

# J. A. Plastindustri ApS

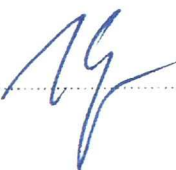
Vestervigvej 163, 7755, Bedsted Thy

CVR no. 65 69 98 18

## Annual report 2018

Approved at the Company's annual general meeting on 27 May 2019

Chairman:

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### Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of J. A. Plastindustri ApS for the financial year 1 January - 31 December 2018.

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 financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

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, 27 May 2019  
Executive Board:

Heine Vangsgaard  
CEO

Board of Directors:

  
Jörn Schröer  
Chairman  
Christian Peiler  
Heine Vangsgaard

## Independent auditor's report

To the shareholders of J. A. Plastindustri ApS

### Opinion

We have audited the financial statements of J. A. Plastindustri ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity 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 financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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 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 the 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 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 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.

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 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.

## Independent auditor's report

- ▶ 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 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.

### 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, 27 May 2019  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Hans B. Vistisen  
State Authorised Public Accountant  
mne23254

## Management's review

### Company details

Name	J. A. Plastindustri ApS
Address, Postal code, City	Vestervigvej 163, 7755, Bedsted Thy
CVR no.	65 69 98 18
Established	10 June 1981
Registered office	Bedsted Thy
Financial year	1 January - 31 December
Board of Directors	Jörn Schröer, Chairman Christian Peiler Heine Vangsgaard
Executive Board	Heine Vangsgaard, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Vestre Havnepromenade 1A, 9000 Aalborg, Denmark

## Management commentary

### Business review

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.

### Financial review

The income statement for 2018 shows a profit of DKK 19,688 thousand against a profit of DKK 15,826 thousand last year, and the balance sheet at 31 December 2018 shows equity of DKK 43,744 thousand. Management is of the opinion that results and the financial position are satisfactory.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2018	2017
	<b>Gross margin</b>	40,210	33,779
2	Distribution costs	-7,832	-7,574
2	Administrative expenses	-7,463	-5,721
	<b>Operating profit</b>	24,915	20,484
	Other operating expenses	0	-25
	<b>Profit before net financials</b>	24,915	20,459
3	Financial income	423	61
	Financial expenses	-80	-208
	<b>Profit before tax</b>	25,258	20,312
4	Tax for the year	-5,570	-4,486
	<b>Profit for the year</b>	19,688	15,826
	<b>Recommended appropriation of profit</b>		
	Proposed dividend recognised under equity	15,750	13,270
	Retained earnings	3,938	2,556
		19,688	15,826

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2018	2017
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
5	<b>Intangible assets</b>		
	Acquired intangible assets	0	246
		<u>0</u>	<u>246</u>
6	<b>Property, plant and equipment</b>		
	Land and buildings	9,647	10,399
	Plant and machinery	8,976	7,991
	Fixtures and fittings, other plant and equipment	32	40
		<u>18,655</u>	<u>18,430</u>
	<b>Total fixed assets</b>	<u>18,655</u>	<u>18,676</u>
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Raw materials and consumables	5,527	5,361
	Finished goods and goods for resale	1,945	1,284
		<u>7,472</u>	<u>6,645</u>
	<b>Receivables</b>		
	Trade receivables	9,079	8,348
	Receivables from group enterprises	25,077	19,628
	Other receivables	235	0
	Prepayments	94	211
		<u>34,485</u>	<u>28,187</u>
	<b>Cash</b>	<u>323</u>	<u>688</u>
	<b>Total non-fixed assets</b>	<u>42,280</u>	<u>35,520</u>
	<b>TOTAL ASSETS</b>	<u><u>60,935</u></u>	<u><u>54,196</u></u>





## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2018	2017
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	725	725
	Retained earnings	27,269	23,331
	Dividend proposed	15,750	13,270
	<b>Total equity</b>	<b>43,744</b>	<b>37,326</b>
	<b>Provisions</b>		
	Deferred tax	1,614	1,641
	<b>Total provisions</b>	<b>1,614</b>	<b>1,641</b>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	4,510	4,324
	Payables to group enterprises	626	23
	Corporation tax payable	5,580	4,751
	Other payables	4,675	5,898
	Deferred income	186	233
		15,577	15,229
	<b>Total liabilities other than provisions</b>	<b>15,577</b>	<b>15,229</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>60,935</b>	<b>54,196</b>

- 1 Accounting policies
- 7 Contractual obligations and contingencies, etc.
- 8 Collateral
- 9 Related parties

**Financial statements 1 January - 31 December****Statement of changes in equity**

DKK'000	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2018	725	23,331	13,270	37,326
Transfer through appropriation of profit	0	3,938	15,750	19,688
Dividend distributed	0	0	-13,270	-13,270
<b>Equity at 31 December 2018</b>	<b>725</b>	<b>27,269</b>	<b>15,750</b>	<b>43,744</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of J. A. Plastindustri ApS for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on 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 and rebates granted are recognised in revenue.

##### Gross margin

The items revenue, production costs and other operating income have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

##### Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Also, provision for losses on construction contracts is recognised.

##### Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

##### Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	5 years
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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, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	30 years
Plant and machinery	5-15 years
Fixtures and fittings, other plant and equipment	5-10 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

### Balance sheet

#### Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

#### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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

#### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

#### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

#### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

#### Equity

##### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

#### Income taxes

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

Deferred tax is measured according to the 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 is measured according to 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. Deferred tax assets 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

#### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2018	2017
<b>2 Staff costs</b>		
Wages/salaries	21,399	19,676
Pensions	1,628	1,547
Other social security costs	437	396
	<u>23,464</u>	<u>21,619</u>
Staff costs are recognised as follows in the financial statements:		
Production	14,661	13,460
Distribution	5,892	5,785
Administration	2,911	2,374
	<u>23,464</u>	<u>21,619</u>
Average number of full-time employees	<u>46</u>	<u>45</u>
<b>3 Financial income</b>		
Interest receivable, group entities	140	32
Other financial income	283	29
	<u>423</u>	<u>61</u>
<b>4 Tax for the year</b>		
Estimated tax charge for the year	5,580	4,751
Deferred tax adjustments in the year	-27	-265
Tax adjustments, prior years	17	0
	<u>5,570</u>	<u>4,486</u>
<b>5 Intangible assets</b>		
DKK'000		Acquired intangible assets
Cost at 1 January 2018		<u>4,541</u>
Cost at 31 December 2018		<u>4,541</u>
Impairment losses and amortisation at 1 January 2018		4,295
Amortisation for the year		246
Impairment losses and amortisation at 31 December 2018		<u>4,541</u>
Carrying amount at 31 December 2018		<u>0</u>



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 6 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2018	23,052	41,609	3,058	67,719
Additions	0	2,725	0	2,725
Cost at 31 December 2018	23,052	44,334	3,058	70,444
Impairment losses and depreciation at 1 January 2018	12,653	33,618	3,018	49,289
Depreciation	752	1,740	8	2,500
Impairment losses and depreciation at 31 December 2018	13,405	35,358	3,026	51,789
<b>Carrying amount at 31 December 2018</b>	<b>9,647</b>	<b>8,976</b>	<b>32</b>	<b>18,655</b>
Depreciated over	30 years	5-15 years	5-10 years	

Note 8 provides more details on security for loans, etc. as regards property, plant and equipment.

#### 7 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company is jointly taxed with the Company's Danish affiliated companies within the BMI Group and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2018 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment after 1 January 2016.

##### Other financial obligations

The Company has liabilities under operating leases for cars and IT equipment, totalling DKK 511 thousand, with remaining contract terms of 7-36 months.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 8 Collateral

As security for the Company's debt to banks, creditors and other suppliers, the Company has provided security or other collateral in its assets for at total amount of DKK 10,000 thousand. The total carrying amount of these assets is DKK 18,655 thousand.

#### 9 Related parties

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
BMI Group Holding S.a.r.l	Luxemburg	Contact the company