




Cortes Acquisition Company ApS

Lyskær 5
2730 Herlev

Annual Report 2017

Company registration no. 37 37 76 35

The annual report was presented
and adopted at the company's
annual general meeting
on 25th June 2017



Jan Simonsen
Chairman

Cortes Acquisition Company ApS

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Cortes Acquisition Company ApS

Company details

Company	<p>Cortes Acquisition Company ApS Lyskær 5 2730 Herlev</p> <p>Company registration no.: 37 37 76 35 Financial period: 1 January - 31 December Municipality of domicile: Herlev</p>
Executive Board	<p>Johannes G. Schmidt-Schultes Alfons Horn</p>
Auditors	<p>Ernst & Young, Godkendt revisionspartnerselskab Osvold Helmuths Vej 4, 2000 Frederiksberg</p>
Consolidated Financial Statements	<p>Cortes Acquisition Company ApS is part of the consolidated financial statements for BMI Group Holdings UK Ltd.</p> <p>The consolidated financial statements for BMI Group Holdings UK Ltd. can be obtained from BMI Group Holdings UK Ltd., 20 Air Street 5th Floor, London W1B 5AN or cvr.dk.</p>

Cortes Acquisition Company ApS

Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Cortes Acquisition Company ApS for the financial year 1 January - 31 December 2017.

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

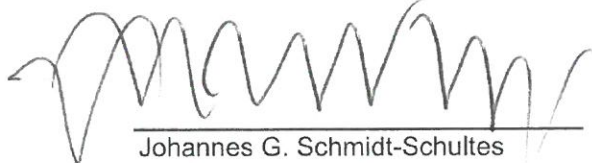
In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Herlev, 25th June 2018

Executive Management:



Johannes G. Schmidt-Schultes
CEO

Alfons Horn
CEO



Cortes Acquisition Company ApS

Independent auditor's report

To the shareholder of Cortes Acquisition Company ApS

Opinion

We have audited the financial statements of Cortes Acquisition Company ApS for the financial year 1 January – 31 December 2017, which comprise accounting policies, an income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 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 the financial statements.

Cortes Acquisition Company ApS

Independent auditor's report

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement 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 conclusion is 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 note 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.

Cortes Acquisition Company ApS

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the 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 the Management's review.

Frederiksberg, 25th June 2018
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Søren Skov Larsen
State Authorised Public Accountant
MNE no.: mne26797



Søren Gammelgaard
State Authorised Public Accountant
MNE no.: mne31403

Cortes Acquisition Company ApS

MANAGEMENT'S REPORT

MAIN ACTIVITY

The company's main activity is to exercise the ownership of shares in and provide lending to the Icopal Group.

DEVELOPMENT IN THE YEAR

The profit for the year amounted to tdkk 366.517

The company's equity amounted to tDKK 3.148.408 as of 31 December 2017.

Profit for the year is affected by significant one-off items, which in the opinion of Management do not form part of the entity's operating activities.

Profit for the year is positively affected by tDKK 145.127 due to reversal of earn-out provision and exchange gain of tDKK 204.263 mainly caused by a decline in the US Dollar.

RECOGNITION AND MEASUREMENT UNCERTAINTIES

The annual report is not impacted by uncertainty or other unusual circumstances.

SUBSEQUENT EVENTS

In 2018 the company has participated in an intragroup debt restructuring for the BMI Group.

The company has made a group contribution to Icopal Holding ApS of tDKK 683.834 increasing investments in subsidiaries, purchased own shares of tDKK 923.040 and partly repaid its debt to Group entities of tDKK 671.089 by transfer of receivables.

It is expected that the company will merge with one or more Group Companies in 2018.

There are no other subsequent events of material significance in the assessment of the annual report.

Cortes Acquisition Company ApS

Accounting Policies

GENERAL

The annual report is prepared in accordance with the provisions in the Danish Financial Statements Act for Class B entities and elective choice of certain provisions applying to reporting class C entities.

The annual report is prepared in DKK (thousands)

With reference to Section 112 of the Danish Financial Statements Act, there are no consolidated financial statements because Cortes Acquisition Company ApS is part of the consolidated financial statements for BMI Group Holdings UK Limited. The consolidated financial statements can be obtained from BMI Group Holdings UK Limited, 20 Air Street, 5th Floor, London W1B 5AN or cvr.dk.

