Icopal ApS

Lyskær 5
2730 Herlev

Annual Report 2016

Company registration no. 29 80 20 68

The annual report was presented and
adopted at the company's
annual general meeting
on 21 June 2017

Chairman
Henrik Hansen

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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	Jason Ivan Pollack (Chairman) Thomas Joseph Anderson James Russell Schnepper
Executive Board	James Russell Schnepper Henrik Hansen
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.

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Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and adopted the annual report of Icopal ApS for the financial year 1 January - 31 December 2016.

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 financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be adopted at the annual general meeting.

Herlev, 21 June 2017

Executive Board:

James Russell Schnepper
CEO

Henrik Hansen
CFO

Board of Directors:

Jason Ivan Pollack
Chairman

Thomas Joseph Anderson

James Russell Schnepper

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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 2016, which comprise accounting policies, an 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 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 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 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 about 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.

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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.

- 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 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.

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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 our procedures, 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.

Frederiksberg, 21 June 2017
Ernst & Young
Company registration no. 30 70 02 28

Søren Skov Larsen	Søren Gammelgaard
State Authorised Public Accountant	State Authorised Public Accountant

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MANAGEMENT'S REVIEW

Financial highlights

t.DKK	2016	2015	2014	2013	2012
Key figures					
Profit before financial items	(55.746)	(25.337)	5.050	(13.164)	(184.374)
Financial income and expenses, net	98.962	(189.212)	(154.505)	(109.966)	51.762
Profit for the year	123.635	(392.823)	(182.162)	(10.573)	(146.309)
Total assets	6.533.679	7.762.185	8.049.148	7.905.653	8.300.805
Equity	3.858.797	3.735.162	4.123.488	4.330.588	4.320.367
Average number of employees	24	25	29	27	31
Financial ratios					
Equity ratio	59,1	48,1	51,2	54,8	52,0
Return on equity	3,3	(10,0)	(4,3)	(0,2)	(3,4)

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and Financial Ratios 2015"

Terms and definition:

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

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

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MANAGEMENT'S REVIEW

MAIN ACTIVITY
On 4 April 2016, the company's ultimate parent company in Denmark, Icopal Holding ApS, was acquired by Cortes Acquisition Company ApS, as a share-deal from the former owner Investcorp.

The company's main activity is to exercise the ownership of shares in and provide lending and administrative services to the Icopal Group.

DEVELOPMENT IN THE YEAR
The profit for the year amounted to tDKK 123.635. The result was positively affected with tDKK 774.607 due to the divestment of the shares in the US-based Icopal activities. In addition, the result was negatively affected with tDKK 622.000 due to impairments of investments in subsidiaries and impairment of receivables from Group entities of tDKK 53.331.

In connection with change in ownership 4th April 2016, all external interest bearing debt was repaid and replaced with intercompany debt.

In 2016 the company converted a receivable of tDKK 124.219 against OOO Villaco (Russia) to equity investment in Icopal Danmark ApS.

Tax for the year is negatively affected with tDKK 22.391, due to changes in accounting estimates relating to prior years access to tax deductibility of certain expenses.

Besides impacts from taxes, impairments and divestments, the profit for the year was as expected.

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.

OTHER EVENTS DEEMED SIGNIFICANT FOR THE ANNUAL REPORT
The annual report is not impacted by uncertainty or unusual circumstances.

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MANAGEMENT'S REVIEW (cont.)

SUBSEQUENT EVENTS

The company's ultimate parent company, Standard Industries Inc., announced in April 2017 that it had acquired all the shares in the Brass-Monier Group, and that an integration process had commenced between the Brass-Monier and Icopal groups in Europe.

The acquisition has no impact on the company's financial position as at 31 December 2016.

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

OUTLOOK FOR THE FINANCIAL YEAR 2017

Profit for 2016 is highly impacted by divestment- and impairment of shares and receivables. Adjusted for these impacts, management expects a profit for 2017 on the same level as in 2016.

