



**MONIER A/S  
KONG CHRISTIANS ALLE 53  
DK-9000 AALBORG  
REG. NO. 31310113**

**ANNUAL REPORT 2017**

Approved at the Company's annual general meeting on 30 May 2018

**Chairman**

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Part of BMI Group

A small, handwritten mark in blue ink, resembling a stylized letter 'L' or a similar symbol, located at the bottom right of the page.

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**Company details**

<b>Company</b>	Monier A/S Kong Christians Alle 53 DK-9000 Aalborg Reg. no. 31 31 01 13 Phone +45 96 31 61 00 Fax +45 96 31 61 01 Webside www.monier.dk E-mail tag@monier.com  Established: 15 February 1971 Registered office: Aalborg Financial year 1 January – 31 December
<b>Board of Directors</b>	Alfons Horn, Chairman Klaus Sonne Ravn, Vice chairman Flemming Adolfsen Jørgen Nørgaard Øster Jens A. Lydolph-Nielsen *) Jens Ove Christensen *)  *) employee representative
<b>Executive Board</b>	Flemming Adolfsen, CEO Jørgen Nørgaard Øster
<b>Auditors</b>	Ernst & Young Godkendt Revisionspartnerselskab Vestre Havnepromenade 1 A DK-9000 Aalborg
<b>Bankers</b>	Handelsbanken Østre Havnegade 14 DK-9000 Aalborg

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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 Monier A/S for the financial year 1 January to 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters of the result for the year and of the Company's financial position.

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

Aalborg, 30 May 2018

### Executive Board



Flemming Adolfsen  
CEO



Jørgen Nørgaard Øster

### Board of Directors



Alfons Horn  
(Chairman)



Klaus Sonne Ravn  
(Vice chairman)



Flemming Adolfsen



Jørgen Nørgaard Øster



Jens A. Lydolph-Nielsen



Jens Ove Christensen

## Independent auditor's report

### To the shareholders of Monier A/S

#### Opinion

We have audited the financial statements of Monier A/S for the financial year 1 January – 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement 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 financial position of the Company at 31 December 2017 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

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

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- ▶ 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 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 30 May 2018  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Hans B. Vistisen  
State Authorised Public Accountant  
MNE no.: MNE23254

## Management's review

	<u>2013</u> DKK'000	<u>2014</u> DKK'000	<u>2015</u> DKK'000	<u>2016</u> DKK'000	<u>2017</u> DKK'000
<b>Financial highlights</b>					
<b>Key figures</b>					
Gross profit	48,044	55,068	52,029	51,107	49,843
Operating profit/loss	4,550	13,627	11,333	8,280	5,741
Profit from financial income and expenses	4,317	4,840	5,326	312	199
Profit/loss for the year	5,848	13,958	12,660	6,615	4,556
Equity	217,521	231,479	244,139	210,754	206,310
Total assets	256,660	270,816	287,102	254,049	248,652
Investments in property, plant and equipment	578	8,570	5,434	12,145	19,726
Cash flows from operating activities	-2,533	29,916	19,470	16,494	3,541
Cash flows from investing activities	609	-8,052	-5,434	-11,975	-19,726
Cash flows from financing activities	1,926	-1,122	-6,011	-38,944	5,995
Changes in cash and cash equivalents	-5.891	20.742	8,025	-34,425	-10,190
<b>Financial ratios</b>					
Return on invested capital (%)	1.8	5.2	4.1	3.1	2.3
Return on equity (%)	2.3	6.3	5.3	3.0	2.2
Solvency ratio (%)	84.5	85.5	85.0	83.0	83.0
No. of employees	73	72	70	73	75

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts.

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on invested capital	=	$\frac{\text{Operating profit} \times 100}{\text{Average invested capital}}$
Return on equity	=	$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$
Solvency ratio	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$

## **Management's review**

### **Operating review**

#### **Principal activities of the company**

The Company is engaged in the production and sale of roofing products and related products. The production of concrete and brick roof tiles takes place in Hersom and Volstrup. The Company moreover sells interlocking tiles from its affiliated companies in Germany and the Netherlands.

