

RENOLIT NORDIC A/S
Naverland 31, 2600 Glostrup

Annual report for the period
1 January to 31 December 2016

Adopted at the annual general meeting on 15/12 2017



Chairman

CVR-nr. 34 71 55 99

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Executive and Supervisory Boards have today discussed and approved the annual report of Renolit Nordic A/S for the financial year 1 January - 31 December 2016.

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


In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the the Company's operations for the financial year 1 January - 31 December 2016.

In our opinion, Management's review includes a fair review of the matters dealt with in the Management's review

We recommend the adoption of the annual report at the annual general meeting.


København, 17 February 2017

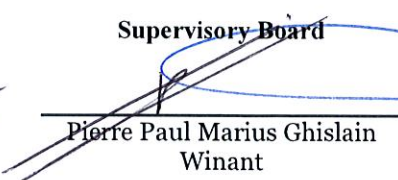
Executive Board



Mads Eger Pedersen
director

Supervisory Board



Michael Thomas Kundel
chairman

Pierre Paul Marius Ghislain
Winant

Frédéric Francis D. Weemaels

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Renolit Nordic A/S

Opinion

We have audited the financial statements of Renolit Nordic A/S for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared under 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 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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:

INDEPENDENT AUDITOR'S REPORT

- 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.
- 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.


INDEPENDENT AUDITOR'S REPORT

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 Statement Act. We did not identify any material misstatement of Management's Review.

København, 17 February 2017

MAZARS

Statsautoriseret Revisionspartnerselskab
CVR-nr. 31 06 17 41



Kurt Christensen
Statsautoriseret revisor
(State-authorised public accountant)

COMPANY DETAILS

The Company	Renolit Nordic A/S Naverland 31
	Tel: +45 43 64 46 33
	Fax: +45 43 64 46 38
	E-mail: renolit.nordic@renolit.com
	Website: www.renolit.com
	CVR no.: 34 71 55 99
	Reporting period: 1 January - 31 December
	Incorporated: 24. September 2012
	Domicile: Glostrup
Supervisory Board	Michael Thomas Kundel, <i>Chairman</i> Pierre Paul Marius Ghislain Winant Frédéric Francis D. Weemaels
Executive Board	Mads Eger Pedersen, director
Kapitalejer	Renolit SE, Germany
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Østerfælled Torv 10, 2. sal 2100 København Ø

MANAGEMENT'S REVIEW

Business activities

The Company is a wholeseller of plastic film for a large number of industries in the Nordic countries.

Business review

The Company's income statement for the year ended 31 December shows a profit of DKK 871.425, and the balance sheet at 31. december 2016 shows equity of DKK 12.446.957.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the group's and the parent company's financial position.

ACCOUNTING POLICIES

The annual report of Renolit Nordic A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2016 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report are presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

ACCOUNTING POLICIES

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Cost of sales

Cost of sales comprises direct and indirect costs, which are incurred to obtain the net turnover.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance payment of tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

ACCOUNTING POLICIES

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

		Residual value
Other plant, operating equipment and fixtures	3 - 5	years 0 %

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Stocks

Stocks are measured using the weighted average method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

ACCOUNTING POLICIES

Equity

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

Income tax and deferred tax

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

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax is measured based on the current tax rules and tax rates that apply under the legislation will be in effect when the deferred tax is expected to crystallize as current tax.

Liabilities

Liabilities are recognized at cost as at the time of their being contracted. Subsequently, liabilities are measured at their amortized cost – for short-term liabilities and liabilities with a variable interest this normally corresponds to nominal debt.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2016 DKK	2015 TDKK
GROSS PROFIT		8.697.093	8.930
Staff costs	1	-7.654.653	-8.017
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-43.973	-58
PROFIT/LOSS BEFORE FINANCIAL INCOME AND EXPENSES		998.467	855
Financial income	2	191.028	223
Financial costs	3	-44.731	-42
PROFIT/LOSS BEFORE TAX		1.144.764	1.036
Tax on profit/loss for the year	4	-273.339	-277
PROFIT/LOSS FOR THE YEAR		871.425	759
 Proposed distribution of profit			
Proposed dividend for the year		800.000	2.190
Retained earnings		71.425	-1.431
		871.425	759