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Accounting Policies

GENERAL

The annual report is prepared in accordance with the provisions in the Danish Financial Statements Act for Class C entities.

Effective 1 January 2016, the Company has adopted act no. 738 of 1 June 2015. This implies changes in the recognition and measurement regarding capitalisation of development costs:

An amount corresponding to development costs recognised are in future tied up in a special reserve under equity called "Reserve for development costs". The amount is tied up in a special reserve, which cannot be used to distribute dividend or cover losses. If the development costs recognised are sold or in some other way no longer form part of the Company's operations, the reserve will be dissolved or reduced by a transfer directly to distributable reserves under equity. If the recognised development costs are written down, part of the reserve for development costs must be reversed. The reversed portion corresponds to the write-down of the development costs. If a write-down of the development costs is subsequently reversed, the reserve for development costs must be re-established. The reserve for development costs is also reduced by amortisation charges. In doing so, the equity reserve will not exceed the amount recognised in the balance sheet as development costs.

None of the above changes affects the income statement or the balance sheet for 2016 or the comparative figures.

In addition, the Company has for 2016 decided to present cash-pool balances with group entities as receivables from- and payables to Group entities, respectively. Total assets and liabilities has, compared with the presentation in 2015, increased with tDKK 454. Change in presentation, does not impact profit for the year or/and equity, why comparitives has not been restated.

Apart from the above changes as well as new and changed presentation and disclosure requirements, which follow from act no. 738 of 1 June 2015, the accounting policies 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.

Accounting Policies (cont.)

BALANCE SHEET

Income Statement

Administration costs
Administration costs include costs incurred during the year for management and administration of the company, including 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 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.

Tax for the year

The Company is subject to the Danish rules on mandatory joint taxation.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

The tax expense for the year, which comprises the year's current tax charge, joint taxation contributions and changes in the deferred tax charge – including changes arising from changes in tax rates – is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

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.

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Accounting Policies (cont.)

BALANCE SHEET

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.

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.

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Accounting Policy (cont.)

BALANCE SHEET

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".

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

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.

Accounting Policies (cont.)

BALANCE SHEET

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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INCOME STATEMENTS 1 JANUARY - 31 DECEMBER

DKK (thousands)	NOTE	2016	2015
Administration costs	2	(113.338)	(63.058)
Other operating income		82.245	66.462
Other operating expenses		(24.653)	(28.741)
PROFIT BEFORE FINANCIAL ITEMS		**(55.746)**	**(25.337)**
Financial income	4	302.117	230.734
Financial expenses	5	(203.155)	(419.946)
Gain from sale of financial assets		774.607	-
Impairment of financial assets		(675.331)	(197.975)
PROFIT BEFORE TAX		**142.492**	**(412.524)**
Tax for the year	6	(18.857)	19.701
PROFIT FOR THE YEAR		**123.635**	**(392.823)**

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BALANCE SHEET 31 December

ASSETS DKK (thousands)	NOTE	2016	2015
Intangible assets	7	21.723	13.326
Tangible assets	8	17.853	22.462
Financial assets	9	3.510.610	4.771.827
NON-CURRENT ASSETS		**3.550.186**	**4.807.615**
Trade receivables		8.150	10.247
Receivables from Group entities		2.431.819	2.731.985
Deferred tax assets	10	7.094	-
Income tax receivables		-	21.180
Other receivables		8.753	18.507
RECEIVABLES		**2.455.816**	**2.781.919**
CASH		**527.676**	**172.651**
CURRENT ASSETS		**2.983.493**	**2.954.570**
TOTAL ASSETS		**6.533.679**	**7.762.185**