Monier A/S is part of the BMI Group, which in turn is part of the Standard Industries family of companies, which includes GAF, the leading manufacturer of roofing and waterproofing solutions in North America. BMI Group was established following the coming together of Braas Monier and Icopal in 2017. The combined heritage of these two groups represents a rich history of delivering roofing and waterproofing excellence to customers and brings together some of the biggest and most trusted names in the industry.

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

The Company reported a profit before tax of DKK'000 5,940 for 2017 and the Company's balance sheet showed equity of DKK'000 206,310 at 31 December 2017. The cash flow from operating activities is DKK'000 3,541. Profit and cash flow for the year are lower than last year and especially the profit is therefore not fully satisfactory.

Monier A/S' activities is affected by a decrease in some parts of the roofing market.

#### **Particular risks**

##### **General risks**

Offering competitive prices and quality makes up the Company's most significant operating risk.

##### **Credit risks**

The Company solely provides credit to customers in the course of normal trading, and the Company's credit policy ensures that all customers are regularly credit rated. All trade receivables are insured to the extent possible.



## **Management's review**

### **Operating review**

#### **Environmental issues**

The Company is environmentally conscious and constantly strives at reducing its environmental impact from its operations.

The factory in Hersom has obtained environmental approval from the local authorities in Viborg, and the factory in Volstrup from the local authorities in Frederikshavn.

#### **Research and development activities**

The Company does not carry out any actual research and development activities but regularly strives at developing and improving its product range.

#### **Significant events after the balance sheet date**

No events have occurred after the balance sheet date affecting the evaluation of the annual report.

#### **Outlook**

The Company expects the market for 2018 to be at the same level as in 2017. The Company expects positive result and positive cash flow from operations. The Company is expected to continue big investments to develop the company.

**Income statement**

	<b>Note</b>	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>Gross profit</b>		<b>49,843</b>	<b>51,107</b>
Distribution costs	2	-34,328	-32,982
Administrative expenses	2	-9,774	-9,845
<b>Operating profit</b>		<b>5,741</b>	<b>8,280</b>
Financial income	3	332	399
Financial expenses		-133	-87
<b>Profit before tax</b>		<b>5,940</b>	<b>8,592</b>
Tax on profit for the year	4	-1,384	-1,977
<b>PROFIT FOR THE YEAR</b>	5	<b>4,556</b>	<b>6,615</b>

**Balance sheet**

	<u>Note</u>	<u>2017</u> DKK'000	<u>2016</u> DKK'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Land and buildings		7,193	7,826
Plant and machinery		31,711	20,566
Fixtures and fittings and equipment		3,031	2,471
Property, plant and equipment under construction		11,084	7,668
<b>Total property, plant and equipment</b>	6	<b>53,019</b>	<b>38,531</b>
<b>Total non-current assets</b>		<b>53,019</b>	<b>38,531</b>
<b>Current assets</b>			
Raw materials and consumables		11,144	11,590
Work in progress		430	200
Finished goods and goods for resale		21,621	19,770
<b>Inventories</b>		<b>33,195</b>	<b>31,560</b>
Trade receivables		17,936	14,648
Amounts owed by group enterprises		136,434	162,068
Deferred tax asset	7	7,060	6,097
Other receivables		451	388
Prepayments		546	744
<b>Receivables</b>		<b>162,427</b>	<b>183,945</b>
Cash at bank and in hand		11	13
<b>Total current assets</b>		<b>195,633</b>	<b>215,518</b>
<b>TOTAL ASSETS</b>		<b>248,652</b>	<b>254,049</b>

**Balance sheet**

	<u>Note</u>	<u>2017</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		58,000	58,000
Retained earnings		140,310	143,754
Proposed dividends for the year		8,000	9,000
<b>Total equity</b>	8	<u><b>206,310</b></u>	<u><b>210,754</b></u>
Other provisions	9	5,813	6,298
<b>Total provisions</b>		<u><b>5,813</b></u>	<u><b>6,298</b></u>
Trade payables		10,049	13,635
Payable to group enterprises		4,328	4,779
Joint taxation contribution payable		2,347	2,635
Other payables		19,805	15,948
<b>Current liabilities other than provisions</b>		<u><b>36,529</b></u>	<u><b>36,997</b></u>
<b>EQUITY AND LIABILITIES</b>		<u><b>248,652</b></u>	<u><b>254,049</b></u>
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### Statement of changes in equity

