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BÖTTCHER TEKNISK GUMMI A/S

NORGESVEJ 6, 8700 HORSENS

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2019

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 19 February 2020**

Franz-Georg Heggemann

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 31 74 81 94

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Statement by Board of Directors and Board of Executives.....	4
Independent Auditor's Report.....	5-6
Management's Review	
Management's Review	7
Financial Statements 1 January - 31 December	
Income Statement.....	8
Balance Sheet.....	9-10
Notes.....	11-12
Accounting Policies.....	13-15

COMPANY DETAILS

Company	Böttcher Teknisk Gummi A/S Norgesvej 6 8700 Horsens CVR No.: 31 74 81 94 Established: 1 September 2008 Registered Office: Horsens Financial Year: 1 January - 31 December
Board of Directors	Franz-Georg Heggemann, chairman Albert Maria Heinrich Schlüpen Dirk Johannes Odenbrett
Board of Executives	Michael Stidsen Richard Duyser
Auditor	BDO Statsautoriseret revisionsaktieselskab Roms Hule 4, 1. sal 7100 Vejle

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Böttcher Teknisk Gummi A/S for the financial year 1 January - 31 December 2019.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Horsens, 30 January 2020

Board of Executives

Michael Stidsen

Richard Duyser

Board of Directors

Franz-Georg Heggemann
Chairman

Albert Maria Heinrich Schlüpen

Dirk Johannes Odenbrett

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Böttcher Teknisk Gummi A/S

Opinion

We have audited the Financial Statements of Böttcher Teknisk Gummi A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, notes and a summary of significant 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 assets, liabilities and financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 the 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 these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment 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 conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.*
- *Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Vejle, 30 January 2020

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Bent Skov
State Authorised Public Accountant
MNE no. mne31481

MANAGEMENT'S REVIEW

Principal activities

The company's activities is production and sale of roller and roller coverings in rubber. The production and sales takes place in the company.

Development in activities and financial position

The company realizes a profit of 379 DKK ('000). This is considered satisfactory.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019 DKK	2018 DKK
GROSS PROFIT		14.915.965	15.075.562
Staff costs.....	1	-12.727.306	-12.735.598
Depreciation, amortisation and impairment.....		-1.705.038	-1.642.254
OPERATING PROFIT		483.621	697.710
Other financial income.....		34.106	57.379
Other financial expenses.....	2	-19.141	-18.468
PROFIT BEFORE TAX		498.586	736.621
Tax on profit/loss for the year.....	3	-119.222	-167.464
PROFIT FOR THE YEAR		379.364	569.157
PROPOSED DISTRIBUTION OF DIVIDEND			
Extraordinary dividend.....		747.118	0
Retained earnings.....		-367.754	569.157
TOTAL		379.364	569.157

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2019 DKK	2018 DKK
Production plants and machinery.....		4.572.173	5.264.608
Leasehold improvements.....		131.394	352.727
Tangible fixed assets.....	4	4.703.567	5.617.335
Rent deposit and other receivables.....		719.410	702.285
Fixed asset investments.....	5	719.410	702.285
FIXED ASSETS.....		5.422.977	6.319.620
Raw materials and consumables.....		4.613.218	3.810.480
Inventories.....		4.613.218	3.810.480
Trade receivables.....		4.673.799	3.991.849
Receivables from group enterprises.....		147.657	628.545
Other receivables.....		25.871	0
Receivables.....		4.847.327	4.620.394
Other securities and equity investments.....		2.842	2.842
Current investments.....		2.842	2.842
Cash and cash equivalents.....		124.915	554.756
CURRENT ASSETS.....		9.588.302	8.988.472
ASSETS.....		15.011.279	15.308.092

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2019 DKK	2018 DKK
Share capital.....		7.333.333	7.333.333
Retained profit.....		4.545.752	4.913.506
EQUITY.....	6	11.879.085	12.246.839
Provision for deferred tax.....		267.883	497.801
PROVISION FOR LIABILITIES.....		267.883	497.801
Trade payables.....		956.617	697.640
Payables to group enterprises.....		739.778	796.737
Corporation tax.....		349.140	88.374
Other liabilities.....		818.776	980.701
Current liabilities.....		2.864.311	2.563.452
LIABILITIES.....		2.864.311	2.563.452
EQUITY AND LIABILITIES.....		15.011.279	15.308.092
 Contingencies etc.	 7		

NOTES

	2019 DKK	2018 DKK	Note
Staff costs			1
Average number of employees 27 (2018: 28)			
Wages and salaries.....	10.732.745	10.703.574	
Pensions.....	1.304.633	1.437.488	
Social security costs.....	328.840	303.685	
Other staff costs.....	361.088	290.851	
	12.727.306	12.735.598	
Other financial expenses			2
Interest to group enterprises.....	0	3.587	
Other interest expenses.....	19.141	14.881	
	19.141	18.468	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year.....	349.140	88.374	
Adjustment of deferred tax.....	-229.918	79.090	
	119.222	167.464	
Tangible fixed assets			4
	Production plants and machinery	Leasehold improvements	
Cost at 1 January 2019.....	21.131.456	2.491.435	
Additions.....	764.335	26.933	
Cost at 31 December 2019.....	21.895.791	2.518.368	
Depreciation and impairment losses at 1 January 2019.....	15.866.848	2.138.708	
Depreciation for the year.....	1.456.770	248.266	
Depreciation and impairment losses at 31 December 2019....	17.323.618	2.386.974	
Carrying amount at 31 December 2019.....	4.572.173	131.394	
Fixed asset investments			5
		Rent deposit and other receivables	
Cost at 1 January 2019.....		702.285	
Additions.....		17.125	
Cost at 31 December 2019.....		719.410	
Carrying amount at 31 December 2019.....		719.410	

NOTES

Note

Equity

6

	Share capital	Retained profit	Proposed dividend	Total
Equity at 1 January 2019.....	7.333.333	4.913.506	0	12.246.839
Proposed distribution of profit.....		-367.754	747.118	379.364
Distributed extraordinary dividend.....			-747.118	-747.118
Equity at 31 December 2019.....	7.333.333	4.545.752	0	11.879.085

Contingencies etc.

7

Contingent liabilities

The company has signed rental agreement regarding buildings until June 2026. The total liabilities amounted to T.DKK. 6.695.

In addition to financial leases, which are recognized in the balance sheet, the Company has entered into operating leases with an annual lease payment of T.DKK 109. The leases have remaining maturity up to 22 months and a total remaining lease payments T.DKK. 173.

ACCOUNTING POLICIES

The Annual Report of Böttcher Teknisk Gummi A/S for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible fixed assets.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement during the continuance of the contract. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets

Production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Production plant and machinery.....	10-15 years	10-15 %
Other plant, fixtures and equipment.....	3-15 years	0 %
Leasehold improvements.....	3-8 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Investments

Investments, recognised as current assets, comprise public quoted bonds, shares and other current investments that are measured at fair market value on the balance sheet date. Public quoted securities are measured at quoted price.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Other liabilities are measured at amortised cost equal to nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.