BALANCE SHEET 31 DECEMBER

	Note	2016 DKK	2015 TDKK
ASSETS			
Other fixtures and fittings, tools and equipment		65.997	110
Tangible assets	5	65.997	110
Deposits		131.218	205
Fixed asset investments		131.218	205
FIXED ASSETS		197.215	315
Finished goods and goods for resale		7.221.663	7.719
Goods in transit		618.596	0
Stocks		7.840.259	7.719
Trade receivables		10.396.017	13.145
Receivables from affiliated companies		245.388	513
Other receivables		20.379	134
Deferred tax asset		72.152	64
Prepayments		21.930	55
Receivables		10.755.866	13.911
Cash at bank and in hand		5.444.148	5.971
CURRENT ASSETS TOTAL		24.040.273	27.601
ASSETS TOTAL		24.237.488	27.916

BALANCE SHEET 31 DECEMBER

	Note	2016 DKK	2015 TDKK
LIABILITIES AND EQUITY			
Share capital		2.000.000	2.000
Retained earnings		9.646.957	9.575
Proposed dividend for the year		800.000	2.190
EQUITY TOTAL	6	12.446.957	13.765
Banks		39.070	45
Trade payables		2.394.090	925
Payables to affiliated companies		7.367.555	11.138
Other payables		1.989.816	2.043
Short-term debt		11.790.531	14.151
DEBT TOTAL		11.790.531	14.151
LIABILITIES AND EQUITY TOTAL		24.237.488	27.916
Contingent assets, liabilities and other financial obligations	7		
Related parties and ownership	8		

NOTES TO THE ANNUAL REPORT

	2016	2015
	DKK	TDKK
1 STAFF COSTS		
Wages and salaries	6.830.045	7.134
Pensions	757.847	814
Other social security costs	66.761	69
	7.654.653	8.017
 Average number of employees	9	10
 2 FINANCIAL INCOME		
Other financial income	286	7
Exchange adjustments	190.742	216
	191.028	223
 3 FINANCIAL COSTS		
Other financial costs	44.731	42
	44.731	42
 4 TAX ON PROFIT/LOSS FOR THE YEAR		
Current tax for the year	281.622	331
Deferred tax for the year	-8.283	-54
	273.339	277

NOTES TO THE ANNUAL REPORT

5 TANGIBLE ASSETS

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2016	326.814
Additions for the year	0
Disposals for the year	0
Cost at 31 December 2016	326.814
Impairment losses and depreciation at 1 January 2016	216.844
Depreciation for the year	43.973
Impairment losses and depreciation at 31 December 2016	260.817
Carrying amount at 31 December 2016	65.997

6 EQUITY

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2016	2.000.000	9.575.532	2.190.000	13.765.532
Ordinary dividend paid	0	0	-2.190.000	-2.190.000
Net profit/loss for the year	0	71.425	800.000	871.425
Equity at 31 December 2016	2.000.000	9.646.957	800.000	12.446.957

7 CONTINGENT ASSETS, LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

The Company has contracted to rent the premises and inventory facilities. The rent contracts are redeemable with up to six months' notice. The rent obligation in the redeemable period amounts to 75 DKK'000 at 31 December 2016.

For the years 2015-2017 the Company has entered leases on cars. The lease obligation in the redeemable period amounts to 251 DKK'000 at 31 December 2016.

NOTES TO THE ANNUAL REPORT

8 RELATED PARTIES AND OWNERSHIP

The Company is 100 % owned by Renolit SE, Horchheimer Str. 50, 67547 Worms, Germany and is included in the Consolidated Financial Statements for Renolit SE and JM Holding GmbH & Co. KGaA, Worms, Germany. The Consolidated Financial Statements can be obtained by request to the Company