	<u>Notes</u>	Share capital DKK'000	Retained earnings DKK'000	Proposed dividends for the financial year DKK'000	Total DKK'000
Equity at 1 January 2016		58,000	146,139	40,000	244,139
Distributed dividends		0	0	-40,000	-40,000
Proposed profit appropriation		<u>0</u>	<u>-2,385</u>	<u>9,000</u>	<u>6,615</u>
<b>Equity at 31 December 2016</b>		<b><u>58,000</u></b>	<b><u>143,754</u></b>	<b><u>9,000</u></b>	<b><u>210,754</u></b>
Equity at 1 January 2017		58,000	143,754	9,000	210,754
Distributed dividends		0	0	-9,000	-9,000
Proposed profit appropriation		<u>0</u>	<u>-3,444</u>	<u>8,000</u>	<u>4,556</u>
<b>Equity at 31 December 2017</b>		<b><u>58,000</u></b>	<b><u>140,310</u></b>	<b><u>8,000</u></b>	<b><u>206,310</u></b>

**Cash flow statement**

	<u>Note</u>	<u>2017</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>
Operating profit		5,741	8,280
Depreciation, amortisation and impairment losses		5,238	6,513
Profit disposal of property, plant and equipment		0	-170
Changes in provisions		-485	-1,191
Changes in working capital:			
Changes in inventories		-1,635	1,544
Changes in receivables		-3,153	3,131
Changes in trade payables		-3,586	2,767
Changes in other payables		3,857	-475
		<u>5,977</u>	<u>20,399</u>
Financial income and expenses		199	312
Corporation tax paid		-2,635	-4,217
<b>Cash flows from operating activities</b>		<b><u>3,541</u></b>	<b><u>16,494</u></b>
Acquisition of property, plant and equipment		-19,726	-12,145
Profit disposal of property, plant and equipment		0	170
<b>Cash flows from investing activities</b>		<b><u>-19,726</u></b>	<b><u>-11,975</u></b>
Paid dividend		-9,000	-40,000
Changes in receivables and amounts owed to group enterprises		14,995	1,056
<b>Cash flows from financing activities</b>		<b><u>5,995</u></b>	<b><u>-38,944</u></b>
<b>Changes in cash and cash equivalents</b>		<b><u>-10,190</u></b>	<b><u>-34,425</u></b>
Cash equivalents in cash pool at 1 January		20,262	54,691
Cash at 1 January		13	9
<b>Cash and cash equivalents at 1 January</b>		<b><u>20,275</u></b>	<b><u>54,700</u></b>
<b>Calculated cash and cash equivalents at 31 december</b>		<b><u>10,085</u></b>	<b><u>20,275</u></b>
Cash equivalents in cash pool at 31 December		10,074	20,262
Cash at 31 December		11	13
<b>Cash and cash equivalents at 31 December</b>		<b><u>10,085</u></b>	<b><u>20,275</u></b>

## Notes to the financial statement

### 1 Accounting policies

The annual report of Monier A/S for 2017 has been prepared in accordance with the provisions applying to reporting class C medium-sized 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.

The Company has decided not to disclose remuneration of the Executive Board and the Board of Directors in accordance with section 98b (3) of the Danish Financial Statements Act.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Receivables and payables and other monetary items denominated in foreign currencies which are not settled at the balance sheet date are translated at the exchange rate at the balance sheet date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment and the rate at the balance sheet date, respectively, are recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer has taken place. Revenue is measured ex VAT, taxes and discounts in relation to the sale.

##### Other operating income and costs

Other operating income and costs comprises items secondary to the company's activities.

##### Gross profit

In accordance with section 32 of the Danish Financial Statements Act, revenue and production costs are comprised into the financial statement caption gross profit.

##### Production costs

Production costs comprise direct and indirect costs incurred in generating revenue for the year. Production costs comprise the cost of raw materials and consumables, production staff, depreciation as well as claims.

##### Distribution costs

Costs incurred in distributing goods sold and in conducting sales campaigns are recognised as distribution costs. Also, costs relating to sales and distribution staff, advertising as well as depreciation are recognised as distribution costs.

## Notes

### 1 Accounting policies (continued)

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as depreciation and impairment losses.

#### Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

When there is an indication of impairment, each asset or a group of assets is impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets.

#### Inventories

Inventories are measured at the lower of cost in accordance with the average cost formula and the net realisable value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs. Goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads.

Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation and impairment losses regarding production machinery, buildings and equipment as well as factory administration and management. Financing costs are not included in the cost.

The net realisable value of inventories is determined taking into consideration estimated sales price less costs of completion and costs necessary to make the sale.

#### Receivables

Receivables are measured at amortised cost, usually equaling nominal value, less write-downs for bad debts.

#### Cash and cash equivalents

Bank deposits and drawings on group cash pool is recognised as balances with group enterprises.

#### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

#### Equity dividends

Dividends are recognised as a liability at the date when they are adopted at the annual general meeting. The proposed dividend payment for the financial year is disclosed as a separate item under equity.

#### Other provisions

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.



## Notes

### 1 Accounting policies (continued)

Warranties comprise obligations to make good any errors and omissions within the warranty period.

#### Lease obligations

Operating lease payments are recognised in the income statement over the term of the lease.

#### Financial liabilities

Financial liabilities are recognised at amortised cost, which usually corresponds to nominal value.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognized 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.

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

Deferred tax assets, including the tax value of tax loss carry forwards, are measured at the expected value of their utilization; 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. Any deferred net assets are measured at net realizable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax. Changes in deferred tax due to changes in the tax rate are recognized in the income statement.

#### Cash flow statement

The cash flow statement is presented in accordance with the indirect method and shows cash flows from operating, investing and financing activities and the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as operating profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and investments as well as the acquisition, development, improvement and disposal, etc. of intangible assets, property, plant and equipment, including assets held under finance lease.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, the closing of finance leases, repayment of interest-bearing debt, acquisition of treasury shares and payment of dividends.

Cash and cash equivalents comprise cash and short-term securities with insignificant price risks less short-term bank loans.

**Notes**

	<u>2017</u> DKK'000	<u>2016</u> DKK'000
<b>2 Staff costs</b>		
Wages and salaries	34,220	31,661
Pensions	2,711	2,584
Other social security costs	795	814
	<u>37,726</u>	<u>35,059</u>
Staff costs are recognised as follows in the financial statements:		
Production costs	17,565	16,033
Distribution costs	14,361	13,537
Administrative expenses	5,800	5,489
	<u>37,726</u>	<u>35,059</u>
Average number of employees	<u>75</u>	<u>73</u>
<b>3 Financial income</b>		
Financial income from group enterprises	<u>332</u>	<u>399</u>
	<u>332</u>	<u>399</u>
<b>4 Tax on profit/loss for the year</b>		
Joint taxation contribution for the year	2,347	2,635
Adjustment of deferred tax	-963	-658
	<u>1,384</u>	<u>1,977</u>
<b>5 Proposed profit appropriation</b>		
Retained earnings	-3,444	-2,385
Dividend	8,000	9,000
	<u>4,556</u>	<u>6,615</u>

## Notes

## 6 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Fixtures and fittings, other plant and equipment DKK'000	Property, plant and equipment under construction DKK'000
Cost at 1 January 2017	72,149	202,353	14,596	7,668
Additions during the year	29	9,129	362	10,207
Reclassification	0	5,824	967	-6,791
Reclass cost/acc. depreciation	0	-48	-670	0
Disposals during the year	0	0	-348	0
Cost at 31 December 2017	<u>72,177</u>	<u>217,258</u>	<u>14,905</u>	<u>11,084</u>
Impairment and depreciation at 1 January 2017	64,323	181,787	12,125	0
Depreciation for the year	661	3,808	769	0
Reclassification cost / acc. depr.	0	-48	-670	0
Depreciation on sold assets	0	0	-348	0
Impairment and depreciation at 31 December 2017	<u>64,984</u>	<u>185,547</u>	<u>11,876</u>	<u>0</u>
Carrying amount 31 December 2017	<u>7,193</u>	<u>31,711</u>	<u>3,031</u>	<u>11,084</u>

