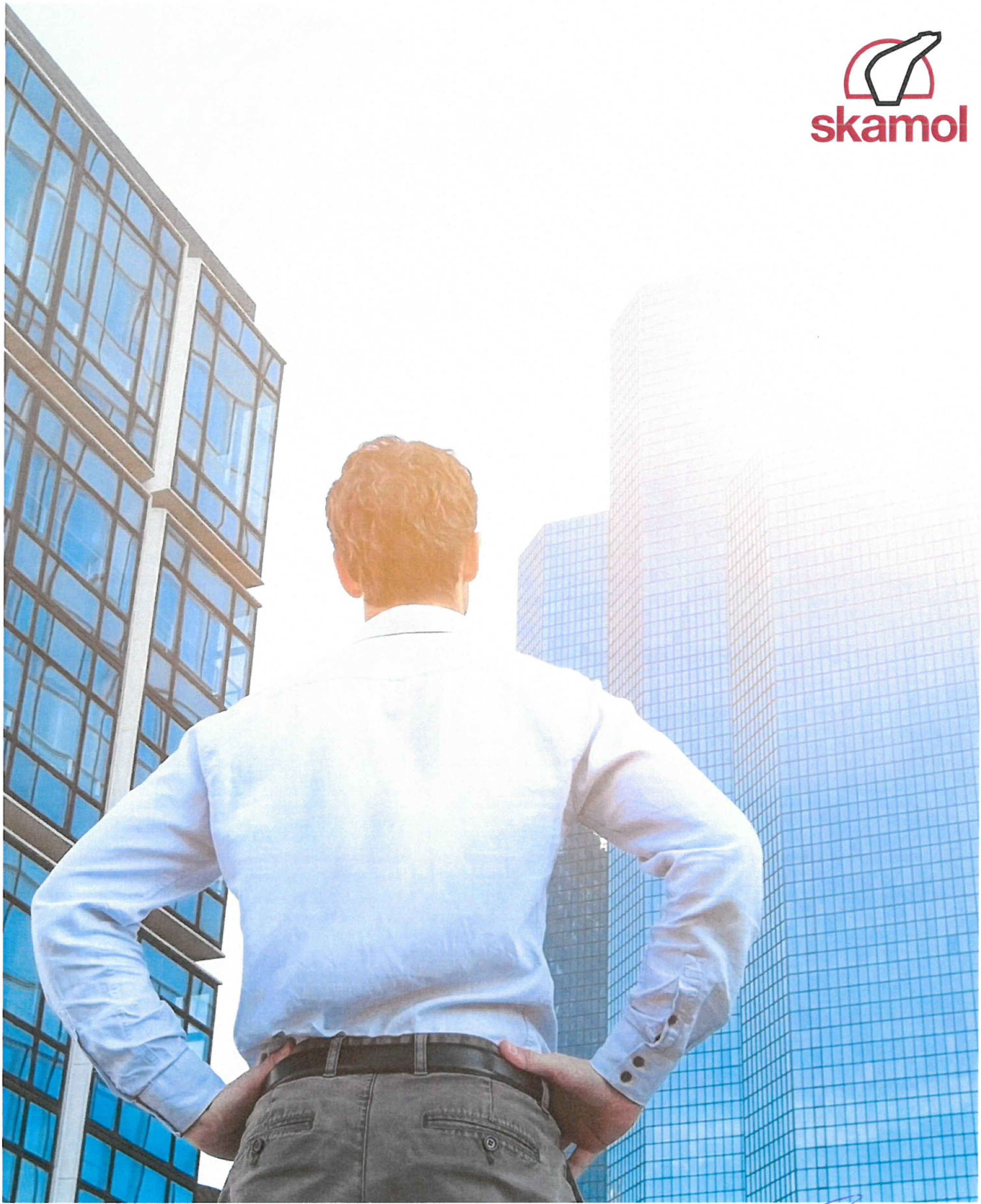

skamol

FSN SKA A/S

Annual report 2017

Approved at the annual general meeting 15/5-2018.

Østergade 58-60, 7900 Nykøbing Mors, Denmark, CVR 32 34 79 67, www.skamol.com

Chairman, Marcus Christer Egelstig

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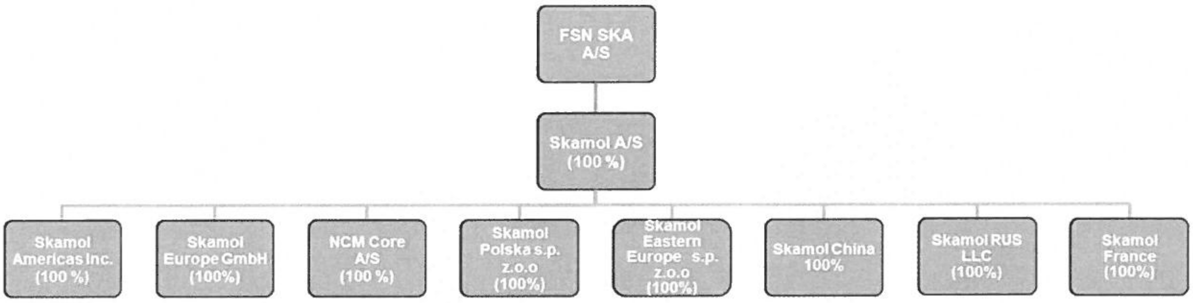
CORPORATE OVERVIEW



ADDRESSES

FSN SKA A/S	Østergade 58-60, DK-7900 Nykøbing Mors, Denmark Telephone : +45 97 72 15 33 Facsimile : +45 97 72 49 75
Skamol A/S	Østergade 58-60, 7900 Nykøbing Mors, Denmark Telephone : +45 97 72 15 33 Facsimile : +45 97 72 49 75
Skamol Americas Inc. -Owner share 100%	1701, South Boulevard, Charlotte, NC 28203 Telephone : +1 704 544 1015 Facsimile : +1 704 544 1239
Skamol Europe GmbH -Owner share 100%	Promenadestrasse 1, 41460 Neuss, Germany
NCM Core A/S -Owner share 100%	Vodskov, Denmark Telephone : +45 97 72 15 33 Facsimile : +45 97 72 49 75
Skamol Polska S.p. Z.o.o -Owner share 100%	ul. Technologiczna 2a/1.06, 45-839 Opole, Poland
Skamol Eastern Europe S.p. Z.o.o -Owner share 100%	22 Lipca 62, 32-540 Trzebina, Poland
Skamol China Co., Ltd -Owner share 100%	3/F, #139 Ruijin Rd. (No. 1) Shanghai 200020, China
Skamol RUS LLC -Owner share 100%	5 Chernyshevskogo str., Inza, Ulyanovskaya region 433031, Russian Federation
Skamol France SAS -Owner share 100%	9 Avenue Victor Hugo, 69160 TassinJa-Demi-Line, France