Conversion of foreign currency

Transactions in foreign currency are converted at the transaction date's exchange rate. Gains and losses arising between the transaction date's exchange rate and the payment date's exchange rate are recognised in the profit and loss account as a financial item.

Foreign currency receivables and debt that have not been settled by the balance sheet date are converted at the balance sheet date's exchange rate. The difference between the balance sheet date's exchange rate and the transaction date's exchange rate is recognised in the profit and loss statement as a financial item.

PROFIT AND LOSS ACCOUNT

Other operating income

Other operating income comprises items secondary to the Company's activities, including adjustment to the earn-out.

Financial income and expenses

Financial income and expenses comprise interest, expenses, realised and unrealised exchange rate gains and losses on debt and transactions in foreign currency. Financial income and expenses are recognised in the profit and loss account with the amounts relating to the financial year.

Cortes Acquisition Company ApS

Accounting Policies (cont.)

Tax for the year

The Company is subject to the Danish rules on mandatory joint taxation.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to re-duce their own taxable income.

The tax expense for the year, which comprises the year's current tax charge, joint taxation contributions 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 the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

The Company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

BALANCE SHEET

Financial assets

Investments in subsidiaries are measured at cost. If there are indications of impairment, an impairment test is performed. Financial assets are written down to the lower of the carrying amount and the recoverable amount.

Write-downs of investments in subsidiaries is recognised in the income statements under "impairment of financial assets".

Receivables

Receivables are measured in the balance sheet at amortised cost or a lower net realizable value, which corresponds to nominal value less impairment losses.

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 has been impaired, an impairment loss is recognised on an individual basis.

Equity

Dividends

Ordinary dividends which management proposes distributed for the financial year is shown as a separate item under equity.

Extraordinary dividends decided during the year are paid immediately after the decision and are reflected in the profit allocation.

Cortes Acquisition Company ApS

Accounting Policies (cont.)

BALANCE SHEET

Corporate tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Income tax receivable" or "Income tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

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.

Provisions

Earn-out relating to acquisition of shares is recognized at fair value at initial recognition. Fair value is determined based upon weighted probabilities of estimated possible payments, discounted to present value. Subsequent changes to the estimated fair value including adjustment relating to final settlement is recognized through the income statement.

Liabilities

Liabilities are measured at amortised cost, which essentially equals the nominal value.

Cortes Acquisition Company ApS

INCOME STATEMENTS 1 JANUARY - 31 DECEMBER

DKK (thousands)	NOTE	2017	2016
Administration costs		(183)	-
OPERATING PROFIT		(183)	-
Other operating income	3	145.127	-
INCOME BEFORE FINANCIAL ITEMS		144.944	-
Financial income	4	267.231	60.832
Financial expenses	5	(79.603)	(225.784)
INCOME BEFORE TAX		332.572	(164.952)
Tax for the year	6	33.945	10.762
INCOME FOR THE YEAR		366.517	(154.190)

Cortes Acquisition Company ApS

BALANCE SHEET 31 December

ASSETS				
DKK (thousands)		NOTE	2017	2016
Investments in subsidiaries		7	1.454.228	1.454.228
NON-CURRENT ASSETS			1.454.228	1.454.228
Receivables from Group entities		8	2.345.954	3.567.067
Receivables joint-tax contributions			32.496	10.762
CURRENT ASSETS			2.378.450	3.577.829
CASH			19.020	570.685
TOTAL CURRENT ASSETS			2.397.470	4.148.514
TOTAL ASSETS			3.851.698	5.602.742

Cortes Acquisition Company ApS

BALANCE SHEET 31 December

LIABILITIES			
DKK (thousands)	NOTE	2017	2016
Share capital		100.000	100.000
Retained earnings		3.048.408	2.681.891
EQUITY		3.148.408	2.781.891
Provisions		-	144.875
PROVISIONS		-	144.875
Loans from Group entities		-	2.674.530
NON-CURRENT LIABILITIES		-	2.674.530
Loans from Group entities		699.777	
Payables to Group entities		3.466	-
Other payables		47	1.446
CURRENT LIABILITIES		703.290	1.446
TOTAL LIABILITIES		703.290	2.675.976
TOTAL EQUITY AND LIABILITIES		3.851.698	5.602.742
Subsequent events	2		
Contingent liabilities and other financial commitments	9		
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Cortes Acquisition Company ApS