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BALANCE SHEET 31 December

LIABILITIES DKK (thousands)	NOTE	2016	2015
Share capital		200.000	200.000
Reserve for development costs		9.375	-
Retained earnings		3.649.422	3.535.162
EQUITY		**3.858.797**	**3.735.162**
Deferred tax liabilities	**10**	**-**	**2.695**
PROVISIONS		**-**	**2.695**
Loans from Group entities		1.763.775	396.587
Borrowings		-	3.244.268
NON-CURRENT LIABILITIES	**11**	**1.763.775**	**3.640.855**
Bank overdrafts		0	300.139
Trade payables		9.386	7.038
Payables to Group entities		874.512	9.199
Income tax payables		4.408	-
Other payables		22.800	67.097
CURRENT LIABILITIES		**911.107**	**383.473**
TOTAL LIABILITIES		**2.674.882**	**4.024.328**
TOTAL EQUITY AND LIABILITIES		**6.533.679**	**7.762.185**

Subsequent events	**3**		
Contingent liabilities and other financial commitments	**12**		
Related parties	**13**		

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Statement of changes in equity

DKK (thousands)

	Note	Share capital	Reserve for develop-ment costs	Retained earnings	In total
Equity at 1 January 2015		200.000	-	3.923.488	4.123.488
Adjustment hedges				4.497	4.497
Transfer, see appropriation of profit/loss	1			(392.823)	(392.823)
Equity at 1 January 2016		**200.000**	**-**	**3.535.162**	**3.735.162**
Transfer, see appropriation of profit/loss	1		9.375	114.260	123.635
Equity 31 December 2016		**200.000**	**9.375**	**3.649.422**	**3.858.797**

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

Besides an increase in share capital of DKK 100 in 2012, there have been no changes to the share capital in the last 5 years.

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NOTES TO THE ANNUAL REPORT

DKK (thousands)	2016	2015

NOTE 1 - APPROPRIATION OF PROFIT/LOSS

Suggestion for profit allocation:		
Reserve for development costs	9.375	0
Transferred to equity reserves	114.260	(392.823)
TOTAL	**123.635**	**(392.823)**

NOTE 2 - ADMINSTRATION COSTS

Wages and salaries	34.455	37.698
Pensions	1.757	1.763
Other social security costs	229	200
TOTAL	**36.441**	**39.661**

Staff Costs are recognised in the income statements under:		
Administration costs	36.441	39.661
TOTAL	**36.441**	**39.661**

Remuneration to the executive board *	29.782	15.089
Fees to the members of the supervisory board **	920	1.367

* The company's current CEO does not receive separate remuneration relating to this position. His renumeration within the group is paid out from BMI Group Management UK Ltd. The 2016 fee presented above is influenced by severance pay to the former CEO.

** 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. The 2016 fee presented above relates to the previous supervisory board covering the period 1th January - 4th April 2016.

NOTE 3 - SUBSEQUENT EVENTS

The company's ultimate parent company, Standard Industries Inc., announced in April 2017 that they had acquired all the shares in the Brass-Monier Group, and that an integration process had commenced between the Brass-Monier and Icopal groups in Europe.

The acquisition has no impact on the company's financial position as of 31 December 2016.There are no other subsequent events of material significance in the assessment of the annual report.

NOTE 4 - FINANCIAL INCOME

Interest income from Group entities	138.136	192.641
Other interest income	16.316	14.229
Dividend from Group entities	28.000	-
Exchange rate adjustments for foreign currency transactions	119.665	23.864
TOTAL	**302.117**	**230.734**

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NOTES TO THE ANNUAL REPORT

DKK (thousands)	2016	2015
NOTE 5 - FINANCIAL EXPENSES		
Interest expenses to Group entities	40.589	3.668
Other interest expenses	98.405	240.603
Exchange rate adjustments for foreign currency transactions	19.136	143.941
Other financial expenses	45.025	31.734
TOTAL	**203.155**	**419.946**
NOTE 6 - TAX ON PROFIT FOR THE YEAR		
Current tax for the year	6.255	(14.027)
Adjustment of deferred tax	(9.751)	(5.050)
Adjustment of current tax relating to previous years	22.391	-
Adjustment of deferred tax relating to previous years	(38)	(624)
TOTAL	18.857	(19.701)