## Notes

### 7 Deferred tax

	<u>2017</u> DKK'000	<u>2016</u> DKK'000
Deferred tax 1 January 2017	-6,097	-5,439
Adjustment of deferred tax for the year, income statement	-963	-658
Deferred tax at 31 December 2017	<u>-7,060</u>	<u>-6,097</u>

Deferred tax is incumbent on the following items:

Property, plant and equipment	-6,082	-4,900
Inventories	-156	-267
Warranties	-718	-879
Other provisions	-104	-51
	<u>-7,060</u>	<u>-6,097</u>

Based on the impairment test performed, Management expects the tax assets to be utilised through future positive earnings within 5-7 years, and Management has therefore assessed the recognition of the tax asset at 31 December 2017 in full to provide a true and fair view

### 8 Equity

#### Share capital

The share capital comprises 1 share of DKK'000 25,000 and 1 share of DKK'000 33,000.

The shares are not divided into different classes of shares. There were no changes in the share capital from 1998 – 2017.

### 9 Other provisions

	<u>2017</u> DKK'000	<u>2016</u> DKK'000
Warranties at 1 January 2017	6,298	7,489
Used during the year	-687	-1,141
Adjustments during the year	202	-50
Warranties at 31 December 2017	<u>5,813</u>	<u>6,298</u>

The provisions are expected to be payable

Within 1 year	1,884	1,356
Within 2-5 years	3,929	4,942
	<u>5,813</u>	<u>6,298</u>

The provisions primarily relate to warranties/complaints.

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## Notes

### 10 Guarantees and other contingent liabilities

The Company is under an obligation to re-establish and maintain gravel areas and re-establish clay areas. However, these areas are re-established on a regular basis. Accordingly, the Company's liabilities were computed at DKK'000 0 at 31 December 2017.

Guarantees totaling DKK'000 974 have been provided for the re-establishment of clay areas and gravel pit as well as for distribution payment.

For 2018, operating leases have been entered into regarding a property with annual expenses of DKK'000 678 (for 2018); a total of DKK'000 678. For 2018 – 2024, operating leases have been entered into regarding IT equipment, passenger cars and trucks with annual expenses of DKK'000 1,539 (for 2018); a total of DKK'000 4,087.

The Company has provided guarantee for the Group's external financing. The guarantee corresponds to the Company's equity at 31 December 2017.

The Company is for the period 1 January – 2 April 2017 jointly taxed with the Company's Danish parent company, Monier Holding ApS, and the Company's Danish affiliated companies, Schiedel Skorstene A/S and J.A. Plastindustri A/S. The Company has joint and several unlimited liability for Danish withholding taxes on dividends, interest, royalties and corporation taxes within the joint taxation unit.

The Company is for the period 3 April – 31 December 2017 jointly taxed with the Danish affiliated companies within the BMI Group. The Company has joint and several unlimited liability for Danish withholding taxes on dividends, interest, royalties and corporation taxes within the joint taxation unit.

### 11 Related party disclosures

Related parties exercising control of Monier A/S:

- The Company's principal shareholder, Monier Holding ApS, Aalborg, Denmark, as well as higher-ranking parents within the BMI Group, including the ultimate parent company Standard Industries Inc, 9 West 57<sup>th</sup> Street, 30<sup>th</sup> Floor, New York, NY 10019, USA.

DKK'000	2017	2016
Sale of goods to group enterprises	3,306	4,114
Sale of service to group enterprises	5,618	5,442
Purchase of goods from group enterprises	37,959	35,714
Purchase of service etc. from group enterprises	9,500	9,906
Interest income from group enterprises	332	399
Receivables from group enterprises	136,434	162,068
Payables to group enterprises	4,328	4,779
Joint taxations contribution payable	2,347	2,635

Remuneration/fees to members of the Executive Board and the Board of Directors of the Parent Company are reflected in note 2.

## Notes

### 12 Shareholders

The Company has registered the following shareholders holding more than 5% of voting rights or nominal value:

Monier Holding ApS  
Kong Christians Allé 53  
9000 Aalborg

The parent company BMI Group s.à.r.l., headquartered in Luxembourg prepares consolidated financial statements, in which Monier A/S is incorporated as a subsidiary. The consolidated financial statements are available at the Trade Register of Luxembourg.

### 13 Significant events after the balance sheet date

No events have occurred after the balance sheet date affecting the evaluation of the annual report.