Icopal ApS

Lyskær 5, 2730 Herlev
Company registration no. 29 80 20 68

Annual Report 2018

Approved at the Company's annual general meeting on 26th June 2019

Chairman:

Jan Simonsen

Icopal ApS

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Company details

Company	Icopal ApS Lyskær 5 2730 Herlev Company registration no.: 29 80 20 68 Financial period: 1 January - 31 December Municipality of domicile: Herlev
Board of Directors	Johannes G. Schmidt-Schultes Thomas Joseph Anderson
Executive Board	Johannes G. Schmidt-Schultes
Auditors	Ernst & Young, Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, 2000 Frederiksberg
Consolidated Financial Statements	Icopal ApS is part of the consolidated financial statements for BMI Group Holdings UK Ltd. The consolidated financial statements for BMI Group Holdings UK Ltd. can be obtained from BMI Group Holdings UK Ltd., 20 Air Street 5th Floor, London W1B 5AN or cvr.dk.

Icopal ApS

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Icopal ApS for the financial year 1 January - 31 December 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company 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.

Herlev, 26th June 2019

Executive Board:

Johannes G. Schmidt-Schultes
CEO

Board of Directors:

Johannes G. Schmidt-Schultes	Thomas Joseph Anderson

Icopal ApS

Independent auditor's report

To the shareholder of Icopal ApS

Opinion

We have audited the financial statements of Icopal ApS for the financial year 1 January – 31 December 2018, which comprise 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.

In our opinion, the financial statements give a true and fair view of the financial position of the Company 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 believe that the audit evidence we have obtained is sufficient and appropiate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities 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.

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 additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of 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 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 conclusion is 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 note 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, 26th June 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Skov Larsen State Authorised Public Accountant mne26797	Thomas Legarth State Authorised Public Accountant mne44099

Icopal ApS

MANAGEMENT'S REVIEW

Financial highlights

t.DKK	2018	2017	2016	2015	2014
Key figures					
Profit before financial items	20.141	(45.060)	(55.746)	(25.337)	5.050
Financial income/expenses, net	(4.177)	58.778	98.962	(189.212)	(154.505)
Profit for the year	15.175	11.696	123.635	(392.823)	(182.162)
Total assets	4.389.709	6.444.683	6.533.679	7.762.185	8.049.148
Equity	3.608.468	3.870.493	3.858.797	3.735.162	4.123.488
Average number of employees	12	23	24	25	29
Financial ratios					
Equity ratio	82,2	60,1	59,1	48,1	51,2
Return on equity	0,4	0,3	3,3	(10,0)	(4,3)

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

Terms and definition:

Equity ratio $= \dfrac{\text{Equity x 100}}{\text{Total assets}}$

Return on equity $= \dfrac{\text{Profit for the year x 100}}{\text{Average equity}}$

MANAGEMENT'S REVIEW

MAIN ACTIVITY
The main activity of the Company is to exercise the ownership of shares in and provide lending and administrative services to the Icopal Group.

DEVELOPMENT IN THE YEAR
2018 have also been affected by the integration process between the Brass-Monier and the Icopal Groups in Europe and most Group functions have been mowed to other parts of the BMI Group during 2018.

In 2018 the company has participated in an intragroup debt restructuring for the BMI Group. The company has partly repaid its debt to Group entities of tDKK 1.637.633 by transfer of receivables from foreign subsidiaries and purchased own-shares (share buy-back) of nominel DKK 14.368.434 equivalent to 7,2% of share capital. The purchase price of the shares amounted to tDKK 277.200.

Besides impact from the intragroup debt restructuring, the profit for the year was as expected.

The company's equity amounted to tDKK 3.608.468 as of 31 December 2018.

SPECIAL RISKS
The company is exposed to the development in floating interest rates on interest bearing debt.

The company is not thought to be exposed to any unusual risks other than those generally affecting the roofing industry through its investments.

IMPACT ON THE EXTERNAL ENVIRONMENT
The company does not have a significant impact on the external environment.

RESEARCH AND DEVELOPMENT ACTIVITIES
The company incurre research and development costs in relation to software which are used in Icopal Group, and are recognized as Development projects.

RECOGNITION AND MEASUREMENT UNCERTAINTIES
The annual report is not impacted by uncertainty or unusual circumstances.

Investments in subsidiaries are measured at cost. If there are any indications of impairment, an impairment test is performed, and the investment is written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is calculated as the discounted value of the expected future cash flows in the subsidiaries.

Several important assumptions for the impairment test are associated with great uncertainty, including management's expectations for the companies' budget for the coming years, growth rate in the budget period and discount rate. Such conditions are by nature uncertain and if the assumptions used develop negatively, it may cause the realized results to deviate from the estimates. For further elaboration, please refer to note 8.

