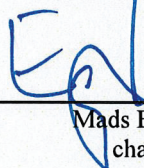


RENOLIT NORDIC A/S  
Naverland 31  
2600 Glostrup

Annual report for the period  
1 January to 31 December 2017

Adopted at the annual general meeting on  
1 March 2018



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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 2017.

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

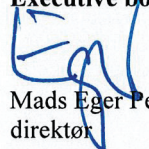
In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017.

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 at the annual general meeting.

Copenhagen, 7 February 2018

### Executive board



Mads Eger Pedersen  
direktør

### 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 2017, 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 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017 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

## 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.

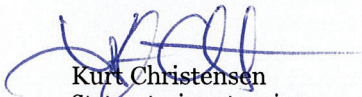
Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

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 2018

**MAZARS**

Statsautoriseret Revisionspartnerselskab  
CVR no. 31 06 17 41

  
Kurt Christensen  
Statsautoriseret revisor  
(State-authorised public accountant)  
MNE no. 26824

## COMPANY DETAILS

The company	Renolit Nordic A/S Naverland 31 2600 Glostrup  Telephone: +45 43 64 46 33 Fax: +45 43 64 46 38  E-mail: <a href="mailto:renolit.nordic@renolit.com">renolit.nordic@renolit.com</a>  Website: <a href="http://www.renolit.com">www.renolit.com</a>  CVR no.: 34 71 55 99  Reporting period: 1 January - 31 December 2017 Incorporated: 24. September 2012  Domicile:
Supervisory board	Michael Thomas Kundel, chairman, chairman Pierre Paul Marius Ghislain Winant Frédéric Francis D. Weemaels
Executive board	Mads Eger Pedersen, direktør
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 764.143, and the balance sheet at 31 December 2017 shows equity of DKK 12.411.100.

### **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 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises as well as selected provisions as regards larger entities.

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

The annual report for 2017 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 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.

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 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 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 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:

	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.

### **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 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.

### **Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

### **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.

## ACCOUNTING POLICIES

### **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	2017 DKK	2016 TDKK
<b>GROSS PROFIT</b>		8.083.178	8.697
Staff costs	1	-6.919.291	-7.655
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-30.523	-44
<b>PROFIT/LOSS BEFORE FINANCIAL INCOME AND EXPENSES</b>		1.133.364	998
Financial income	2	20	191
Financial costs	3	-146.448	-44
<b>PROFIT/LOSS BEFORE TAX</b>		986.936	1.145
Tax on profit/loss for the year	4	-222.793	-274
<b>Net profit/loss for the year</b>		764.143	871
 <b>Proposed distribution of profit</b>			
Proposed dividend for the year		700.000	800
Retained earnings		64.143	71
		764.143	871

## BALANCE SHEET 31 DECEMBER

	Note	2017 DKK	2016 TDKK
<b>ASSETS</b>			
Other fixtures and fittings, tools and equipment		116.954	66
<b>Tangible assets</b>	5	116.954	66
Deposits		134.002	132
<b>Fixed asset investments</b>		134.002	132
<b>FIXED ASSETS TOTAL</b>		250.956	198
Finished goods and goods for resale		9.920.081	7.222
Goods in transit		0	619
<b>Stocks</b>		9.920.081	7.841
Trade receivables		11.007.743	10.396
Receivables from affiliated companies		140.040	245
Other receivables		12.623	20
Deferred tax asset		63.551	72
Prepayments		33.553	22
<b>Receivables</b>		11.257.510	10.755
<b>Cash at bank and in hand</b>		5.802.970	5.445
<b>CURRENT ASSETS TOTAL</b>		26.980.561	24.041
<b>ASSETS TOTAL</b>		27.231.517	24.239

## BALANCE SHEET 31 DECEMBER

	Note	2017 DKK	2016 TDKK
<b>LIABILITIES AND EQUITY</b>			
Share capital		2.000.000	2.000
Retained earnings		9.711.100	9.647
Proposed dividend for the year		700.000	800
<b>Equity</b>	6	<b>12.411.100</b>	<b>12.447</b>
Banks		44.435	39
Trade payables		1.886.639	2.394
Payables to affiliated companies		10.789.884	7.368
Corporation tax		192	0
Other payables		2.099.267	1.991
<b>Short-term debt</b>		<b>14.820.417</b>	<b>11.792</b>
<b>DEBT TOTAL</b>		<b>14.820.417</b>	<b>11.792</b>
<b>LIABILITIES AND EQUITY TOTAL</b>		<b>27.231.517</b>	<b>24.239</b>
Contingent assets, liabilities and other financial obligations	7		

## NOTES

	2017 DKK	2016 TDKK
<b>1 STAFF COSTS</b>		
Wages and salaries	6.150.409	6.830
Pensions	706.801	758
Other social security costs	62.081	67
	6.919.291	7.655
 Average number of employees	 8	 9
 <b>2 FINANCIAL INCOME</b>		
Other financial income	20	0
Exchange adjustments	0	191
	20	191
 <b>3 FINANCIAL COSTS</b>		
Other financial costs	60.289	44
Exchange adjustments costs	86.159	0
	146.448	44
 <b>4 TAX ON PROFIT/LOSS FOR THE YEAR</b>		
Current tax for the year	214.192	282
Deferred tax for the year	8.601	-8
	222.793	274



## NOTES

### 5 TANGIBLE ASSETS

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2017	326.814
Additions for the year	81.480
Disposals for the year	0
Cost at 31 December 2017	408.294
Impairment losses and depreciation at 1 January 2017	260.817
Depreciation for the year	30.523
Impairment losses and depreciation at 31 December 2017	291.340
<b>Carrying amount at 31 December 2017</b>	<b>116.954</b>

### 6 EQUITY

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2017	2.000.000	9.646.957	800.000	12.446.957
Ordinary dividend paid	0	0	-800.000	-800.000
Net profit/loss for the year	0	64.143	700.000	764.143
<b>Equity at 31 December 2017</b>	<b>2.000.000</b>	<b>9.711.100</b>	<b>700.000</b>	<b>12.411.100</b>

## NOTES

### 7 CONTINGENT ASSETS, LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

#### **Recourse and non-recourse guarantee commitments**

The Company is subject to warranties on products and are sometimes liable to claims. In case of claims from customers the Company has recourse against the factory.

#### **Other contingent liabilities**

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 71 DKK'000 at 31 December 2017.

For the years 2017-2021 the Company has entered leases on cars. The lease obligation in the redeemable period amounts to 991 DKK'000 at 31 December 2017.