



SPE Recycling ApS

Hovedgaden 21, Nr. Jernløse, 4420 Regstrup

Company reg. no. 33 78 14 31

Annual report

2016

The annual report have been submitted and approved by the general meeting on the 17 May 2017.

John Korsø Jensen
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management's review	
Company data	5
Management's review	6
Annual accounts 1 January - 31 December 2016	
Profit and loss account	7
Balance sheet	8
Notes	10
Accounting policies used	12

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of SPE Recycling ApS for the financial year 1 January to 31 December 2016.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Regstrup, 26 April 2017

Managing Director

Michael Schoeller

Board of directors

John Korsø Jensen

Michael Schoeller

Siegfried von Saucken

Independent auditor's report

To the shareholders of SPE Recycling ApS

Opinion

We have audited the annual accounts of SPE Recycling ApS for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Holbæk, 26 April 2017

RIR REVISION

Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 78 05 24

Thomas Skinbjerg
State Authorised Public Accountant

Company data

The company	SPE Recycling ApS Hovedgaden 21 Nr. Jernløse 4420 Regstrup Company reg. no. 33 78 14 31 Established: 27 June 2011 Domicile: Holbæk Financial year: 1 January - 31 December 6th financial year
Board of directors	John Korsø Jensen Michael Schoeller Siegfried von Saucken
Managing Director	Michael Schoeller
Auditors	RIR REVISION Statsautoriseret Revisionspartnerselskab
Lawyer	Advokat J. Korsø Jensen, Sankt Annæ Plads 13, 3., 1250 København K
Parent company	Schoeller-Plast-Enterprise A/S
Subsidiary	Drawin Recycling GmbH, Germany

Management's review

The principal activities of the company

The Company is a holding company for the subsidiary Drawin Recycling GmbH, Germany.

Development in activities and financial matters

The results from ordinary activities after tax are EUR -2.809 against EUR -93.000 last year.

The company and its subsidiary are expected to be dissolved by a merger with the parent company Schoeller-Plast-Enterprise A / S with effect by 1 January 2017.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Profit and loss account 1 January - 31 December

Amounts concerning 2016: EUR.

Amounts concerning 2015: EUR in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Gross loss	-3.601	-4
Income from equity investment in group enterprise	0	-90
Results before tax	-3.601	-94
1 Tax on ordinary results	792	1
Results from ordinary activities after tax	-2.809	-93
Results for the year	-2.809	-93
Proposed distribution of the results:		
Allocated from results brought forward	-2.809	-93
Distribution in total	-2.809	-93

Balance sheet 31 December

Amounts concerning 2016: EUR.

Amounts concerning 2015: EUR in thousands.

Assets		
<u>Note</u>	<u>2016</u>	<u>2015</u>
Current assets		
Receivable corporate tax	<u>792</u>	<u>1</u>
Debtors in total	<u>792</u>	<u>1</u>
Current assets in total	<u>792</u>	<u>1</u>
Assets in total	<u>792</u>	<u>1</u>

Balance sheet 31 December

Amounts concerning 2016: EUR.

Amounts concerning 2015: EUR in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>	
Equity and liabilities			
Equity			
4	Contributed capital	12.750	13
5	Results brought forward	-121.222	-119
	Equity in total	-108.472	-106
Liabilities			
	Debt to group enterprises	105.730	103
	Other debts	3.534	4
	Short-term liabilities in total	109.264	107
	Liabilities in total	109.264	107
	Equity and liabilities in total	792	1

Notes

Amounts concerning 2016: EUR.

Amounts concerning 2015: EUR in thousands.

	<u>2016</u>	<u>2015</u>		
1. Tax on ordinary results				
Tax of the results for the year, parent company	-792	-1		
	<u>-792</u>	<u>-1</u>		
	<u>31/12 2016</u>	<u>31/12 2015</u>		
2. Equity investment in group enterprise				
Acquisition sum, opening balance 1 January 2016	102.751	13		
Additions during the year	0	90		
Cost 31 December 2016	<u>102.751</u>	<u>103</u>		
Revaluations, opening balance 1 January 2016	-102.751	-13		
Results for the year before goodwill amortisation	0	-90		
Revaluation 31 December 2016	<u>-102.751</u>	<u>-103</u>		
Book value 31 December 2016	<u>0</u>	<u>0</u>		
The financial highlights for the enterprise according to the latest approved annual report				
	Share of ownership	Equity	Results for the year	Book value at SPE Recycling ApS
Drawin Recycling GmbH, Germany	100 %	-2.371.024	-983	0
			<u>31/12 2016</u>	<u>31/12 2015</u>
3. Amounts owed by group enterprises				
Drawin Recycling GmbH			1.156.555	1.157
Writedown relating to amounts owed by group enterprises			-1.156.555	-1.157
			<u>0</u>	<u>0</u>

Notes

Amounts concerning 2016: EUR.

Amounts concerning 2015: EUR in thousands.

	<u>31/12 2016</u>	<u>31/12 2015</u>
4. Contributed capital		
Contributed capital 1 January 2016	12.750	13
	<u>12.750</u>	<u>13</u>
5. Results brought forward		
Results brought forward 1 January 2016	-118.413	-26
Profit or loss for the year brought forward	-2.809	-93
	<u>-121.222</u>	<u>-119</u>

Accounting policies used

The annual report for SPE Recycling ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual report is presented in euro (EUR).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross loss

The gross loss comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

Results from equity investment in group enterprise

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the group enterprise is recognised in the profit and loss account at a proportional share of the group enterprise's results after tax.

Accounting policies used

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Financial fixed assets

Equity investment in group enterprise

Equity investment in group enterprise is recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprise with negative equity is recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, SPE Recycling ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Accounting policies used

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.