SUBSEQUENT EVENTS
There are no subsequent events of material significance in the assessment of the annual report.

OUTLOOK FOR THE FINANCIAL YEAR 2019
Profit for 2018 is impacted by transferring of former Group functions to other BMI Group entities.

Adjusted for these impacts, management expects a small profit for 2019.

Accounting Policies

General
The annual report has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class C entities.

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

The annual report is prepared in DKK (thousands)

With reference to Section 112 of the Danish Financial Statements Act, there are no consolidated financial statements because Icopal ApS is part of the consolidated financial statements for BMI Group Holdings UK Limited. The consolidated financial statements can be obtained from BMI Group Holdings UK Limited, 20 Air Street, 5th Floor, London W1B 5AN or cvr.dk.

Cash-flow statement
Pursuant to section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement as this is included in the annual report of the BMI Group Holdings UK Ltd, which can be obtained from BMI Groups Holdings UK Ltd., 20 Air Street 5th Floor, London W1B 5AN or cvr.dk.

Conversion of foreign currency
Transactions in foreign currency are converted at the transaction date's exchange rate. Gains and losses arising between the transaction date's exchange rate and the payment date's exchange rate are recognised in the profit and loss account as a financial item.

Foreign currency receivables and debt that have not been settled by the balance sheet date are converted at the balance sheet date's exchange rate. The difference between the balance sheet date's exchange rate and the transaction date's exchange rate is recognised in the profit and loss statement as a financial item.

Income statement

Administration costs
Administration costs include costs incurred during the year for management and administration of the company, including integration cost, costs of administrative staff, office space and office expenses, as well as depreciation.

Other operationg income and other operating expenses
Other operating income and other operating expenses comprises items secondary to the Company's activities, including Management fee, gains and losses on disposal of intangible assets and items of property, plant and equipment.

Financial income and expenses
Financial income and expenses comprise interest, expenses, realised and unrealised exchange rate gains and losses on debt and transactions in foreign currency. Financial income and expenses are recognised in the profit and loss account with the amounts relating to the financial year.

Accounting Policies (continued)

Tax for the year

Taf for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other BMI Group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Balance sheet

Intangible assets

Intangible fixed assets are recognised at cost less accumulated depreciation and write-downs. Depreciation occurs linearly over the assets expected useful life, which is:

- Development projects: 5 years
- Software: 5 years

Investments not exceeding DKK 20,000 are recognised as expenses in the year of purchase. Development costs comprise expenses, salaries and amortisation charges directly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and where the technical feasibility, sufficient resources and a potential future market or development potential are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life.

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries directly attributable to the construction of the individual asset.

Where individual components of an item of tangible assets have different useful lives, they are accounted for as separate items, which are depreciated separately.

Accounting Policies (continued)

Tangible assets (continued)

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

- Plant and machinery: 10 years
- IT, equipment and inventory: 3-5 years

Depreciation is recognised in the income statement as administrative expenses.
The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the amortisation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Gains and losses on the disposal of items of tangibles assets are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Investments not exceeding DKK 20,000 are recognised as expenses in the year of purchase.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is tested annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual assets or groups of assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Financial assets

Investments in subsidiaries are measured at cost. If there are indications of impairment, an impairment test is performed. Financial assets are written down to the lower of the carrying amount and the recoverable amount.

Impairments of investments in subsidiaries are recognised in the income statements under "impairment of financial assets".

Gain and losses on the disposal of financial assets are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal, and recognized in the income statement under "Gain from sale of financial assets".

Accounting Policies (continued)

Receivables
Receivables are measured in the balance sheet at amortised cost or a lower net realizable value, which corresponds to nominal value less impairment losses.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Equity

Treasury shares
Purchase and sale of treasury shares are taken directly to equity under "Retained earnings".

Reserve for development costs
The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or if they are no more part of the Company's operations by a transfer directly to distributable reserves under equity.

Dividends
Ordinary dividends which management proposes distributed for the financial year is shown as a separate item under equity.

Extraordinary dividends decided during the year are paid immediately after the decision and are reflected in the profit allocation.

Corporate tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Income tax receivable" or "Income tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities
Liabilities are measured at amortised cost, which essentially equals the nominal value.

