

RENOLIT NORDIC A/S
Naverland 31
2600 Glostrup

Annual report for the period
1 January to 31 December 2022

Adopted at the annual general meeting on
2 March 2023

Kenneth Witte
chairman

CVR-nr. 34 71 55 99

TABLE OF CONTENTS

	Page
Statements	
Statement by management on the annual report	3
Independent auditor's report	4
Management's review	
Company details	7
Management's review	8
Financial statements	
Accounting policies	9
Income statement 1 January - 31 December	12
Balance sheet 31 December	13
Statement of changes in equity	15
Notes	16

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory board and executive board have today discussed and approved the annual report of Renolit Nordic A/S for the financial year 1 January - 31 December 2022.

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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

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, 15 February 2023

Executive board

Kenneth Witte
CEO

Supervisory board

Michael Thomas Kundel
Chairman

Mario Karsten Jänicke

Renaat B. A. Demeulemeester

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 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity 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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 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 and IESBA Code. 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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.

INDEPENDENT AUDITOR'S REPORT

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.

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, 15 February 2023

MAZARS

Statsautoriseret Revisionspartnerselskab

CVR no. 31 06 17 41

Karsten Vedel

Statsautoriseret revisor

(State-authorized public accountant)

MNE no. mne47841

COMPANY DETAILS

The company	Renolit Nordic A/S Naverland 31 2600 Glostrup
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	E-mail: renolit.nordic@renolit.com
	Website: www.renolit.com
	CVR no.: 34 71 55 99
	Reporting period: 1 January - 31 December 2022 Incorporated: 24 September 2012
	Domicile: Glostrup
Supervisory board	Michael Thomas Kundel, chairman Mario Karsten Jänicke Renaat B. A. Demeulemeester
Executive board	Kenneth Witte, CEO
Capital Owner	Renolit SE, Germany
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2.tv. 2100 København Ø

MANAGEMENT'S REVIEW

Business review

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

Financial review

The company's income statement for the year ended 31 December 2022 shows a profit of DKK 8.982.822, and the balance sheet at 31 December 2022 shows equity of DKK 22.472.197.

Significant events occurring after the end of the financial year

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 2022 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 2022 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 installments 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 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.

ACCOUNTING POLICIES

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, 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.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

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 expected selling price less direct 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 recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

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.

Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income tax and deferred tax

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

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 instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 TDKK
Gross profit		19.019.749	14.509
Staff costs	1	-6.886.855	-6.482
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-40.293	-183
Profit/loss before net financials		12.092.601	7.844
Financial income	2	20.157	906
Financial costs	3	-586.268	-565
Profit/loss before tax		11.526.490	8.185
Tax on profit/loss for the year	4	-2.543.668	-1.772
Profit/loss for the year		8.982.822	6.413
 Recommended appropriation of profit/loss			
Proposed dividend for the year		9.000.000	6.400
Retained earnings		-17.178	13
		8.982.822	6.413

BALANCE SHEET 31 DECEMBER

	Note	2022 DKK	2021 TDKK
ASSETS			
Other fixtures and fittings, tools and equipment		51.078	90
Tangible assets	5	51.078	90
Deposits	6	147.695	145
Fixed asset investments		147.695	145
Total non-current assets		198.773	235
Finished goods and goods for resale		13.114.241	8.694
Goods in transit		0	1.151
Stocks		13.114.241	9.845
Trade receivables		12.502.377	9.403
Receivables from affiliated companies		669.903	725
Other receivables		32.812	0
Deferred tax asset		15.040	15
Corporation tax		0	128
Prepayments		9.682	31
Receivables		13.229.814	10.302
Cash at bank and in hand		8.561.992	15.532
Total current assets		34.906.047	35.679
Total assets		35.104.820	35.914

BALANCE SHEET 31 DECEMBER

	Note	2022 DKK	2021 TDKK
EQUITY AND LIABILITIES			
Share capital		2.000.000	2.000
Retained earnings		11.472.197	11.489
Proposed dividend for the year		9.000.000	6.400
Equity		22.472.197	19.889
Banks		34.512	42
Trade payables		1.912.517	1.774
Payables to affiliated companies		9.027.979	12.815
Corporation tax		221.572	0
Other payables		1.436.043	1.394
Total current liabilities		12.632.623	16.025
Total liabilities		12.632.623	16.025
Total equity and liabilities		35.104.820	35.914
Contingent liabilities	7		
Related parties and ownership structure	8		

STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the year</u>	<u>Total</u>
Equity at 1 January 2022	2.000.000	11.489.375	6.400.000	19.889.375
Ordinary dividend paid	0	0	-6.400.000	-6.400.000
Net profit/loss for the year	0	-17.178	9.000.000	8.982.822
Equity at 31 December 2022	<u>2.000.000</u>	<u>11.472.197</u>	<u>9.000.000</u>	<u>22.472.197</u>

NOTES

	2022	2021
	DKK	TDKK
1 STAFF COSTS		
Wages and salaries	5.818.141	5.487
Pensions	737.514	691
Other social security costs	331.200	304
	6.886.855	6.482
 Average number of employees	8	8
 2 FINANCIAL INCOME		
Other financial income	20.157	3
Exchange adjustments	0	903
	20.157	906
 3 FINANCIAL COSTS		
Other financial costs	55.046	86
Exchange adjustments costs	531.222	479
	586.268	565
 4 TAX ON PROFIT/LOSS FOR THE YEAR		
Current tax for the year	2.543.772	1.765
Deferred tax for the year	-104	7
	2.543.668	1.772

NOTES

5 TANGIBLE ASSETS

	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2022	527.504
Additions for the year	0
Disposals for the year	<u>0</u>
Cost at 31 December 2022	<u>527.504</u>
Impairment losses and depreciation at 1 January 2022	436.133
Depreciation for the year	40.293
Reversal of impairment and depreciation of sold assets	<u>0</u>
Impairment losses and depreciation at 31 December 2022	<u>476.426</u>
Carrying amount at 31 December 2022	<u><u>51.078</u></u>

6 FIXED ASSET INVESTMENTS

	<u>Deposits</u>
Cost at 1 January 2022	144.847
Additions for the year	<u>2.848</u>
Cost at 31 December 2022	<u>147.695</u>
Carrying amount at 31 December 2022	<u><u>147.695</u></u>

7 CONTINGENT LIABILITIES

Other contingent liabilities not recognised in balance sheet

The Company has entered leases on rental of premises, which management assess does not meet requirements for IFRS 16 recognition. The total obligation in the redeemable period amounts to 177 DKK'000 at 31 December 2022.

NOTES

8 RELATED PARTIES AND OWNERSHIP STRUCTURE

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Renolit SE

Consolidated financial statements

The company is reflected in the group report as the parent company Renolit SE

The group report of Renolit SE can be obtained at the following address:

Horcheimer Str. 50
67547 Worms
Germany