KEY FIGURES 2013-2017

FSN SKA A/S Group

DKK mio.		2017	2016	2015	2014	2013
1.	Gross turnover	**340**	316	337	324	316
2.	Net turnover	**339**	315	336	323	316
3.	EBITDA (adjusted)	**83**	79	76	77	80
4.	EBIT	**44**	36	34	37	38
5.	Net financials etc.	**-7**	-7	-10	-11	-16
6.	Profit/loss before tax	**37**	28	24	26	22
7.	Net profit/loss for the year	**21**	16	14	14	8
8.	Balance sheet total	**638**	538	563	593	647
9.	Share capital	**10**	10	10	10	10
10.	Equity	**364**	337	313	299	293
11.	Equity incl. minorities	**364**	337	317	303	299
12.	Net assets	**536**	471	468	498	543
13.	Net addition of property, plant and equipment	**97**	29	11	12	10
14.	Net addition of intangible assets	**5**	14	1	2	0
15.	Net interesting-bearing debt	**160**	123	143	185	220
16.	Cash flows from operating activities	**70**	66	63	59	75
17.	Cash flows from investing activities	**-103**	-43	-12	-13	-10
18.	Free cash flow	**-33**	23	52	46	65
19.	Number of fultime employees	**377**	367	380	379	385
20.	EBITDA margin	**24%**	24%	23%	24%	25%
21.	Profit margin	**13%**	11%	10%	12%	12%
22.	ROIC (return on invested capital)	**6%**	6%	6%	6%	5%
23.	Debt ratio	**30%**	26%	30%	37%	40%
24.	Solidity incl. minority interests	**57%**	63%	56%	51%	46%
25.	Return on equity in %	**6%**	5%	5%	5%	5%
26.	Return on equity incl. minorities in %	**6%**	5%	5%	5%	5%

Key figures have been calculated in accordance with the recommendations by the Danish Society of Financial Analysts.
Ebitda (adjusted) profit/loss before depreciation amortisation and interest adjusted for one-off items.

NOPAT = Operating profit/loss after tax

Debt ratio = $\frac{\text{Net debt} * 100}{\text{Net assets}}$

Net assets = Non-current assets + working capital

Return on equity in ' = $\frac{\text{Net profit/loss for the year} * 100}{\text{Average equity}}$

Net debt = Interest-bearing debt - cash and cash equivalents and investments

Operating margin = $\frac{\text{Operating profit} * 100}{\text{Turnover}}$

ROIC = $\frac{\text{NOPAT} * 100}{\text{net assets}}$

EBITDA margin = $\frac{\text{Operating profit before depreciation} * 100}{\text{Turnover}}$

Board of Directors
Marcus Christer Egelstig, President
Thomas Broe-Andersen, Partner in FSN Capital
Nicholas Nehmzow Hjorth

All board members except the employee representatives have been appointed by FSN Capital.

Management
Karsten Lundgaard, CEO

Auditors
PricewaterhouseCoopers
Chartered Public Accountants

Group structure
FSN Capital III Limited Partnership owned 65,0 % of the Skamol-group through FSN SKA A/S.
Danica Pension a division of the private equity fund Danske Invest Institutional, owns 19.8 % of the Skamol Group through FSN SKA A/S. Pensam Liv owns 11.8 % of the Skamol Group through FSN SKA A/S
The remaining part of the Skamol group was owned by other investors (2.1 %)
and management employees (1.3 %).

General guidelines
FSN SKA A/S observes the guidelines for the preparation of the annual report laid down by DVCA (Danish Venture Capital and Private Equity Association).
Information about DVCA, see www.dvca.dk
Information about FSN-Capital, see www.fsncapital.no
Information aboutom Skamol, see www.skamol.com

Corporate Covernance
In 2017, a total of 7 board meetings were held in Skamol. Board committees have not been established.
The general meeting has not adopted specific authorizations for e.g. allocations.

The Group's activities
Sales to segments within Industry and Building.

Objectives and strategy
The company's Management and Board of Directors are continuously evaluating Skamol's strategy, and during 2017 the strategy has been redefined and clarified in the new strategy "Skamol Way Forward". This strategy clearly defines Skamols identity as technical insulation systems.

This is reflected in Skamol's market organisation, which is divided into two divisions: Industry and Building.

Market development and sales
In 2017 Skamol's turnover was DKK 340 million against DKK 316 million in 2016 and adjusted EBITDA amounted to DKK 83 million in 2017 compared to DKK 79 million in 2016. The growth in turnover and EBITDA was a consequence of the Skamol Way Forward strategy.

The market organisation in Skamol has been strengthened during 2017 through implementing a regionalized structure and with sales force present in all regions. As part of this regionalized structure, Skamol has in June 2017 acquired a distributor in Poland.

Manufacturing and product development
During 2017, Skamol has carried through a number of investment projects in order to increase capacity and reduce production costs.

The most significant investment project in 2017 was the building of a new plant in Poland, where the construction was completed by the end of 2017. The plant is in the running in phase of production.

Besides this, Skamol is continuously working on the introduction of new systems to the market.

Furthermore, Skamol has a goal to secure access to raw materials at a competitive price by having access to at least two main suppliers of important raw materials.

Risk management
The company focuses on both internal and external risks.

Internal risks are eliminated through policies and procedures that address the issues. Furthermore, the company works with risk management through internal KPI follow-up, among others through follow-up on obsolete stocks.

The development of Skamol's IT infrastructure is also an important priority for the company, and in 2017 an upgraded ERP system was introduced in Poland in connection with construction of the new plant and acquisition of distributor. This ERP system will be the future platform for the Skamol Group and be implemented in remaining companies over the coming years.

Skamol has also identified further focus areas to be worked on during the next years to continue the optimisation of the IT infrastructure.

Also in 2017 Skamol has implemented Skamol Business System, which provides the overall management framework within Skamol Group. This involves clarification of policies etc. as an enabler for realizing Skamols growth strategy as well as identifying and mitigating risks.

Financial risks
For the whole Skamol Group inclusive of the parent company FSN SKA the interest-bearing debt amounted to DKK 182 million at the end of 2017. This is an increase of the interest-bearing debt of DKK 44 million compared with 2016, mainly related to the investments in Poland.

Compared to the established drawing right, Skamol has a net cash position of totally DKK 52 million at the end of 2017.

The company follows a financial policy, which operates with a low risk profile so that currency and credit risks only occur due to commercial circumstances.

As an international company, Skamol Group is exposed to risks related to currency transactions in connection with the purchase and sale of goods and services. It is Group policy to undertake identification of currency risks on current transactions. Skamol Group's main currencies are EUR, USD and RUR.

The costs of Skamol's Russian subsidiary are primarily in RUR, whereas sales are approximately 90 % in RUR and the rest in EUR, which means that the Skamol Group as regards earnings in the Russian business is sensitive to fluctuations in the exchange rate of the RUR. During all of 2017, RUR has continued the weak position towards other currencies.

It is Group policy to optimise the loan portfolio through continuous adjustments and to carry out an ongoing assessment of optimisation opportunities.

