

J.A. Plastindustri A/S

Vestervigvej 163
Hassing
7755 Bedsted Thy

CVR no. 65 69 98 18

Annual report 2016

The annual report was presented and approved at the
Company's annual general meeting

on _____ 20 ____



chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of J.A. Plastindustri A/S for the financial year 1 January – 31 December 2016.

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 Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's activities for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Bedsted, 3 May 2017
Executive Board:



Heine Vangsgaard

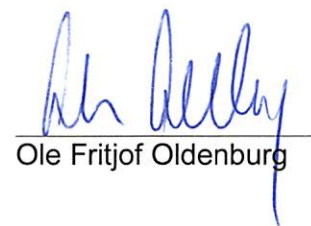
Board of Directors:



René Grupp
Chairman



Christian Peiler



Ole Fritjof Oldenburg



Independent auditor's report

To the shareholders of J.A. Plastindustri A/S

Opinion

We have audited the financial statements of J.A. Plastindustri A/S for the financial year 1 January – 31 December 2016, comprising income statement, balance sheet and notes, including accounting policies. 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 Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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.



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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

- identify and assess the risks of material misstatement of the company 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.



Independent auditor's report

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 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 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 3 May 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Steffen S. Hansen
State Authorised
Public Accountant



Mikkel Trabjerg Knudsen
State Authorised
Public Accountant

J.A. Plastindustri A/S
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Management's review

Company details

J.A. Plastindustri A/S
Vestervigvej 163
Hassing
7755 Bedsted Thy

Telephone:	+45 98 88 11 11
Website:	www.japlast.com
E-mail:	japlast@japlast.com
CVR no.:	65 69 98 18
Registered office:	Thisted
Financial year:	1 January – 31 December

Executive Board

Heine Vangsgaard

Board of Directors

René Grupp, Chairman
Christian Peiler
Ole Fritjof Oldenburg

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Østre Havnegade 18
9000 Aalborg

Management's review

Operating review

Principal activities

J.A. Plastindustri A/S sells, develops and produces customised roofing accessory programmes specially tailored to the needs and requirements of manufacturers and importers. The Company sells its products both in Denmark and on a number of export markets.

Development in activities and financial position

Profit for the year came in at DKK 15,342 thousand (2015: DKK 15,911 thousand).

Equity at year end stood at DKK 34,000 thousand (2015: DKK 20,309 thousand).

Management is of the opinion that results and financial position are satisfactory.

Financial statements 1 January – 31 December

Income statement

	Note	2016	2015
Gross profit		34,823,657	36,628,508
Distribution costs	2	-7,414,853	-7,899,996
Administrative expenses	2	-7,170,246	-7,423,208
Operating profit		20,238,558	21,305,304
Other financial income	3	28,512	200,133
Other financial expenses		-623,864	-828,934
Profit before tax		19,643,206	20,676,503
Tax on profit for the year	4	-4,301,515	-4,765,887
Profit for the year		15,341,691	15,910,616
Proposed profit appropriation			
Proposed dividends for the financial year		12,500,000	2,000,000
Retained earnings		2,841,692	13,910,616
		15,341,692	15,910,616

Financial statements 1 January – 31 December

Balance sheet

	Note	2016	2015
ASSETS			
Fixed assets			
Intangible assets			
Software	5	1,169,514	2,092,403
Property, plant and equipment			
Land and buildings	6	11,151,106	11,902,702
Plant and machinery		9,088,335	10,698,251
Fixtures and fittings, tools and equipment		74,298	62,625
		20,313,739	22,663,578
Total fixed assets		21,483,253	24,755,981
Current assets			
Inventories			
Raw materials and consumables		5,307,533	3,698,172
Work in progress		0	1,490,198
Finished goods and goods for resale		760,070	352,688
		6,067,603	5,541,058
Receivables			
Receivables from group entities		232,557	0
Trade receivables		7,198,477	7,833,812
Other receivables		55,366	70,731
Prepayments		195,236	258,454
		7,681,635	8,162,997
Cash at bank and in hand		21,278,760	124,819
Total current assets		35,027,998	13,828,874
TOTAL ASSETS		56,511,252	38,584,855

Financial statements 1 January – 31 December

Balance sheet

	Note	2016	2015
EQUITY AND LIABILITIES			
Equity			
Share capital		725,000	725,000
Retained earnings		20,775,125	17,584,481
Proposed dividends for the financial year		12,500,000	2,000,000
Total equity	7	<u>34,000,125</u>	<u>20,309,481</u>
Provisions			
Provisions for deferred tax		1,906,604	2,236,742
Total provisions		<u>1,906,604</u>	<u>2,236,742</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Mortgage debt	8	6,681,272	7,373,655
		<u>6,681,272</u>	<u>7,373,655</u>
Current liabilities other than provisions			
Mortgage debt		669,528	671,983
Bank loans		0	51,248
Trade payables		3,842,258	2,306,245
Corporation tax		4,631,653	380,834
Other payables		4,476,858	4,868,887
Prepayments		302,954	385,780
		<u>13,923,251</u>	<u>8,664,977</u>
Total liabilities other than provisions		<u>20,604,523</u>	<u>16,038,632</u>
TOTAL EQUITY AND LIABILITIES		<u><u>56,511,252</u></u>	<u><u>38,584,855</u></u>

Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of J.A. Plastindustri A/S for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with a few opt-ins from a higher reporting class.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the assets or liabilities. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes in fair value are recognised in the income statement on an ongoing basis.

