

RENOLIT NORDIC A/S  
Naverland 31  
2600 Glostrup

Annual report for the period  
1 January to 31 December 2018

Adopted at the annual general meeting on  
1 March 2019



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Mads Eger Pedersen  
chairman

CVR-nr. 34 71 55 99

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## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of Renolit Nordic A/S for the financial year 1 January - 31 December 2018.

The annual report is 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 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

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

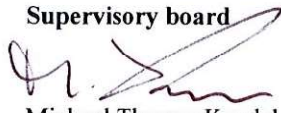
Management recommends that the annual report should be approved by the company in general meeting.

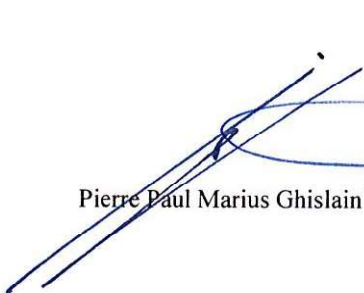
Glostrup, 7 February 2019

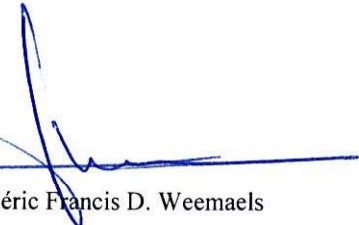
### Executive board

  
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 2018, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. 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 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018 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 the 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.

## INDEPENDENT AUDITOR'S REPORT

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- 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.

## INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.


Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 7 February 2019

**MAZARS**

Statsautoriseret Revisionspartnerselskab  
CVR no. 31 06 17 41



Kurt Christensen  
Statsautoriseret revisor  
(State-authorized public accountant)  
MNE no. mne26824

## COMPANY DETAILS

The company	Renolit Nordic A/S Naverland 31 2600 Glostrup
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	Website: <a href="http://www.renolit.com">www.renolit.com</a>
	CVR no.: 34 71 55 99
	Reporting period: 1 January - 31 December 2018 Incorporated: 24. September 2012
	Domicile: Glostrup
Supervisory board	Michael Thomas Kundel, chairman Pierre Paul Marius Ghislain Winant Frédéric Francis D. Weemaels
Executive board	Mads Eger Pedersen, director
Capital Owner	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 3.179.171, and the balance sheet at 31 December 2018 shows equity of DKK 15.001.984.

### **Significant events occurring after end of reporting period**

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



## ACCOUNTING POLICIES

The annual report of Renolit Nordic A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

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

The annual report for 2018 is presented in DKK

### **Changes in accounting policies**

#### ***Recognition of revenue***

The company has chosen to treat revenue after the rules set forth in the IFRS 15. The change in accounting policy has affected the revenue recognition for some contracts with costumers. As such the comparision figures has been ammended which involves, stocks, receivables and gross margin. The net impact on the equity is 112 t.DKK as displayed in the equity note.

Comparatives have been restated to reflect the policy change.

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

### **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 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 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.

## ACCOUNTING POLICIES

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is 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 costs of raw materials and consumables and other external expenses.

#### **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 and surcharges and allowances under the advance payment of tax scheme, etc.

## ACCOUNTING POLICIES

### **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, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

### **Balance sheet**

#### **Tangible assets**

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

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:

	Useful life	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, respectively.

### **Impairment of fixed assets**

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

### **Stocks**

Stocks are measured at cost using the FIFO 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.

## ACCOUNTING POLICIES

### **Equity**

#### **Dividends**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

#### **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	2018 DKK	2017 TDKK
<b>Gross profit</b>		<b>11.001.481</b>	<b>8.196</b>
Staff costs	1	-6.684.933	-6.920
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-68.383	-31
<b>Profit/loss before net financials</b>		<b>4.248.165</b>	<b>1.245</b>
Financial income	3	233	0
Financial costs	4	-127.896	-146
<b>Profit/loss before tax</b>		<b>4.120.502</b>	<b>1.099</b>
Tax on profit/loss for the year	5	-941.331	-223
<b>Profit/loss for the year</b>		<b>3.179.171</b>	<b>876</b>
 <b>Recommended appropriation of profit/loss</b>			
Proposed dividend for the year		2.100.000	700
Retained earnings		1.079.171	176
		<b>3.179.171</b>	<b>876</b>