Result, Balance and Cash Flow
The figures in brackets are 2016-figures
In 2017 the turnover increased to DKK 340 million (DKK 316 million), while EBITDA was DKK 84.0 million (DKK 75.0 million) corresponding to 24.7 % (23.7 %) of the turnover. EBITDA before non-recurrent items (adjusted EBITDA) amounted to DKK 83.0 million (DKK 79.1 million) corresponding to 24.4 % (25.0 %) of the turnover. Depreciations were DKK 40.1 million (DKK 39.2 million). EBIT was DKK 43.9 million (DKK 35.9 million). The result before tax was DKK 36.5 million (DKK 28.5 million).

The total assets were DKK 638 million (DKK 538 million).

At the end of 2017 Skamol employed 403 employees. Of these, 155 employees in Denmark and 248 outside Denmark. Compared to 2016, the total number of employees increased by 31.

Regarding the remuneration of Management and Board of Directors, refer to financial statement note 5.

Deviations compared to outlook for 2017
As expected the Group's turnover and earnings increased in 2017 compared to 2016, together with a positive cashflow from operations.

Outlook for 2018
Skamol expects increasing turnover and earnings in the coming years, including 2018.

Several of Skamol's segments are cyclic and for several years they have been characterised by modest growth. Several of these segments show positive trends, which are expected to create more projects causing increasing activity for Skamol.

Overall, Skamol estimates that there continues to be a large growth potential for Skamol's systems worldwide.

In 2018 Skamol expects a continued increase in turnover and EBITDA compared to 2017, and a positive cash flow from operations.

Subsequent events
After the closing of the financial year no subsequent events have occurred, which have material impact of Skamol's financial position.

Management
Since 2013, FSN Capital is the owner of Skamol.

In 2017 the Board was composed of the following members:

Bo Rygaard, Chairman, joined 03.09.2013
Marcus Christer Egelstig, joined 30.10.2015
Nicholas Nehmzow Hjorth, joined 10.01.2017
Curt Germundsson, joined 08.02.2013
Klaus Hermann Franz, joined 31.08.2015
Mette Feldstedt, employee representative, joined 24.02.2010
Jørgen Bak, employee representative, joined 01.12.2013

Employee representatives are elected for the Skamol A/S Board of Directors. The company complies with the notice about employee representation in public and private companies of the 1st July 2010. The latest election of employee representatives took place in 2015. Two employee representatives are elected to the Board of Skamol A/S. Election of employee representatives for Skamol's Board will take place again in 2019.

Report on the Gender Composition in Management, cf. Section 99 b of the Danish Financial Statements Act
Skamol's Board of Directors has outlined target figures for number of under-represented sex in the top management segment. It is the Board's goal that if possible the mix of the Board shall be balanced so that each sex as a minimum is represented by 1 member appointed by the general assembly. It is the target to reach the defined goal at the end of 2022, so this is aligned with a natural exchange of the Board composition. The general assembly did not change the composition of the board during 2017, thus the target was not reached this year.

At other management levels it is Skamol's intention to increase the share of the underrepresented gender towards a balanced make-up between male and female representatives. It is the policy of the company to aim for a diversified organisation through an unprejudiced selection process where no candidate is deselected due to gender, age, nationality etc. Candidates are solely selected based on experience, competences and performance.

Skamol has at the end of 2017 a share of 35% female representatives compared to male representatives at other management level, compared to 30% at the end of 2016. During 2017 Skamol has made efforts to continue to pay attention to making job advertisements equally attractive for men and women.

ESG impacts through the value chain

Skamol processes unique raw material into technical insulation systems. Sustainability is integrated into the entire supply chain from sourcing to producing energy efficient systems to our customers. The result of Skamol's efforts is a net reduction in energy consumption and greenhouse gas emissions.

- Within the Building Division, Skamol delivers technical insulation systems for renovations and new buildings.
- Within Industry Division, Skamol delivers technical insulation systems for hot face and back up insulation that lowers the energy costs in production processes.

Skamol's raw materials are originally founded in Moler/Diatomite. Skamol excavates these raw materials in a sustainable way with respect for the landscapes and communities both during and after excavation.

Raw material supply
- Climate impact raw material sourcing
- Water use and pollution
- Responsible use and repatriation of land areas in raw material mining
- Supplier labor conditions and human rights
- Supplier health and safety

Production
- Climate impact
- Chemicals and pollution
- Resource efficiency, recycling and waste management
- Sustainable and safe packaging
- Water use
- Labor conditions and human rights
- Health and safety
- Local community impact

Management and marketing
- Sustainable product innovation
- Attracting and retaining employees
- Diversity
- Anti-Corruption and integrity
- Data security
- Sanctioned countries
- Sustainable brand positioning

Customer end-use
- Climate impact of shipping and delivery
- Product contribution to energy efficiency
- Product longevity
- Product take-bake and circular design
- Product quality and safety
- Product contribution to end user safety
- Supply chain transparency

ESG risks and opportunities

Skamol systems

Skamol has a unique opportunity to contribute positively to the health, safety and environment of key stakeholders, from the way Skamol sources raw materials, treats employees and provides solutions to customers.
Megatrends move towards reduction of energy consumption and higher requirements for better living conditions, which reflect opportunities for Skamol, e.g. within:

- **Building Division.** Energy saving, safe and healthy indoor climate systems
- **Industry Division.** Energy saving and cost-effective systems

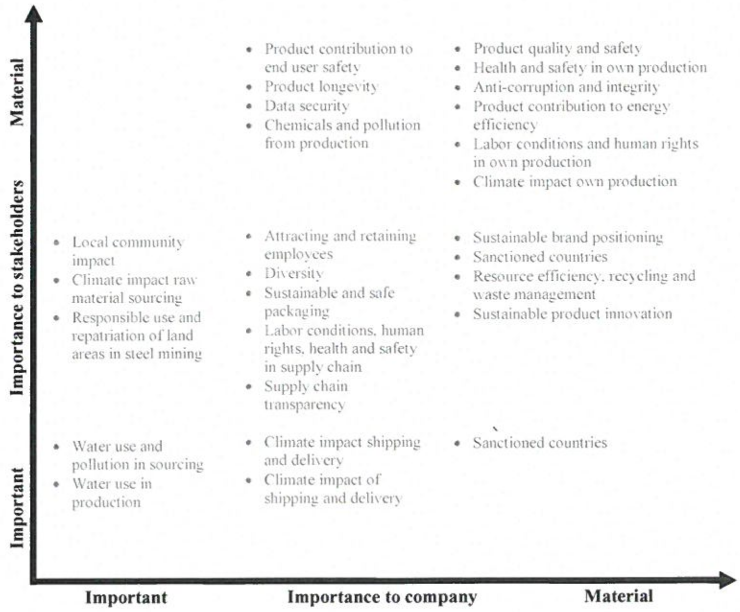
Skamol processes

As a global company, Skamol can be exposed to integrity risks. Continuous focus and increased awareness on how to handle and identify risks, is a top priority for the Skamol Group.

