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BDO Statsautoriseret revisionsaktieselskab  
Havneholmen 29  
DK-1561 Copenhagen V  
CVR no. 20 22 26 70

**KINGSPAN INSULATION APS**  
**LANGEBJERGVÆNGET 14, 4000 ROSKILDE**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2018**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 15 May 2019**

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**Geoff Doherty**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 35 89 18 03**

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**COMPANY DETAILS****Company**

Kingspan Insulation ApS  
Langebjergvænget 14  
4000 Roskilde

CVR No.: 35 89 18 03  
Established: 10 June 2014  
Registered Office: Roskilde  
Financial Year: 1 January - 31 December

**Board of Executives**

Wilhelmus Johannes van Zonsbeek  
Patrick Alan Lawlor  
Peter Charles Wilson  
Hendrik Johan Bassie

**Auditor**

BDO Statsautoriseret revisionsaktieselskab  
Havneholmen 29  
1561 Copenhagen V

## STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of Kingspan Insulation ApS for the financial year 1 January - 31 December 2018.

The Annual Report is presented 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.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

The board of executives remain of the opinion that the conditions for opting out of audit have been fulfilled.

We recommend the Annual Report be approved at the Annual General Meeting.

Roskilde, 15 May 2019

Board of Executives

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Wilhelmus Johannes van  
Zonsbeek

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Patrick Alan Lawlor

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Peter Charles Wilson

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Hendrik Johan Bassie

## ENGAGEMENT TO COMPILE FINANCIAL INFORMATION

### To the Shareholder of Kingspan Insulation ApS

We have compiled the Financial Statements of Kingspan Insulation ApS for the financial year 1 January - 31 December 2018 based on the Company's accounting records and other information provided by Management.

The Financial Statements comprise a summary of income statement, balance sheet, notes and significant accounting policies.

We performed this compilation engagement in accordance with the International Standard, Compilation Engagements.

We have applied our professional expertise to assist Management in the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Accountants Act and FSR - Danish auditors' Ethical rules applying to auditors, including principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information used to compile the Financial Statements are Management's responsibility.

Since an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by Management to us to compile the Financial Statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 15 May 2019

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Brian Olsen Halling  
State Authorised Public Accountant  
MNE no. mne32094

## MANAGEMENT'S REVIEW

### **Principal activities**

The company's activities are marketing and sales of insulation boards and other related activities.

### **Significant events after the end of the financial year**

No events have occurred after the end of the financial year of material importance for the company's financial position.

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2018 DKK	2017 DKK
<b>GROSS PROFIT</b> .....		<b>3.824.758</b>	<b>2.428.048</b>
Staff costs.....	1	-3.295.078	-2.756.530
Depreciation, amortisation and impairment.....		-32.415	-18.909
<b>OPERATING PROFIT</b> .....		<b>497.265</b>	<b>-347.391</b>
Other financial income.....	2	0	35.967
Other financial expenses.....	3	-13.098	-14.900
<b>PROFIT BEFORE TAX</b> .....		<b>484.167</b>	<b>-326.324</b>
Tax on profit/loss for the year.....	4	-106.517	71.791
<b>PROFIT FOR THE YEAR</b> .....		<b>377.650</b>	<b>-254.533</b>
<b>PROPOSED DISTRIBUTION OF DIVIDEND</b>			
Retained earnings.....		377.650	-254.533
<b>TOTAL</b> .....		<b>377.650</b>	<b>-254.533</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2018 DKK	2017 DKK
Other plants, machinery, tools and equipment.....		45.922	78.337
<b>Tangible fixed assets.....</b>	<b>5</b>	<b>45.922</b>	<b>78.337</b>
<b>FIXED ASSETS.....</b>		<b>45.922</b>	<b>78.337</b>
Other receivables.....		127.300	93.130
Receivable tax from joint taxation.....		0	145.754
Prepayments and accrued income.....		161.141	111.547
<b>Receivables.....</b>		<b>288.441</b>	<b>350.431</b>
<b>Cash and cash equivalents.....</b>		<b>2.183.362</b>	<b>609.101</b>
<b>CURRENT ASSETS.....</b>		<b>2.471.803</b>	<b>959.532</b>
<b>ASSETS.....</b>		<b>2.517.725</b>	<b>1.037.869</b>



## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2018 DKK	2017 DKK
Share capital.....		80.000	80.000
Retained profit.....		-798.898	-1.176.548
<b>EQUITY.....</b>	<b>6</b>	<b>-718.898</b>	<b>-1.096.548</b>
Trade payables.....		61.575	64.604
Payables to group enterprises.....		2.269.138	1.394.433
Corporation tax.....		34.726	0
Other liabilities.....		871.184	675.380
<b>Current liabilities.....</b>		<b>3.236.623</b>	<b>2.134.417</b>
<b>LIABILITIES.....</b>		<b>3.236.623</b>	<b>2.134.417</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>2.517.725</b>	<b>1.037.869</b>
 Contingencies etc.	 7		
 Consolidated financial statements	 8		

## NOTES

	2018 DKK	2017 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees 4 (2017: 4)			
Wages and salaries.....	2.995.620	2.538.011	
Pensions.....	299.458	218.519	
	<b>3.295.078</b>	<b>2.756.530</b>	
<b>Other financial income</b>			<b>2</b>
Other interest income.....	0	35.967	
	<b>0</b>	<b>35.967</b>	
<b>Other financial expenses</b>			<b>3</b>
Other interest expenses.....	13.098	14.900	
	<b>13.098</b>	<b>14.900</b>	
<b>Tax on profit/loss for the year</b>			<b>4</b>
Calculated tax on taxable income of the year.....	106.517	-71.791	
	<b>106.517</b>	<b>-71.791</b>	
<b>Tangible fixed assets</b>			<b>5</b>
		Other plants, machinery, tools and equipment	
Cost at 1 January 2018.....		97.246	
<b>Cost at 31 December 2018.....</b>		<b>97.246</b>	
Depreciation and impairment losses at 1 January 2018.....		18.909	
Depreciation for the year.....		32.415	
<b>Depreciation and impairment losses at 31 December 2018.....</b>		<b>51.324</b>	
<b>Carrying amount at 31 December 2018.....</b>		<b>45.922</b>	

## NOTES

Note

## Equity

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	Share capital	Retained profit	Total
Equity at 1 January 2018.....	80.000	-1.176.548	-1.096.548
Proposed distribution of profit.....		377.650	377.650
<b>Equity at 31 December 2018.....</b>	<b>80.000</b>	<b>-798.898</b>	<b>-718.898</b>

## Contingencies etc.

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## Contingent liabilities

## Rental obligations

The company has entered into a lease for rent to third parties. The rental obligation amounts to DKK ('000) 319 at balance sheet date (last year DKK ('000) 565). The rent contract expires at 30 June 2021. During this period, the company can terminate the agreement with 4 months notice until the 1st in a month.

## Operational lease

The company has entered into operational lease agreements and lease contracts with an average annual lease payment of DKK ('000) 151.

The lease contract have a residual term of 31 months with a total residual lease payment of DKK ('000) 310.

## Joint liabilities

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Kingspan A/S, which serves as management company for the joint taxation.

## Consolidated financial statements

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The Company is included in the consolidated financial statements of Kingspan Group plc, Dublin Road, Kingscourt, Co Cavan, A82 XY31, Ireland.

## ACCOUNTING POLICIES

The Annual Report of Kingspan Insulation ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles used last year.

## INCOME STATEMENT

### Net revenue

Net revenue from commission from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

### Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

## ACCOUNTING POLICIES

### BALANCE SHEET

#### Tangible fixed assets

Land and buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

#### Impairment of fixed assets

The carrying amount of tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

#### Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

## ACCOUNTING POLICIES

### **Tax payable and deferred tax**

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

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### **Liabilities**

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.