Statement of changes in equity

DKK (thousands)

	Note	Share capital	Share premium	Retained earnings	In total
Equity 18.01.2016		50	0	-	50
Capital increase 24.03.2016		99.950	2.836.081	-	2.936.031
Transfer, see appropriation of loss	1	-	-	(154.190)	(154.190)
Equity 01.01.2017		100.000	2.836.081	(154.190)	2.781.891
Transfer, see appropriation of profit	1			366.517	366.517
Equity 31.12.2017		100.000	2.836.081	212.327	3.148.408

The company's share capital amounts to DKK 100 million divided in to shares of DKK 1 or multiples thereof.

Cortes Acquisition Company ApS

NOTES TO THE ANNUAL REPORT

DKK (thousands)	2017	2016
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NOTE 1 - APPROPRIATION OF PROFIT/LOSS**Suggestion for profit allocation:**

Transferred to equity reserves	366.517	(154.190)
TOTAL	366.517	(154.190)

NOTE 2 - SUBSEQUENT EVENTS

In 2018 the company has participated in an intragroup debt restructuring for the BMI Group.

The company has made a group contribution to Icopal Holding ApS of tDKK 683.834 increasing investments in subsidiaries, purchased own shares of tDKK 923.040 and partly repaid its debt to Group entities of tDKK 671.089 by transfer of receivables.

It is expected that the company will merge with one or more Group Companies in 2018.

There are no other subsequent events of material significance in the assessment of the annual report.

NOTE 3 - SPECIAL ITEMS

Special items comprise significant one-off items, which in the opinion of Management do not form part of the entity's operating activities.

As disclosed in the Management's review, the profit for the year is affected by several matters that in the opinion of the Board of Directors do not form part of the operating activities.

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

Income

Reversal of earn-out provision	145.127	-
Special items are recognised in the below financial statement items		
Other operating income	145.127	-
NET PROFIT FROM SPECIAL ITEMS	145.127	-

NOTE 4 - FINANCIAL INCOME

Interest income from Group entities	62.968	60.832
Exchange rate adjustments for foreign currency transactions	204.263	-
TOTAL	267.231	60.832

NOTE 5 - FINANCIAL EXPENSES

Interest expenses to Group entities	55.949	68.837
Other interest expenses	616	645
Exchange rate adjustments for foreign currency transactions	23.038	156.302
TOTAL	79.603	225.784

Cortes Acquisition Company ApS

NOTES TO THE ANNUAL REPORT

DKK (thousands)	2017	2016
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NOTE 6 - TAX ON PROFIT FOR THE YEAR

Current tax for the year	32.496	10.762
Adjustment of current tax relating to previous years	1.449	-
TOTAL	33.945	10.762

NOTE 7 - FINANCIAL ASSETS

	Investments in subsidiaries
Cost price at 1 January	1.454.228
Additions	-
Cost price at 31 December	1.454.228
Book value at 31 December	1.454.228

Subsidiary:

Name	Location	Interest	Share capital	Equity	Loss for the year
Icopal Holding ApS	Denmark	100%	224.091	1.582.275	-7.204

NOTE 8 - RECEIVABLES FROM GROUP ENTITIES

The loans issued to Group entities are due 4 April 2019 or upon demand from the company.

NOTE 9 - CONTINGENT LIABILITIES AND OTHER FINANCIAL COMMITMENTS

The company has no operational leases and lease agreements.

The company is jointly taxed with other Danish units and is jointly and severally liable for Danish company and withholding taxes.

NOTE 10 - RELATED PARTIES

Controlling interest	Basis
BMI Group Holdings UK Ltd., London	UK Parent company (100%)

Cortes Acquisition Company ApS is part of the consolidated financial statements for BMI Group Holdings UK Ltd.

The consolidated financial statements for BMI Group Holdings UK Ltd. can be obtained from BMI Group Holdings UK Ltd., 20 Air Street 5th Floor, London W1B 5AN or cvr.dk.