Through a focus on creating a culture that supports this agenda, by caring about people and the way we act, we have an opportunity to attract the right people with the right mindset.

Skamol focuses on health and safety. It is key that we do not expose our employees or surroundings to risks and that we do everything we can to prevent incidents from happening.

To support these efforts, we continuously have focus on training, communication and improvement of processes and procedures.



Key ESG goals | **Efforts 2017** | **Performance** | **Ambitions 2018**

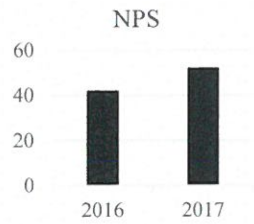
1. Loyal customers

Efforts 2017

We implemented our guiding principles: Customer focused, simple and fast:

- Defined Skamol as a provider of technical insulation systems with a clear brand proposition
- Established a clear route to market, organized clearly across divisions, segments and regions
- Established a local presence in key markets
- Created an internal & external sales organization
- Developed a simple customer interface, digitally implemented at www.skamol.com
- Created the Skamol Group as an integrated platform which is easy to do business with
- Implemented a clear branding process and naming structure, decreasing complexity

Performance



Ambitions 2018

Professionalizing our sales operation:

- **Sales.** Clear customer plans and classifications
- **Supply Chain.** 24/7 delivery service on both standard and customized systems
- **R&D.** Market-driven and unique product development

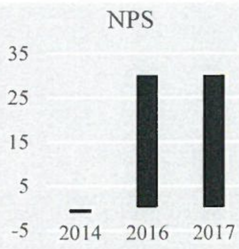
2. Loyal and motivated employees

Efforts 2017

Implemented a clear customer-oriented identity:

- Implemented a 6 year strategy with a 3 year plan and processes (Skamol Way Forward)
- Implemented guiding principles: Customer focused, simple and fast as culture and value references
- Implemented Skamol Business System that transparently describes how we operate
- Established Skamol Group and a common platform for communicating and knowledge sharing (SkamoConnect)
- Established a clear meeting structure with clear roles and responsibilities driving towards a performance culture

Performance



Ambitions 2018

Involvement of employees through clear:

- **Leadership.** Performance of the company and individuals
- **Communication.** Roles and responsibilities – clear goals and results

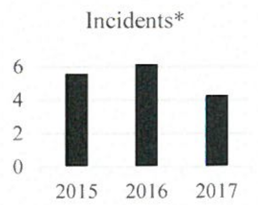
3. Caring about people

Efforts 2017

Established common safety and house-keeping standards:

- Created a global safety organization
- Established safety policies and procedures
- Established safety training and lessons learned procedures
- Provided personal protection equipment for employees and guests
- Implemented clear safety rules on how to behave at Skamol

Performance



*per million worked hours

Ambitions 2018

Setting the standard:

- **Improve safety conditions.** Reducing incidents PPM to zero.
- **Safety training.** Education at Skamol Academy

4. Integrity

Efforts 2017

Defined and implemented integrity standards for Skamol:

- Code of Conduct introduced to and signed by all employees
- Code of Conduct introduced to and signed by all suppliers meeting pre-defined criteria
- Updated Code of Conduct to current legislation and guiding principles

Performance

Code of conduct signed
100% of employees
100% of suppliers

Ambitions 2018

- **Implement integrity due diligence process.** For agents, critical customers and suppliers
- **Implement Whistleblower process.** Policy and procedure with connection through SkamoConnect

5. Energy efficient systems

Efforts 2017

Industry Division: developed an energy calculation model which visualizes customers' consumptions:

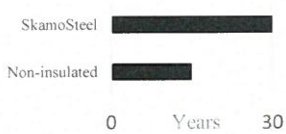
- Reduced energy consumption by 30-55 % in certain steel applications
- Doubled the life time of steel ladles

Building Division: introduced a complete system for interior insulation, SkamoWall:

- Improved the indoor climate by lowering the humidity and protecting against mold
- Saved energy by reducing energy consumption
- Secured homes by protecting against fire

Performance

Example of product equipment lifetime in Industry



Ambitions 2018

Start implementing a system that can track:

Industry

- Reduction of green house gas emission
- Total energy saving during lifetime

Building

- Reduction of green house gas emission
- Total energy saving during lifetime

Mining of moler/diatomite (natural resources) → **Production** → **Value adding processing** → **System**

Through a sustainable mining to market process, our SkamoInnerWall systems are examples of how Skamol provides for a healthy and safe indoor climate – both before, under and after construction. Our systems offer unique insulation properties, sound absorption capabilities, and are easier to work with - saving the bricklayer approx. 500 kg of lifting per day. **We are proud to be part of creating a safer, healthier and more resource efficient world.**

Basis of preparation
The Annual Report for 2017 has been prepared in accordance with the Danish Financial Statements Act for large companies of reporting class C. The Annual Report is reported in DKK.

Recognition and measurement
The Annual Report is prepared based on historical cost convention.

Earnings are included in the income statement as they are earned. In addition to this valuation adjustments of financial assets and liabilities, measured at fair value or amortised cost price, are included. Included in the income statement are also all costs defrayed to obtaining the earnings of the year, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimate of amounts, which have previously been included in the income statement.

Assets are included in the balance sheet, when it is likely that future economic advantages will accrue to the company, and the value of the asset can be measured reliably.

Liabilities are included in the balance sheet, when it is likely that future economic advantages will be deducted from the company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each single item below.

Certain financial assets and liabilities are measured at amortised cost, by which a constant effective interest rate is included over the maturity period. Amortised cost is calculated as original cost less any repayments and plus/less the accumulative amortisation of the difference between cost and the nominal amount. In this way capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner are used as measurement currency. All other currencies are considered foreign currencies.

Basis of consolidation
The consolidated financial statements include FSN SKA A/S (the Parent) and the subsidiaries in which the Parent directly or indirectly holds more than 50% of the votes or in any other way exercise control. The corporate structure is shown on page 1. Furthermore, enterprises which are owned and managed together with others and in which the parties exercise their control jointly are included through pro rata consolidation in the consolidated financial statements. Pro rata consolidated companies are included in the consolidated financial statements with a share equal to the Group's shareholding in these companies.

The consolidated financial statements are prepared based on the financial statements of the parent company, subsidiaries and pro rata consolidated companies through a consolidation of items of a similar nature. Intra-group income and expenditure, shareholdings, balances, dividends and unrealised intercompany profits and losses have been eliminated.

Income statements of foreign subsidiaries are translated at average exchange rates and balance sheets are translated at the closing exchange rate. Exchange differences arising on translation of subsidiaries' equity beginning of the year and from the translation of subsidiaries' income statements at average exchange rates are recognised directly in equity. On acquisition of new subsidiaries and affiliates, the difference between purchase price and the acquired company's net asset value is calculated at the time of acquisition, after the individual assets and liabilities have been adjusted to fair value (purchase method). Positive differences (goodwill on consolidation) are recognised in intangible assets and amortised over the expected life, which can represent up to 20 years.