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FINANCIAL STATEMENTS 1 JANUARY - 31 DECEMBER

Income statement

DKK (thousands)	NOTE	2018	2017
Administration costs	2	(40.219)	(230.523)
Other operating income		60.813	192.413
Other operating expenses		(453)	(6.950)
PROFIT BEFORE FINANCIAL ITEMS		**20.141**	**(45.060)**
Financial income	3	9.763	129.445
Financial expenses	4	(13.940)	(70.667)
PROFIT BEFORE TAX		**15.964**	**13.718**
Tax for the year	5	(789)	(2.022)
PROFIT FOR THE YEAR		**15.175**	**11.696**

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FINANCIAL STATEMENTS 1 JANUARY - 31 DECEMBER

Balance sheet

ASSETS DKK (thousands)	NOTE	2018	2017
Intangible assets	6	8.686	16.433
Tangible assets	7	-	6.766
Financial assets	8	3.773.084	3.724.659
NON-CURRENT ASSETS		**3.781.770**	**3.747.858**
Trade receivables		454	12.503
Receivables from Group entities		544.984	2.556.324
Deferred tax assets	9	2.483	-
Income tax receivables		7.042	-
Other receivables		4.833	12.381
RECEIVABLES		**559.796**	**2.581.208**
CASH		**48.143**	**115.617**
CURRENT ASSETS		**607.939**	**2.696.825**
TOTAL ASSETS		**4.389.709**	**6.444.683**

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FINANCIAL STATEMENTS 1 JANUARY - 31 DECEMBER

Balance sheet

LIABILITIES DKK (thousands)	NOTE	2018	2017
Share capital		200.000	200.000
Reserve for development costs		3.954	8.822
Retained earnings		3.404.514	3.661.671
EQUITY		**3.608.468**	**3.870.493**
Deferred tax liabilities	9	-	402
Other provisions		1.911	-
PROVISIONS		**1.911**	**402**
Loans from Group entities		-	1.663.132
Trade payables		4.068	4.497
Payables to Group entities		773.618	884.694
Income tax payables		-	5.738
Other payables		1.644	15.727
CURRENT LIABILITIES		**779.330**	**2.573.788**
TOTAL LIABILITIES		**779.330**	**2.573.788**
TOTAL EQUITY AND LIABILITIES		**4.389.709**	**6.444.683**

Contingent liabilities and other financial commitments	10
Related parties	11

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FINANCIAL STATEMENTS 1 JANUARY - 31 DECEMBER

Statement of changes in equity

DKK (thousands)

	Note	Share capital	Reserve for develop-ment costs	Retained earnings	In total
Equity at 1 January 2017		200.000	9.375	3.649.422	3.858.797
Transfer, see appropriation of profit/loss	1		(553)	12.249	11.696
Equity at 1 January 2018		**200.000**	**8.822**	**3.661.671**	**3.870.493**
Treasury shares				(277.200)	(277.200)
Transfer, see appropriation of profit/loss	1		(4.868)	20.043	15.175
Equity 31 December 2018		**200.000**	**3.954**	**3.404.514**	**3.608.468**

The company's share capital amounts to DKK 200 million divided into shares of DKK 1 or multiples thereof.

There have been no changes to the share capital in the last 5 years.

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FINANCIAL STATEMENTS 1 JANUARY - 31 DECEMBER

Notes to the financial statements

DKK (thousands)	2018	2017
NOTE 1 - APPROPRIATION OF PROFIT/LOSS		
Suggestion for profit allocation:		
Reserve for development costs	(4.868)	(553)
Transferred to equity reserves	20.043	12.249
TOTAL	**15.175**	**11.696**
NOTE 2 - ADMINSTRATION COSTS		
Wages and salaries	5.701	31.190
Pensions	1.029	1.757
Other social security costs	50	213
TOTAL	**6.780**	**33.160**
Staff Costs are recognised in the income statements under:		
Administration costs	6.780	33.160
TOTAL	**6.780**	**33.160**
Remuneration to the executive board *	-	9.476
Fees to the members of the supervisory board **	-	-

* The company's current executive board does not receive separate remuneration relating to this position. His renumeration within the group is paid out from BMI Group Management UK Ltd.

** The company's current supervisory board do not receive separate remuneration relating to their positions. Their renumeration within the group is paid out from BMI Group Management UK Ltd.

NOTE 3 - FINANCIAL INCOME	2018	2017
Interest income from Group entities	1.074	84.182
Other interest income	8.201	8.870
Exchange rate adjustments for foreign currency transactions	488	36.393
TOTAL	**9.763**	**129.445**
NOTE 4 - FINANCIAL EXPENSES		
Interest expenses to Group entities	328	45.563
Other interest expenses	7.024	2.292
Exchange rate adjustments for foreign currency transactions	5.632	19.998
Other financial expenses	956	2.814
TOTAL	**13.940**	**70.667**

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FINANCIAL STATEMENTS 1 JANUARY - 31 DECEMBER