NOTE 7 - INTANGIBLE ASSETS

	Develop-ment projects in progess	Other Intangible assets	Total
Cost price at 1 January	2.115	20.409	22.524
Transfer during the year	-637	637	-
Additions	9.485	3.045	12.530
Disposals	-	-	-
Cost price at 31 December	**10.963**	**24.091**	**35.054**
Amortisation at 1 January	-	9.198	9.198
Amortisation at 1 January	-	4.133	4.133
Amortisation at 31 December	**-**	**13.331**	**13.331**
Book value at 31 December 2016	**10.963**	**10.760**	**21.723**

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NOTES TO THE ANNUAL REPORT

DKK (thousands)

NOTE 8 - TANGIBLE ASSETS

	Plant and machinery	IT, equipment and inventory	Assets under construction	Total
Cost price at 1 January	702	23.635	6.333	30.670
Transfer during the year	-	1.220	(1.220)	-
Additions	20	365	610	995
Disposals	-	-	-	-
Cost price at 31 December	**722**	**25.220**	**5.723**	**31.665**
Depreciations at 1 January	152	8.056	-	8.208
Transfer during the year	-	-	-	-
Depreciations	73	5.531	-	5.604
Disposals	-	-		-
Depreciation at 31 December	**225**	**13.587**	**-**	**13.812**
Book value at 31 December 2016	**497**	**11.633**	**5.723**	**17.853**

NOTE 9 - FINANCIAL ASSETS

	Investments in subsidiaries
Cost price at 1 January	5.203.180
Additions	470.571
Disposals	(1.109.787)
Cost price at 31 December	**4.563.964**
Value adjustments at 1 January	(431.354)
Value adjustments in the year	(622.000)
Value adjustment at 31 December	**(1.053.354)**
Book value at 31 December 2016	**3.510.610**

Subsidiaries:

Name	Location	Share holding	Share capital	Equity	Loss for the year
RFG Holding SAS	France	100%	275	22.523	-38.693
RFG Holding AB	Sweden	100%	77	40.978	-61
Icopal DBV ApS	Denmark	100%	125	2.333	-710
Icopal S.A.	Belgium	99,9%	23.460	32.781	-17.406
Icopal Norge AS	Norway	100%	8.170	216.671	-7.178
Icopal Danmark ApS	Denmark	100%	185.000	1.145.616	-122.129

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NOTES TO THE ANNUAL REPORT

DKK (thousands)

NOTE 10 - DEFERRED TAX

	2016	2015
Deferred tax at 1 January	(2.695)	(8.369)
Adjustment of the deferred charge for the year	9.789	5.674
Deferred tax at 31 December	**7.094**	**(2.695)**
The deferred tax charge relates to		
Intangible assets	(2.367)	(2.466)
Tangible assets	1.578	1.760
Borrowings	31	(9.935)
Other payables	2.338	-
Joint tax losses	5.514	7.946
	7.094	**(2.695)**

NOTE 11 - NON-CURRENT LIABILITIES

The entire long-term debt matures in 1 to 5 years.

NOTE 12 - CONTINGENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS

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

	2016	2015
Expiry within 1 year	347	346
Expiry within 1-5 years	422	243
TOTAL	**769**	**589**

The company is jointly taxed with other Danish units and is jointly and severally liable for Danish company and withholding taxes.

A tax audit regarding the income years 2012 and 2013 is currently on-going. It is management assesment that, apart from what is recognised in the balance sheet, the outcome of the tax audit, will not have a material impact on the company's financial position.

At the balance sheet date, an amount of tDKK 4.846 in cash has been allocated to guarantees, and hence restricted. The cash has been released in May 2017.

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 of tDKK 22.574.

NOTES TO THE ANNUAL REPORT

DKK (thousands)

NOTE 13 - RELATED PARTIES

Controlling interest	Basis
RFG Midco ApS, Lyskær 5, 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.

In 2016 the company converted a receivable of tDKK 124.219 against OOO Villaco (Russia) to equity investment in Icopal Danmark ApS.