Minority interests include the share of subsidiaries' profit/loss after tax and equity attributable to minority shareholders.

The subsidiaries Skamol Rus LLC, Skamol Polska Sp. z.o.o and Skamol Eastern Europe Sp. z.o.o are consolidated into the financial statements based on the received Management Reporting. The data used have been reviewed by local accountants.

On statement of group results and group equity, the shares of results and equity of subsidiaries attributable to minority interests are recognised as separate items in the income statement and the balance sheet.

Minority interests are recognised at the carrying amount of the acquired assets and liabilities at the time of acquisition of the subsidiaries.

Foreign currency translation
The Group's Danish companies translate transactions in foreign currency during the year at average exchange rates. Gains and losses arising between the average exchange rates and the rates at the dates of payment are recognised in the income statement.

Receivables, payables and other monetary items denominated in foreign currencies are translated into Danish kroner at the closing exchange rates. Differences between the closing rate and average rate are recognised in the income statement.

Exchange adjustments of loans and lending in foreign currencies that are considered security or addition to investments in foreign subsidiaries are recognised directly in equity.

Derivative financial instruments
Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables as assets or in other payables as liabilities.

Changes from cost to fair value of derivative financial instruments that are designated and qualify as hedges of expected future transactions related to buying and selling in foreign currency are recognised in equity under retained earnings. If the expected future transaction results in the recognition of assets or liabilities, amounts that are recognised in equity will be transferred from equity and recognised in the cost of the asset or the liability. If future transactions result in income or expenses, amounts that are recognised in equity will be transferred to the income statement. The transfer is made in the same period in which the hedged transaction is implemented.

Income statement

Gross turnover
Gross turnover includes the year's invoiced turnover deducted VAT if delivery and transfer of risk to buyer have taken place before the end of the year. Revenue is recorded net of discounts that are directly related to sales.

Production costs
Comprise the consumption of raw materials, including landed costs, repairs and maintenance, payroll, remuneration and other costs in the production.

Other operating income
Includes income of a secondary nature in relation to the companies' main objectives, including profit/loss of non-commercial derivative instruments, the disposal of fixed assets and royalties.

External costs
Include costs incurred in connection with marketing and sales, including rental costs, advertising, office costs, loss on trade receivables, IT operations and canteen costs. These costs also include costs incurred in respect of development projects, where such costs do not meet the capitalisation requirements. Also included are costs incurred on an ongoing basis in connection with the maintenance of registration rights in respect of the Group's products.

Staff costs
Comprise payrolls and social costs for staff in sales, technology and management.

Income from investments in subsidiaries
The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year less goodwill amortisation.

Financial income and expenses
Include interest, return and price adjustment of portfolio investments (securities etc) as well as extra payments and repayment under the on-account taxation scheme.

Balance sheet

Intangible assets

Excavation rights, know-how and goodwill
Excavation rights, know-how and goodwill are measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the expected life of the assets, which constitutes 5 to 20 years.

Development projects
Costs related to development projects, including costs to achieve sales and registration rights, etc., are recognised - if certain criteria are met - under intangible assets and measured at cost less accumulated amortisation. Capitalisation requires that sufficient certainty exists that future earnings can cover the development costs.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes purchase price and costs directly attributable to the acquisition until the date when the asset is ready to be put into operation. The cost of own production of assets includes direct and indirect expenses incurred in respect of wages and salaries, consumption of materials and subcontractors.

Interest expenses on loans raised directly to fund the production of property, plant and equipment are recognised in cost during the production period. All indirectly attributable borrowing costs are recognised in the income statement.

Depreciation is calculated on a straight-line basis over the expected useful life as stated below:

Office and laboratory buildings, residential and rental properties, garages	50 years
Production and factory buildings, roads	15-50 years
Plant and machinery	8-20 years
Fixtures and fittings, tools and equipment	3-5 years
Own Moler deposits	20 years

The depreciation period and residual value are reassessed annually.

Leases in respect of property, plant and equipment in which the individual enterprises have all the material risks and rewards of ownership (finance leases), are recognised in the balance sheet at the time of acquisition at the present value of future lease payments.

Impairment of intangible assets and property, plant and equipment

The carrying amounts of intangible assets and property, plant and equipment are assessed on a continuing basis to decide whether there is any indication of impairment other than that expressed by amortisation and depreciation. In such cases, the asset's recoverable amount is assessed, and the asset is written down to the lower of this recoverable amount and the carrying amount. The recoverable amount of the asset is stated as the higher of the expected net selling price and the estimated value in use. Goodwill is amortised over 20 years, which is considered to give a true and fair view.

Fixed asset investments

Investments in subsidiaries and associates
Investments in subsidiaries and associates are recognised and measured according to the equity method.

The proportionate share of profit/loss for the year, adjusted for unrealised intra-group gains or losses, is recognised under the items "Share of profit/loss in subsidiaries" and "Share of profit/loss in associates".

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated in accordance with the accounting policies of the parent company with deduction or addition of unrealised intercompany profits or losses and with addition of goodwill on consolidation.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity.

Inventories
Inventories are measured at the lower of cost and net realisable value. The net realisable value is assessed on an individual basis.

Cost of finished goods and work in progress comprises labour costs, raw materials and energy plus indirect production costs. Indirect production costs include labour costs in production, maintenance and depreciation, etc. Financing costs are not included.

The inventory of strategic spare parts has been capitalised and included at cost.

Receivables
Receivables are measured at amortised cost, which for short-term non-interest-bearing receivables and floating-rate loans usually corresponds to the nominal value. Write down is made to a lower net realisable value. Net realisable value is determined based on an individual assessment of each receivable.

Equity

Dividend
Dividend is recognised as a liability at the time of adoption by the general meeting. Proposed dividend for the financial year is shown as a separate item under equity.

Provisions
Provisions are recognised when the Company as a result of events occurring before or on the balance sheet date has a legal or constructive obligation, and it is likely that economic benefits must be given up to settle the obligation.

Corporation tax and deferred tax
The parent company is jointly taxed with all Danish group companies. Tax on the income subject to joint taxation is allocated to Danish companies in proportion to their taxable income (full allocation with credit for tax losses). The jointly taxed companies have adopted the on-account taxation scheme..

Current tax payable is based on the taxable profit for the year. The Group's tax liability is calculated using the tax rates at the balance sheet date. The tax for the year, comprising the expected current tax for the year and deferred tax for the year, is recognised in the income statement with the portion attributable to the profit/loss for the year and directly in equity with the portion attributable to items recognised directly in equity.

Current tax is recognised in the balance sheet under receivables where excess on-account tax has been paid and under payables where the on-account tax paid does not cover the current tax.

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. Deferred tax liabilities are generally recognised for all temporary differences for tax purposes, and deferred tax assets are recognised to the extent that it is probable that tax loss carry-forwards may be set off against taxable profits. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities when transactions do not affect the profit/loss for tax or accounting purposes.