Notes to the financial statements

DKK (thousands)	2018	2017
NOTE 5 - TAX ON PROFIT FOR THE YEAR		
Current tax for the year	5.075	5.908
Adjustment of deferred tax	(1.420)	(34)
Adjustment of current tax relating to previous years	(1.401)	(11.382)
Adjustment of deferred tax relating to previous years	(1.465)	7.530
TOTAL	**789**	**2.022**

NOTE 6 - INTANGIBLE ASSETS

	Other Intangible assets	Total
Cost price at 1 January	38.584	38.584
Additions	1.910	1.910
Disposals	(20.070)	-20.070
Cost price at 31 December	**20.424**	**20.424**
Amortisation at 1 January	22.151	22.151
Depreciations	9.657	9.657
Disposals	(20.070)	-20.070
Amortisation at 31 December	**11.738**	**11.738**
Book value at 31 December 2018	**8.686**	**8.686**

NOTE 7 - TANGIBLE ASSETS

	Plant and machinery	IT, equipment and inventory	Total
Cost price at 1 January	6.445	25.220	31.665
Additions	-	-	-
Disposals	(6.445)	(25.220)	(31.665)
Cost price at 31 December	-	-	-
Depreciations at 1 January	6.024	18.875	24.899
Depreciations	421	6.345	6.766
Disposals	(6.445)	(25.220)	(31.665)
Depreciation at 31 December	-	-	-
Book value at 31 December 2018	-	-	-

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FINANCIAL STATEMENTS 1 JANUARY - 31 DECEMBER

Notes to the financial statements

DKK (thousands)

NOTE 8 - FINANCIAL ASSETS

	Investments in subsidiaries
Cost price at 1 January	4.778.013
Additions	48.425
Disposals	-
Cost price at 31 December	**4.826.438**
Value adjustments at 1 January	(1.053.354)
Value adjustments in the year	-
Value adjustment at 31 December	**(1.053.354)**
Book value at 31 December 2018	**3.773.084**

Subsidiaries:

Name	Location	Share holding	Share capital	Equity	Profit for the year
RFG Holding SAS	France	100%	276	21.297	-21.908
RFG Holding AB	Sweden	100%	774	98.032	-32.907
Icopal DBV ApS	Denmark	100%	125	2.263	-16
Icopal Sprl	Belgium	99,9%	51.987	31.622	-25.995
Icopal Norge AS	Norway	100%	7.977	409.512	5.591
Icopal Danmark ApS	Denmark	100%	185.000	1.195.482	19.365
Icopal Holding ApS	Denmark	1%	224.091	2.258.272	-7.892

As stated in the Accounting Policies, page 9, an impairment test is performed, if there are indications of impairment of the value of the financial assets.

When preparing impairment tests, estimates are used to calculate the future value of the individual financial assets. Significant estimates are made when assessing long-term growth rates and profitability. In addition, an assessment is made of the reasonable discount rate. Changes in the growth rate in the budget period or discount rate may result in significantly different values. The assessments are made based on budgets, business plans and projections for 5 years and take into account previous experience and represent Management's best estimate of future

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FINANCIAL STATEMENTS 1 JANUARY - 31 DECEMBER

Notes to the financial statements

DKK (thousands)	2018	2017
NOTE 9 - DEFERRED TAX		
Deferred tax at 1 January	(402)	7.094
Adjustment of the deferred charge for the year	2.885	(7.496)
Deferred tax at 31 December	**2.483**	**(402)**
The deferred tax charge relates to		
Intangible assets	-	(3.616)
Tangible assets	2.483	2.906
Provisions	-	308
TOTAL	**2.483**	**(402)**

NOTE 10 - CONTINGENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS

The company has signed operational leases and lease agreements for the following amounts:

	2018	2017
Expiry within 1 year	8	215
Expiry within 1-5 years	0	186
TOTAL	**8**	**401**

The company is jointly taxed with other Danish BMI Group entities and is jointly and severally liable for Danish company and withholding taxes.

Certain guarantees were issued in connection with previous disposals of entities and business activities. Other than those recognised in the balance sheet or disclosed in the financial statements, these guarantees will not have a material effect on the company's financial position.

At the balance sheet date, the company has issued guarantees in favor of suppliers and subsidiaries of tDKK 80.920.

NOTE 11 - RELATED PARTIES

Controlling interest	Basis
RFG Midco ApS, Lyskær 5, DK-2730 Herlev	Danish parent company (100%)

Icopal ApS is part of the consolidated financial statements for BMI Group Holdings UK Ltd. and Standard Industries Inc.

The consolidated financial statements for BMI Group Holdings UK Ltd. can be obtained from BMI Group Holdings UK Ltd., 20 Air Street 5th Floor, London W1B 5AN or cvr.dk.
The consolidated financial statements for Standard Industries Inc. is not public available.

Transactions

All transactions with related parties are effected at market terms.