## BALANCE SHEET 31 DECEMBER

	Note	2018 DKK	2017 TDKK
<b>ASSETS</b>			
Other fixtures and fittings, tools and equipment		112.671	116
<b>Tangible assets</b>	6	<b>112.671</b>	<b>116</b>
Deposits		136.633	134
<b>Fixed asset investments</b>		<b>136.633</b>	<b>134</b>
<b>Total non-current assets</b>		<b>249.304</b>	<b>250</b>
Finished goods and goods for resale		8.749.197	8.802
<b>Stocks</b>		<b>8.749.197</b>	<b>8.802</b>
Trade receivables		13.581.803	12.236
Receivables from affiliated companies		275.143	140
Other receivables		5.974	12
Deferred tax asset		14.298	64
Prepayments		41.922	34
<b>Receivables</b>		<b>13.919.140</b>	<b>12.486</b>
<b>Cash at bank and in hand</b>		<b>4.105.882</b>	<b>5.803</b>
<b>Total current assets</b>		<b>26.774.219</b>	<b>27.091</b>
<b>Total assets</b>		<b>27.023.523</b>	<b>27.341</b>

## BALANCE SHEET 31 DECEMBER

	Note	2018 DKK	2017 TDKK
<b>EQUITY AND LIABILITIES</b>			
Share capital		2.000.000	2.000
Retained earnings		10.901.984	9.823
Proposed dividend for the year		2.100.000	700
<b>Equity</b>	7	<b>15.001.984</b>	<b>12.523</b>
Banks		62.230	45
Trade payables		2.747.235	1.886
Payables to affiliated companies		6.093.919	10.790
Corporation tax		130.078	0
Other payables		2.988.077	2.097
<b>Total current liabilities</b>		<b>12.021.539</b>	<b>14.818</b>
<b>Total liabilities</b>		<b>12.021.539</b>	<b>14.818</b>
<b>Total equity and liabilities</b>		<b>27.023.523</b>	<b>27.341</b>
Contingencies, etc.	8		

## NOTES

	2018	2017
	DKK	TDKK
<b>1 STAFF COSTS</b>		
Wages and salaries	5.736.362	6.151
Pensions	729.957	707
Other social security costs	218.614	62
	6.684.933	6.920
 Average number of employees	8	8
 <b>2 SPECIAL ITEMS</b>		
<p>During the financial year the focus of Renolit has been to reduce stocks held with long turnover rate. This has against expectations resulted in a reversal of previous years write-downs on inventory amounting to 647 t.DKK.</p> <p>Additionally, a customer that was written down in 2017 to whom it was impossible to get any contact has paid off some of its debt during 2018. As such a reversal of the write down has been made amounting to the paid amount of 104 t.DKK</p>		
 <b>3 FINANCIAL INCOME</b>		
Other financial income	233	0
	233	0
 <b>4 FINANCIAL COSTS</b>		
Other financial costs	46.616	60
Exchange adjustments costs	81.280	86
	127.896	146



## NOTES

	2018	2017
	DKK	TDKK
<b>5 TAX ON PROFIT/LOSS FOR THE YEAR</b>		
Current tax for the year	892.078	214
Deferred tax for the year	49.253	9
	941.331	223

## 6 TANGIBLE ASSETS

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2018	408.294
Additions for the year	64.100
Disposals for the year	0
Cost at 31 December 2018	472.394
Impairment losses and depreciation at 1 January 2018	291.340
Depreciation for the year	68.383
Reversal of impairment and depreciation of sold assets	0
Impairment losses and depreciation at 31 December 2018	359.723
Carrying amount at 31 December 2018	112.671

## NOTES

### 7 EQUITY

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2018	2.000.000	9.711.100	700.000	12.411.100
Net effect from change of accounting policy	0	111.713	0	111.713
Adjusted equity at 1 January 2018	2.000.000	9.822.813	700.000	12.522.813
Ordinary dividend paid	0	0	-700.000	-700.000
Net profit/loss for the year	0	1.079.171	2.100.000	3.179.171
Equity at 31 December 2018	<u>2.000.000</u>	<u>10.901.984</u>	<u>2.100.000</u>	<u>15.001.984</u>

### 8 CONTINGENCIES, ETC.

#### **Other contingent liabilities**

For the years 2019-2021 the Company has entered leases on cars and rental of premises. The total obligation in the redeemable period amounts to 834 DKK'000 at 31 December 2018.