The carrying amount of deferred tax assets is reassessed at the balance sheet date and written down to the extent that it is no longer probable that sufficient taxable profits will be available to allow the deferred asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, provided they relate to taxes levied by the same taxation authority and when the Group intends to settle current tax assets and liabilities on a net basis.

Liabilities
All the Company's liabilities are scheduled to be held to maturity, and thus measured at amortised cost.

Lease commitments
Lease commitments relating to finance leases are recognised in the balance sheet as liabilities and measured at the time of entering into the contract at the present value of future lease payments. After the initial recognition the lease commitments will be measured at amortised cost. The difference between the present value and the nominal value of the lease payments is recognised in the income statement over the term of the lease as a financial cost.

Lease payments under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

For other payables, the amortised cost is equivalent to the nominal value.

Cash flow statement
The cash flow statement is presented using the indirect method based on net profit for the year and shows cash flows for the year divided into cash flows from operating, investing and financing activities.

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

Cash flows from investing activities include cash flows from purchases and sales of fixed assets.

Cash flows from financing activities include cash flows from the raising and repayment of long-term debt, profit sharing and dividends.

Cash and cash equivalents comprise cash at bank and in hand less the share of the short-term bank debt included in the Company's continuous liquidity management.

The cash flow statement cannot be compiled exclusively on the basis of the published financial statements.

		Group		Parent	
DKK 1,000	Note	2017	2016	2017	2016
Gross turnover	1	**340.395**	316.217	**-**	-
Net turnover		**339.325**	315.353	**-**	-
Production costs	2	**-167.327**	-161.233	**-**	-
Gross profit/loss		**171.998**	154.120	**-**	-
Other operating income	3	**3.368**	220	**-**	-
External costs	4	**-34.272**	-26.725	**-10**	-10
Staff costs	5	**-57.153**	-52.577	**-**	-
Operation profit (EBITDA)		**83.940**	75.038	**-10**	-10
Depreciation and amortisation		**-40.076**	-39.150	**-13.489**	-13.303
Operating profit/loss (EBIT)		**43.864**	35.888	**-13.499**	-13.313
Share of profit/loss in subsidiaries		**-**	-	**34.537**	34.048
Financial income and expenses	6	**-7.346**	-7.400	**-1.025**	-6.740
Profit/loss before tax		**36.518**	28.488	**20.013**	13.995
Tax on profit/loss for the year	7	**-15.914**	-12.742	**591**	1.751
Net profit/loss after tax	13	**20.604**	15.746	**20.604**	15.746

BALANCE SHEET AT DECEMBER 31

ASSETS

DKK 1,000	Note	**Group 2017**	Group 2016	**Parent 2017**	Parent 2016
Non-current assets					
Intangible assets	8				
Goodwill		**292.158**	312.053	**-**	-
Excavation rights		**495**	565	**-**	-
Development projects		**1.962**	959	**-**	-
Projects in progress		**1.457**	1.115	**-**	-
Total intangible assets		**296.072**	314.692	**-**	-
Property, plant and equipment	9				
Land and buildings		**50.285**	49.818	**-**	-
Plant and machinery		**50.301**	61.126	**-**	-
Fixtures and fittings, tools and equipment		**6.696**	4.901	**-**	-
Prepayment for property, plant and equipment and property, plant and equipment under construction		**101.649**	11.932	**-**	-
Total property, plant and equipment		**208.931**	127.777	**-**	-
Fixed asset investments					
Investments in subsidiaries	10	**-**	-	**443.203**	433.168
Deferred tax asset	7	**3.552**	2.870	**2.086**	1.574
Total fixed asset investments		**3.552**	2.870	**445.289**	434.742
Total non-current assets		**508.554**	445.339	**445.289**	434.742
Current assets					
Inventories	11	**35.120**	35.438	**-**	-
Receivables					
Trade receivables		**47.850**	36.874	**-**	7
Receivables from subsidiaries	10	**-**	-	**97.332**	28.931
Receivable corporate tax		**-**	-	**4.866**	6.970
Other receivables		**6.433**	4.027	**7**	180
Prepayments	12	**1.055**	-	**-**	-
Total receivables		**55.338**	40.901	**102.205**	36.088
Cash at bank and in hand		**39.294**	15.931	**-**	277
Total current assets		**129.751**	92.270	**102.205**	36.365
Total assets		**638.306**	537.609	**547.494**	471.107

BALANCE SHEET AT DECEMBER 31

LIABILITIES AND EQUITY

DKK 1,000	Note	Group 2017	Group 2016	Parent 2017	Parent 2016
Equity					
Share capital		**10.213**	10.149	**10.213**	10.149
Proposed dividend for the year		**353.533**	326.397	**353.533**	326.397
Equity total		**363.746**	336.546	**363.746**	336.546
Provisions					
Deferred tax	7	**11.807**	10.290	**1.667**	971
Pension obligations		**613**	559	**-**	-
Total provisions		**12.420**	10.849	**1.667**	971
Long-term debt					
Long-term debt to the bank		**157.783**	109.561	**157.783**	109.561
Long-term lease commitment		**-**	269	**-**	-
Total non-current liabilities		**157.783**	109.830	**157.783**	109.561
Current liabilities					
Long-term debt falling due within one year		**24.586**	28.641	**23.556**	23.556
Debt bank		**16.498**		**623**	
Trade payables		**41.805**	31.469	**-**	-
Prepayments, customers		**377**	927	**-**	-
Other payables		**15.326**	17.904	**118**	473
Income taxes payable		**5.765**	1.443	**-**	-
Total current liabilities		**104.357**	80.384	**24.297**	24.029
Total debt		**262.140**	190.214	**182.080**	133.590
Total liabilities and equity		**638.306**	537.609	**547.494**	471.107

CASH FLOWS STATEMENT
FOR THE YEAR ENDED DECEMBER 31

DKK 1,000	Note	**Group 2017**	Group 2016
EBITDA		**83.940**	75.038
Other adjustments		**3.231**	5.454
Change in working capital	14	**-6.911**	284
Cash flows from ordinary activities		**80.260**	80.776
Corporation tax paid		**-10.300**	-14.860
Cash flows from operating activities		**69.960**	65.916
Purchase of intangible assets	9	**-5.200**	-13.641
Purchase of property, plant and equipment	10	**-97.326**	-29.296
Purchase of fixed asset investments		**-**	-8
Cash flows from investing activities		**-102.526**	-42.945
Available cash flows		**-32.566**	22.971
Raising and repayment of long-term debt, net		**43.898**	-48.696
Interest paid		**-7.346**	-5.400
Capital transfers		**2.879**	2.414
Cash flows from financing activities		**39.431**	-51.682
Change in cash and cash equivalents		**6.865**	-28.711
Cash and cash equivalents	15	**15.931**	44.642
Cash at bank and in hand at December 31		**22.796**	15.931