Income statement

Gross profit

In accordance with section 32 of the Danish Financial Statements Act, revenue and production costs are aggregated in the financial statement caption "Gross profit".

Revenue

Income from the sale of goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms © 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

To the extent that customers are offered the right of return, revenue is recognised based on the Company's past experience with returns. When the Company has experience with similar transactions, revenue is not recognised until the cooling-off period has expired.

Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries incurred to generate revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases and depreciation of production plant.

In addition, write-down for bad debts on contract work is recognised.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions as well as depreciation.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, management, office premises, office expenses and depreciation.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Other operating costs

Other operating costs comprise items secondary to the activities of the entities, including losses on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Software

Software is measured at cost less accumulated amortisation and impairment losses. Licences are amortised over the contract period, however, not exceeding 5 years.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, energy consumption, staff and depreciation of machinery used.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Production buildings	30 years
Administration buildings	30 years
Plant and machinery	5-15 years
Fixtures and fittings, tools and equipment	5-10 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries. Indirect production overheads and borrowing costs are not recognised in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligations are recognised as financial liabilities at amortised cost.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

	2016	2015
DKK'000		
2 Staff costs		
Wages and salaries	19,011,739	20,792,545
Pensions	1,523,722	1,558,494
Other social security costs	422,413	454,274
Other staff costs	0	3,570
	<u>20,957,874</u>	<u>22,808,883</u>
Distribution of staff costs		
Production costs	12,996,099	14,189,889
Distribution costs	4,987,572	5,612,396
Administrative expenses	2,974,203	3,006,598
	<u>20,957,874</u>	<u>22,808,883</u>
Average number of employees	<u>45</u>	<u>50</u>
3 Financial income		
Interest income from group entities	6,348	12
Other interest income	22,164	200,121
	<u>28,512</u>	<u>200,133</u>
4 Tax on profit for the year		
Current tax for the year	4,631,653	5,144,833
Deferred tax adjustment for the year	-330,138	-319,721
Adjustment of tax in respect of prior years	0	-59,225
	<u>4,301,515</u>	<u>4,765,887</u>

Financial statements 1 January – 31 December

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5 Intangible assets

	Software
Cost at 1 January 2016	4,541,488
Cost at 31 December 2016	4,541,488
Amortisation at 1 January 2016	2,449,085
Amortisation for the year	922,889
Amortisation at 31 December 2016	3,371,974
Carrying amount at 31 December 2016	1,169,514

6 Property plant and equipment

	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2016	23,052,045	40,636,336	3,075,726	66,764,107
Additions	0	337,918	42,417	380,335
Cost at 31 December 2016	23,052,045	40,974,254	3,118,143	67,144,442
Depreciation at 1 January 2016	11,149,343	29,938,085	3,013,101	44,100,529
Depreciation for the year	751,596	1,947,834	30,744	2,730,174
Depreciation at 31 December 2016	11,900,939	31,885,919	3,043,845	46,830,703
Carrying amount at 31 December 2016	11,151,106	9,088,335	74,298	20,313,739
Depreciation				
Annual gross depreciation				2,812,995
Less payments received from customer				-82,821
Net depreciation				2,730,174

Financial statements 1 January – 31 December

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7 Equity

	Share capital	Retained earnings	Proposed dividends	Total
Balance at 1 January 2016	725,000	17,584,481	2,000,000	20,309,481
Distributed dividends	0	0	-2,000,000	-2,000,000
Hedge adjustment (interest swap)	0	348,952	0	348,952
Profit appropriation	0	2,841,692	12,500,000	15,341,692
Balance at 31 December 2016	725,000	20,775,125	12,500,000	34,000,125

The share capital consists of 750 shares of nom. DKK 1,000 each.

The share capital has not undergone any changes during the past five years.

8 Mortgages

An amount of DKK 4,003,160 falls due after 5 years (2015: DKK 4,0 million).

9 Contractual obligations, contingencies, etc.

Lease obligations

The Company has entered into operating leases at the following amounts:

The remaining term of the leases is 36 months with an average monthly lease payment of DKK 16 thousand, totalling DKK 561 thousand.

Collateral

Collateral secured upon property, plant and equipment is specified as follows:

Realkredit Danmark A/S, EUR 1,723 thousand

Spar Nord A/S, DKK 5,000 thousand

Spar Nord A/S, DKK 5,000 thousand

Financial statements 1 January – 31 December

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10 Related parties disclosures

J.A. Plastindustri A/S' related parties comprise the following:

— Monier Roofing Components GmbH, who owns the entire share capital.

Furthermore, related parties comprise affiliated companies, the Company's Board of Directors and Executive Board and executive employees.

J.A. Plastindustri A/S is part of the consolidated financial statements of Monier Roofing Components GmbH, registered office, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Monier Roofing Components GmbH can be obtained by contacting the Company.

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

11 Events after the balance sheet date

No events have occurred after the balance sheet date to this date that would influence the assessment and evaluation of this annual report in any substantial way.