b>1.760.752</b>	<b>290.048</b>
Other financial income	3	28.300	41.485
Other financial expenses	4	-2.490.963	-16.354
<b>Profit from ordinary activities before tax</b>		<b>-701.911</b>	<b>315.179</b>
Tax expense on ordinary activities	5	153.559	-67.962
<b>Profit</b>		<b>-548.352</b>	<b>247.217</b>
<b>Proposed distribution of results</b>			
Retained earnings		-548.352	247.217
<b>Distribution of profit</b>		<b>-548.352</b>	<b>247.217</b>

## Balance Sheet as of 31 December

	Note	2017 DKK	2016 DKK
<b>Assets</b>			
Land and buildings	6	1.948.528	2.181.823
<b>Property, plant and equipment</b>		<b>1.948.528</b>	<b>2.181.823</b>
Long-term investments in group enterprises		462.491.200	0
Deposits		16.000	16.000
<b>Fixed asset investments</b>		<b>462.507.200</b>	<b>16.000</b>
<b>Fixed assets</b>		<b>464.455.728</b>	<b>2.197.823</b>
Raw materials and consumables		2.171.337	2.613.315
<b>Inventories</b>		<b>2.171.337</b>	<b>2.613.315</b>
Short-term trade receivables		9.257.796	7.265.403
Contract work in progress	7	480.331	698.896
Short-term receivables from group enterprises		8.731.408	6.720.795
Current deferred tax		728.044	574.486
Short-term tax receivables		278.000	122.972
Prepayments		380.139	354.467
<b>Receivables</b>		<b>19.855.718</b>	<b>15.737.019</b>
<b>Cash and cash equivalents</b>		<b>19.429</b>	<b>2.674.912</b>
<b>Current assets</b>		<b>22.046.484</b>	<b>21.025.246</b>
<b>Assets</b>		<b>486.502.212</b>	<b>23.223.069</b>

**Balance Sheet as of 31 December**

	<b>Note</b>	<b>2017 DKK</b>	<b>2016 DKK</b>
<b>Liabilities and equity</b>			
Contributed capital		1.300.000	1.300.000
Retained earnings		9.475.175	10.023.527
Proposed dividend recognised in equity		3.700.000	3.700.000
<b>Equity</b>		<b>14.475.175</b>	<b>15.023.527</b>
Other provisions		1.150.000	1.150.000
<b>Provisions</b>		<b>1.150.000</b>	<b>1.150.000</b>
Trade payables		732.167	812.739
Payables to group enterprises		464.005.750	689.044
Other payables		6.139.120	5.547.759
<b>Short-term liabilities other than provisions</b>		<b>470.877.037</b>	<b>7.049.542</b>
<b>Liabilities other than provisions within the business</b>		<b>470.877.037</b>	<b>7.049.542</b>
<b>Liabilities and equity</b>		<b>486.502.212</b>	<b>23.223.069</b>
Contingent liabilities	8		
Ownership	9		
Liabilities under off-balance sheet leases	10		
Related parties	11		

## Statement of changes in Equity

	Contributed capital DKK	Retained earnings DKK	Proposed dividend recognised in equity DKK	Total DKK
Equity 1 January 2017	1.300.000	10.023.527	3.700.000	15.023.527
Profit (loss)	0	-548.352	0	-548.352
<b>Equity 31 December 2017</b>	<b>1.300.000</b>	<b>9.475.175</b>	<b>3.700.000</b>	<b>14.475.175</b>

The share capital has remained unchanged for the last 5 years.

## Notes

	2017	2016
<b>1. Staff costs</b>		
Wages and salaries	4.803.434	5.216.774
Pension costs	231.331	193.712
	<b>5.034.765</b>	<b>5.410.486</b>
Average number of full-time employees	25	23
<b>2. Staff costs</b>		
<b>Total staff costs comprise:</b>		
Wages and salaries	16.286.633	16.144.738
Pension costs	231.331	193.712
Other social security costs	225.754	164.448
	<b>16.743.718</b>	<b>16.502.898</b>
<b>Total staff costs are allocated as follows:</b>		
Project costs	11.708.953	11.092.412
Staff costs	5.034.765	5.410.486
	<b>16.743.718</b>	<b>16.502.898</b>
<b>3. Other financial income</b>		
Other financial income	28.300	41.485
	<b>28.300</b>	<b>41.485</b>
<b>4. Other financial expenses</b>		
Finance expenses arising from group enterprises	2.348.228	0
Other financial expenses	142.735	16.354
	<b>2.490.963</b>	<b>16.354</b>
<b>5. Tax expense</b>		
Taxes for prior years	0	-3.634
Corporate Income Tax	0	145.028
Deferred tax change	-153.559	-73.432
	<b>-153.559</b>	<b>67.962</b>
<b>6. Land and buildings</b>		
Cost at the beginning of the year	8.697.486	8.697.486
<b>Cost at the end of the year</b>	<b>8.697.486</b>	<b>8.697.486</b>
Depreciation and amortisation at the beginning of the year	-6.515.663	-6.282.368
Amortisation for the year	-233.295	-233.295
<b>Impairment losses and amortisation at the end of the year</b>	<b>-6.748.958</b>	<b>-6.515.663</b>
<b>Carrying amount at the end of the year</b>	<b>1.948.528</b>	<b>2.181.823</b>



## Notes

	2017	2016
<b>7. Contract work in progress</b>		
Sales value of the production for the period	2.570.413	6.815.955
Payments on account received	-2.090.082	-6.117.059
<b>Net value of contract work</b>	<b>480.331</b>	<b>698.896</b>

*Progress billings are divided as follows in the balance sheet:*

Net receivables	480.331	698.896
Net liabilities	0	0
	<b>480.331</b>	<b>698.896</b>

## 8. Contingent liabilities

Recourse and non-recourse guarantee commitments	3.433.845	2.781.229
	<b>3.433.845</b>	<b>2.781.229</b>

## 9. Ownership

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

Calderys Nordic AB, Sweden

## 10. Unrecognised rental and lease commitments

Commitments under rental agreements or leases until expiry	1.027.432	523.950
	<b>1.027.432</b>	<b>523.950</b>

## 11. Related parties

Imerys, 154 Rue de l'Université, F-75007 Paris, France is the Ultimate Parent and has controlling interest via other group companies.