Security	16
Contractual commitments guarentees and contingent liabilities	17
Related parties	18

The company has unused drawing rights of DKK 30.0 million at December 31, 2017

STATEMENT OF CHANGES IN EQUITY

Amounts are DKK 1,000 unless otherwise stated

Group	Share capital	Share premium account	Retained earnings	Reserve for net revaluation according to the equity method	Development costs	Total
Equity at January 1, 2017	10.149	-	324.262	-	2.135	336.546
Capital transfers	64	2.815				2.879
Premium carried forward		-2.815	2.815			
Exchange rate adjustment related to subsidiaries and associates hedging			3.624			3.624
Adjustment of security instruments at fair value, end of year			164			164
Tax on changes in equity			-70			-70
Net profit/loss for the year			20.604			20.604
Capitalised development cost for the year			-2.066		2.066	-
Depreciation development cost			1.163		-1.163	-
Equity at December 31,2017	10.213	-	349.332	-	4.201	363.746
Equity at January 1, 2016	10.078	-	302.950	-	-	313.028
Capital transfers	71	2.343				2.414
Premium carried forward		-2.343	2.343			
Exchange rate adjustment related to subsidiaries and associates hedging			3.872			3.872
Adjustment of security instruments at fair value, end of year			1.247			1.247
Net profit/loss for the year			15.985			15.985
Capitalised development cost for the year			-2.135		2.135	
Equity at December 31,2016	10.149	-	324.262	-	2.135	336.546
Parent						
Equity at January 1, 2017	10.149	-	326.397	-	-	336.546
Capital transfers	64	2.815				2.879
Premium carried forward		-2.815	2.815			
Exchange rate adjustment related to subsidiaries and associates			3.624			3.624
Adjustment of security instruments at fair value, end of year			164			164
Tax on changes in equity			-70			-70
Net profit/loss for the year			20.604			20.604
Equity at December 31,2017	10.213	-	353.533	-	-	363.746
Equity at January 1, 2016	10.078	-	253.342	49.608	-	313.028
Capital transfers	71	2.343				2.414
Premium carried forward		-2.343	2.343			
Exchange rate adjustment related to subsidiaries and associates			3.872			3.872
Adjustment of security instruments at fair value, end of year			1.247			1.247
Net profit/loss for the year			65.592	-49.608		15.984
Equity at December 31,2016	10.149	-	326.397	-	-	336.546

Share capital A(208.614 shares of 10 DKK each). B(10.618 shares of 10 DKK each), C(802.084 shares of 4 DKK each) and D(802.084 shares of 10 DKK each 6)

The difference between the share classes relates to dividend preferences.

Note 1. Gross turnover	Group		Parent	
	2017	2016	2017	2016
NAFTA- countries	**26.526**	22.478	-	-
Europe	**144.970**	94.773	-	-
The Nordic countries	**72.211**	71.112	-	-
Other	**96.687**	127.854	-	-
Total	**340.395**	316.217	-	-

Note 2. Production costs	Group		Parent	
	2017	2016	2017	2016
Product consumption	**126.298**	120.378	-	-
Write-down of inventories	**-774**	2.900	-	-
Staff costs	**41.804**	37.955	-	-
Total	**167.327**	161.233	-	-

Note 3. Other operating income	Group		Parent	
	2017	2016	2017	2016
Proceeds on disposal of non-current assets	**3.287**	153	-	-
Other income	**82**	67	-	-
Total	**3.368**	220	-	-

Note 4. External expenses

Cost moreover include the following audit fee.

Fee to autitors appointed by the general meeting	Group		Parent	
	2017	2016	2017	2016
Audit of annual report	**197**	293	**10**	9
Audit, other services	**364**	45	-	-
Other audit firms, audit of annual report	**41**	76	-	-
Other audit firms, other services	**164**	130	-	-
Total	**766**	544	**10**	9

Note 5. Staff costs

Staff costs include the following main items:	Group		Parent	
	2017	2016	2017	2016
Remuneration to the Executive Board	**6.859**	5.056	-	-
Other wages and salaries	**77.101**	73.213	-	-
Remuneration to the Board	**761**	702	-	-
Social security expenses	**6.097**	5.013	-	-
Pension	**8.140**	7.164	-	-
Total staff costs	**98.958**	91.148	-	-
Staff costs are distributed as follows:				
Production costs	**41.804**	37.955	-	-
Sales & administrative costs	**57.154**	53.194	-	-
Total staff costs	**98.958**	91.148	-	-
Average number of employees	**377**	367	-	-

Note 6. Net financials	Group		Parent	
	2017	2016	2017	2016
Income				
Interest income from group enterprises	**-**	-	**3.062**	-
Other interest income	**498**	375	**-**	-
Exchange gain	**955**	1.520	**-**	-
Total	**1.452**	1.895	**3.062**	-
Expenses				
Interest expenses from group enterprises	**-**	-	**-**	-880
Other interest expenses	**-5.773**	-6.912	**-4.087**	-5.860
Exchange loss	**-3.025**	-2.382	0	0
Total	**-8.798**	-9.294	**-4.087**	-6.740
Total net financials	**-7.346**	-7.400	**-1.025**	-6.740

Note 7. Tax	Group		Parent	
	2017	2016	2017	2016
Current tax	**15.541**	11.533	**-**	-
Change in deferred tax and tax asset	**-494**	710	**-591**	-1.751
Withholding tax	**867**	499	**-**	-
Tax in associates	**15.914**	12.742	**-591**	-1.751
Broken down as follows:				
Tax on profit for the year	**15.984**	**12.742**	**-521**	-1.751
Tax on equity changes	**-70**	**-**	**-70**	**-**
	15.914	12.742	**-591**	**-1.751**

Deferred tax and deferred tax asset	Group		Parent	
	2017	2016	2017	2016
Intangible non-current assets	**173**	173	**-**	-
Property, plant and equipment	**10.221**	7.996	**-**	-
Inventories and internal profit	**2.303**	2.303	**-**	-
Other	**-4.442**	-3.052	**-419**	-604
	8.255	7.420	**-419**	-604
Broken down as follows:				
Deferred tax asset	**-3.552**	-2.870	**-2.086**	-1.574
Deferred tax	**11.807**	10.290	**1.667**	971
	8.255	7.420	**-419**	-604
At January 1	**5.845**	2.936	**-604**	-933
Adjustment for the year	**2.410**	4.484	**185**	329
At December 31	**8.255**	7.420	**-419**	-604

Adjustment for the year includes exchange adjustment.

Deferred tax includes minor foreign tax losses expected to be utilised within the coming years.

