

Rettenmaier Denmark K/S

Nupark 51

DK-7500 Holstebro

CVR No. 38026763

Annual Report 2019

3. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 22 June 2020

Tom Just Hjulmann Poulsen
Chairman

Contents

Management's Statement	3
The independent auditor's report	4
Company Information	6
Management's Review	7
Accounting Policies	8
Income Statement	11
Balance Sheet	12
Notes	14

Management's Statement

Today, Management has considered and adopted the Annual Report of Rettenmaier Denmark K/S for the financial year 1 January 2019 - 31 December 2019.

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 assets, liabilities and financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January 2019 - 31 December 2019.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Holstebro, 22 June 2020

Executive Board

Josef Otto Rettenmaier

Tom Just Hjulmann Poulsen

The independent practitioner's report

To the shareholders of Rettenmaier Denmark K/S

Conclusion

We have performed an extended review of the financial statements of Rettenmaier Denmark K/S for the financial year 2019, 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.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January 2019 - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 rules and requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of the 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.

Practitioner's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

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 extended review of the financial statements, our responsibility is to read the Management's

The independent practitioner's report

review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, 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 the work we have performed, 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 materially misstatement in the Management's review.

Holstebro, 22 June 2020

Klar Revision Statsautoriseret Revisionsanpartsselskab

CVR-no. 35827943

Henrik Lund

State Authorised Public Accountant

mne31447

Rettenmaier Denmark K/S

Company details

Company	Rettenmaier Denmark K/S Nupark 51 DK-7500 Holstebro
Telephone	4522678900
email	info-dk@jrs.eu
Website	www.jrs.dk
CVR No.	38026763
Date of formation	12 September 2016
Registered office	Holstebro
Executive Board	Josef Otto Rettenmaier Tom Just Hjulmann Poulsen
Auditors	Klar Revision Statsautoriseret Revisionsanpartsselskab Nupark 51 DK-7500 Holstebro CVR-no.: 35827943

Management's Review

The Company's principal activities

The company is a sales company operating in the Danish market and a related company of J. RETTENMAIER & SÖHNE, Germany, "Fibers Designed by Nature".

The companies' principal activities consist in research, development and processing of **high quality organic fibers derived from vegetable raw materials**. We make many features of these valuable natural substances available for industrial purposes.

The company operates with the Business Units (BU) food, pharma coatings, pharma excipients, personal care, chemistry, road construction and technics.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2019 - 31 December 2019 shows a result of DKK 2.719.350 and the Balance Sheet at 31 December 2019 a balance sheet total of DKK 18.813.593 and an equity of DKK 4.261.739.

Material changes in the Company's operations and financial matters

During the financial year no material changes has happened in the company.

Accounting Policies

Reporting Class

The Annual Report of Rettenmaier Denmark K/S for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost princip.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operation income, cost of raw and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is

Accounting Policies

recognised exclusive of VAT and net of sales discounts.

Costs for raw materials and consumables comprise the cost of goods purchased less discounts, costs subcontractors and change in inventories for the year.

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Fixtures and fittings, tools and equipment	5 years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies.

Tax on net profit for the year

Tax on net profit/loss for the year is paid by the owner as the company is a tax-transparent company.

Balance Sheet

Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use.

Inventories

Merchandise are measured at cost comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2019 DKK	2018 DKK
Gross profit		5.271.365	4.549.830
Employee benefits expense	1	-2.300.716	-1.942.508
Depreciations		-8.148	-5.721
Profit from ordinary operating activities		2.962.501	2.601.601
Finance expences		-243.151	-62.822
Profit from ordinary activities before tax		2.719.350	2.538.779
Profit		2.719.350	2.538.779
Proposed distribution of results			
Retained earnings		2.719.350	2.538.779
Distribution of profit		2.719.350	2.538.779

Balance Sheet as of 31 December

	Note	2019 DKK	2018 DKK
Assets			
Fixtures, fittings, tools and equipment		27.540	21.739
Property, plant and equipment		27.540	21.739
Deposits, investments		18.000	18.000
Investments		18.000	18.000
Fixed assets		45.540	39.739
Manufactured goods and goods for resale		6.064.645	2.907.201
Inventories		6.064.645	2.907.201
Short-term trade receivables		5.002.922	8.331.685
Short-term receivables from group enterprises		0	6.441
Other short-term receivables		23.751	39.466
Prepaid leasing		92.507	77.713
Receivables		5.119.180	8.455.305
Cash and cash equivalents		7.584.228	8.069.285
Current assets		18.768.053	19.431.791
Assets		18.813.593	19.471.530

Balance Sheet as of 31 December

	Note	2019 DKK	2018 DKK
Liabilities and equity			
Contributed capital		260.000	260.000
Retained earnings	3	4.001.739	2.838.792
Equity		4.261.739	3.098.792
Prepayments received from customers		0	600
Trade payables		111.156	131.146
Payables to group enterprises		11.460.221	13.223.472
Other payables		2.980.477	3.017.520
Short-term liabilities other than provisions		14.551.854	16.372.738
Liabilities other than provisions within the business		14.551.854	16.372.738
Liabilities and equity		18.813.593	19.471.530
Contingent liabilities	4		
Collaterals and assets pledged as security	5		
Ownership	6		
Liabilities under off-balance sheet leases	7		

Notes

	2019	2018
1. Employee benefits expense		
Wages and salaries	1.774.503	1.545.993
Post-employment benefit expense	259.608	215.057
Social security contributions	266.605	181.458
	<u>2.300.716</u>	<u>1.942.508</u>

Average number of employees	<u>3</u>	<u>2</u>
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2. Contributed capital

Balance at the beginning of the year	<u>260.000</u>	<u>260.000</u>
Balance at the end of the year	<u>260.000</u>	<u>260.000</u>

Company capital consists of 1 piece "kommanditanpart" of 260,000 DKK.

According to article 6 of the Articles of Association, the Commitment Officer's liability is limited to the subscribed capital with the addition of reserves.

The only sole responsibility of the company is Rettenmaier Denmark Komplementar ApS, which Supplementary duties are unlimited for all obligations of the limited partnership.

3. Retained earnings

Balance at the beginning of the year	2.838.791	300.013
Correction at the beginning of the year	2.719.350	2.538.779
Disposals during the year	-1.556.402	0
Balance at the end of the year	<u>4.001.739</u>	<u>2.838.792</u>

4. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

5. Collaterals and securities

As security for use of Credit Cards, the company has pledged cash funds of DKK 65,000.

6. Ownership

Name and registered office of the parent company, which prepares consolidated financial statements for the smallest group in the company is included:

Josef Rettenmaier Europa BS GmbH
Holzmühle, 73494 Rosenberg
Germany

Notes

2019

2018

7. Liabilities under leases

There have been 3 pieces of leasing agreements relating to passengers cars with the following remaining maturities and payments:

- residual maturity of 2 months and average monthly payment of DKK 5,204.
- residual maturity of 11 months and average monthly payment DKK 5,250.
- residual maturity of 31 months and average payment of DKK 5,199.

There have been a lease agreement concerning office facilities with the following notice of cancellation and payments:

- notice of cancellation 3 months and average payment DKK 6,150.