Amounts are DKK 1,000 unless otherwise stated

Note 8. Intangible assets

	Group				
	Goodwill	Excavation rights	Development projects	Dev.projects in progress	Total
Cost					
At January 1	412.020	3.022	6.643	1.115	422.800
Exchange rate adjustment	0	-35	0	0	-35
Disposals for the year	0	0	0	-1.115	-1.115
Additions for the year	3.430	0	1.858	1.457	6.745
Cost at December 31	415.450	2.987	8.501	1.457	428.395
Amortisation and impairment losses					
At January 1	99.967	2.457	5.684	0	108.108
Exchange rate adjustment	0	-13	0	0	-13
Disposals for the year	0	0	0	0	0
Additions for the year	23.325	48	855	0	24.228
At December 31	123.292	2.492	6.539	-	132.323
Carrying amount at December 31	292.158	495	1.962	1.457	296.072

Development projects: market research and the project in Poland.

Note 9. Property, plant and equipment

	Group				
	Land and buildings	Plant and machinery	Fixtures, tools and equipment	Property, plant and equipment under construction /prepayment	Property, plant and equipment total
Cost					
At January 1	97.241	278.274	31.159	11.932	418.605
Exchange rate adjustment	-621	-746	-195	660	-902
Disposals for the year	-83	-2.294	-37	-432	-2.846
Additions for the year	2.446	2.124	3.699	89.489	97.758
At December 31	98.983	277.358	34.626	101.649	512.615
Depreciation and impairment losses					
At January 1	47.422	217.148	26.258	-	290.827
Exchange rate adjustment	-69	-335	-110	-	-515
Disposals for the year	-46	-2.143	-37	-	-2.226
Additions for the year	1.391	12.387	1.820	-	15.598
At December 31	48.698	227.057	27.930	-	303.684
Carrying amount at December 31	50.285	50.301	6.696	101.649	208.931
Including net finance leases at DKK. 17.156k					

At 1 October 2012, the public land assessment value of Danish land and buildings amounts to DKK 44,022k for the parent company.

Amounts are DKK 1,000 unless otherwise stated

Note 10. Fixed asset investments

	Parent		
	Invest-ment in subsidiaries	Receiv-ables from associates	Fixed assets Total
Cost			
At January 1	433.430	-46.069	387.361
Capital transfers	-	-	-
Disposals for the year	-	53.401	53.401
At December 31	433.430	7.332	440.762
Revaluation and impairment losses			
At January 1	-264	75.000	74.736
Dividend received	-15.000	15.000	-
Exchange rate adjustment	3.989	-	3.989
Depreciation	-13.489	-	-13.489
Profit/loss for the year after tax	34.537	-	34.537
At December 31	9.773	90.000	99.773
Carrying amount at December 31	443.203	97.332	540.535
Including goodwill DKK 181,335k			

Including receivable	97.332
Including debt	-
Carrying amount at December 31	97.332

Parent company investments in subsidiaries and associates at December 31, 2017

	Investment
- Skamol A/S, Nykøbing Mors, Denmark	100%

Note 11. Inventories

	Group	
	2017	2016
Finished goods	**25.497**	24.110
Raw materials	**7.120**	9.250
Packaging materials	**2.504**	2.077
Total	**35.120**	35.438

Note 12. Prepayments

	Group	
	2017	2016
Insurrance	**1.055**	-
Total	**1.055**	-

Note 13. Proposed distribution of profit for the year.

	Group		Parent	
	2017	2016	2017	2016
Dividend	-	-	-	-49.608
Share of profit/loss attributable to minority interests	-	239	-	-
Transferred to retained earnings	**20.604**	15.507	**20.604**	65.353
Total	**20.604**	15.746	**20.604**	15.746

Note 14. Changes in working capital

	Group	
	2017	2016
Change in receivables	**-13.381**	-6.222
Change in inventories	**318**	2.297
Change in trade payables etc.	**6.152**	4.209
Total	**-6.911**	284

Amounts are DKK 1,000 unless otherwise stated

Note 15. Cash and cash equivalents	Group	
	2017	2016
Cash and cash equivalents at January 1	**15.931**	44.642
Cash and cash equivalents at December 31	**15.931**	44.642
Cash and cash equivalents at December 31 includes		
Cash at bank and in hand	**39.294**	15.931
Bank debt	**-16.498**	-
Cash and cash equivalents at December 31	**22.796**	15.931

Note 16. Provision of security.

As security for the loans from the company's bank, security has been given in the shares in certain group-companies and assignment of certain intra-group debts.

Note 17. Contractual, commitments, guarantees and contingent liabilities

An operating lease commitment of DKK 1,761k for the years 2018-2021 is incumbent on the parent company.

The Group's Danish companies are jointly and severally liable for the tax on the Group's jointly taxed income etc.

The total amount of accrued corporation tax appears from the Annual Report of FSN SKA A/S, which is the management in the joint taxation.

Further, the Group's Danish companies are jointly and severally liable for Danish taxes at source such as dividend tax, royalty tax and tax on unearned income.

Possible later corrections to the corporation taxes and taxes at source may imply that the company's liability increases to a larger amount.

Depending on reaching predefined criteria at the end of 2019, Skamol has an obligation to pay out up to PLN 2.5 mil. in 2020 in connection with the acquisition of polish distributor in 2017

Note 18. Related with

Related parties with controlling interest in the company include FSN Capital III Limited Partnership, which via a majority holding in in FSN SKA A/S holds the majority of the voting rights in the parent company Skamol A/S.

Related parties with significant influence include groupenterprises and associates, as well as the Board of Directors and the Executive Board of the Company.

Group internal transactions made with affiliated companies and pro rata consolidated associated company have been eliminated in the company´s consolidated financial statements or in the consolidated finansial statements of Skamol A/S. Transactions with Management include remuneration, as explained in a separate note.

MANAGEMENT'S STATEMENT ON THE ANNUAL REPORT

Today the Board of Directors approved the annual report of FSN SKA A/S for 2017.

The annual report has been prepared in accordance with the Danish Financial Statements Act. We consider the applied accounting policies to be appropriate and the accounting estimates to be sound.
We also consider the overall presentation of the annual report to be accurate.
On this basis we find that the annual report gives a true and fair view of the Group and parent company's assets and liabilities, the financial position and results of the Group and parent company's operations and cash flows.

The annual report has been submitted for approval by the general meeting.

Nykøbing Mors, April 23, 2018

Executive Board:

Karsten Lundgaard
CEO

Board of Directors:

Marcus Christer Egelstig Chairman	Nicholas Nehmzow Hjorth	Thomas Broe-Andersen

Independent Auditor's Report

To the Shareholders of FSN SKA A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2017, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of FSN SKA A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

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 Group 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Financials Statements Act.
Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Group's and the Parent 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 Group or the Parent 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Skive, 23 April 2018
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Martin Furbo
State Authorised Public Accountant
Mne 32204

Allan Christensen
State Authorised Public Accountant
Mne 35463

What is Skamol?
Skamol is
technical insulation systems

Skamol purpose
We create unique value
within technical insulation
systems

Skamol vision
Technical insulation systems
are Skamol

FSN SKA A/S
Østergade 58-60, 7900 Nykøbing Mors, Denmark
Tel.: +45 97 72 15 33
CVR 32 34 79 67
www.skamol.com

skamol