Etex Nordic A/S

Kometvej 36, 6230 Rødekro

CVR no. 78 61 18 12

Annual report 2018

Approved at the Company's annual general meeting on 25 June 2019

Chairman:

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Jan David U Coppin

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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 Etex Nordic A/S 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 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.

Aabenraa, 25 June 2019
Executive Board:

Jan David U Coppin

Board of Directors:

Johan Leo
Chairman

Marc Edmond Marie Louise Lootens

Jan David U Coppin

Independent Auditor's Report

To the Shareholders of Etex Nordic A/S

Opinion

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.

We have audited the Financial Statements of Etex Nordic A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial statements").

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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

Based on the work we have performed, in our view, 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 in Management's Review.

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 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 these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment 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 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.

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.

Esbjerg, 25 June 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Palle H. Jensen
statsautoriseret revisor
mne32115

Management's review

Company details

Name	Etex Nordic A/S
Address, Postal code, City	Kometvej 36, 6230 Rødekro
CVR no.	78 61 18 12
Established	26 June 1985
Registered office	Aabenraa
Financial year	1 January - 31 December
Website	www.etexnordic.com
E-mail	etexnordic-dk@etexgroup.com
Board of Directors	Johan Leo, Chairman Marc Edmond Marie-Louise Lootens Jan David U Coppin
Executive Board	Jan David U Coppin
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Esbjerg Brygge 28, 6700 Esbjerg
Bankers	Handelsbanken

Management's review

Financial highlights

DKKt	2018	2017	2016	2015	2014
Key figures					
Gross margin	79,184	86,247	57,392	53,249	58,028
Operating profit/loss	9,428	25,648	16,127	14,761	19,491
Net financials	-1,177	237	-218	-1,480	-2,097
Profit/loss for the year	16,550	25,068	12,595	10,546	14,318
Total assets	143,423	226,986	85,604	85,674	77,990
Investment in property, plant and equipment	0	104	52	234	147
Equity	91,552	74,696	48,046	36,409	-22,959
Financial ratios					
Return on assets	5.1%	16.4%	18.8%	18.0%	25.8%
Equity ratio	63.8%	32.9%	56.1%	42.5%	-29.4%
Return on equity	19.9%	40.8%	29.8%	156.8%	-44.4%
Average number of employees	79	77	73	69	69

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

Management's review

Business review

As in previous years, the principal activities comprised marketing and distribution of construction products, primarily in fibre cement within the main groups fire-proof building boards, roofing products, cladding systems, etc.

The products are sold in the Nordic countries.

Financial review

The income statement for 2018 shows a profit of DKK 16,549,550 against a profit of DKK 25,068,495 last year, and the balance sheet at 31 December 2018 shows equity of DKK 91,551,961. Management considers the Company's financial performance in the year satisfactory.

During the financial year the Company has sold customer base related to plaster business with effect of 1st July 2018.

Knowledge resources

The Company's aim is to develop the highest possible competence within application and function of the Company's fibre cement products. In order to be able to utilise these competences, it is decisive that the Company is able to recruit and maintain employees with relevant backgrounds and a high level of education. It is our objective for the Company to have state-of-the-art knowledge of these product competence areas and to ensure the Company's rapid adaptability.

Special risks

Financial risks

The Company's purchases of raw materials, which are primarily based on fibre cement products, are expected to remain stable. Any price fluctuations can be recognised in the sales prices, and the Company's direct competitors will also experience the same changes.

Currency risks

It is Company policy to hedge commercial currency risks. No speculative currency transactions are made. The Company's activity is settled in DKK, EUR, NOK and SEK

Impact on the external environment

The environmental profile of the Company is very distinct. This applies at first to the Company's product and environmental issues, but also to a high degree of the environmental issues regarding transport, distribution and the use of the Company's products.

All the Company's market resources are also subject to detailed environmental assessments. The Company has heavy environmental requirements for all suppliers in all respects. The Company's activities are therefore not considered to be detrimental to the environment.

Foreign branches

In the financial year under review Etex Nordic A/S had sales branches in Norway and Sweden.

Sales branches:

- Etex Norge, NUF, Oslo
- Etex Sverige, branch of Etex Nordic A/S Danmark, Malmö

Management's review

Events after the balance sheet date

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

Outlook

Management expects that revenue and results of operations for 2019 will be at a lower level than obtained in 2018 because the sale of customer base related to plaster business.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2018	2017
	Gross margin	79,184,312	86,246,650
2	Staff costs	-49,359,896	-43,318,488
3	Amortisation/depreciation of intangible assets and property, plant and equipment	-7,419,707	-17,280,257
	Profit before net financials	22,404,709	25,647,905
4	Financial income	204,204	332,296
5	Financial expenses	-1,381,554	-95,628
	Profit before tax	21,227,359	25,884,573
6	Tax for the year	-4,677,809	-816,078
	Profit for the year	16,549,550	25,068,495

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	ASSETS		
	Fixed assets		
7	Intangible assets		
	Acquired intangible assets	10,375,493	95,295,712
	Goodwill	0	0
		10,375,493	95,295,712
8	Property, plant and equipment		
	Plant and machinery	266,923	395,047
	Other fixtures and fittings, tools and equipment	137,142	245,877
	Leasehold improvements	0	0
		404,065	640,924
	Investments		
	Other receivables	174,215	174,215
		174,215	174,215
	Total fixed assets	10,953,773	96,110,851
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	14,862,946	14,869,382
		14,862,946	14,869,382
	Receivables		
	Trade receivables	16,488,581	35,624,822
	Receivables from group entities	87,760,099	65,945,624
11	Deferred tax assets	803,000	3,024,000
	Income taxes	5,402,777	2,331,520
	Other receivables	2,467,837	0
9	Prepayments	1,715,171	2,065,258
		114,637,465	108,991,224
	Cash	2,969,021	7,013,998
	Total non-fixed assets	132,469,432	130,874,604
	TOTAL ASSETS	143,423,205	226,985,455

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	4,300,000	4,300,000
	Retained earnings	87,251,961	70,395,605
	Total equity	91,551,961	74,695,605
	Provisions		
	Other provisions	1,400,000	1,400,000
12	Total provisions	1,400,000	1,400,000
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	3,302,292	0
	Trade payables	6,054,541	7,586,067
	Payables to group entities	13,749,911	112,724,641
	Income taxes	3,332,355	1,194,654
	Other payables	24,032,145	28,984,700
	Deferred income	0	399,788
		50,471,244	150,889,850
	Total liabilities other than provisions	50,471,244	150,889,850
	TOTAL EQUITY AND LIABILITIES	143,423,205	226,985,455

1 Accounting policies
13 Contractual obligations and contingencies, etc.
14 Currency risks
15 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK	Share capital	Retained earnings	Total
	Equity at 1 January 2017	4,300,000	43,745,582	48,045,582
16	Transfer, see "Appropriation of profit"	0	25,068,495	25,068,495
	Adjustment of hedging instruments at fair value	0	2,027,599	2,027,599
	Tax on items recognised directly in equity	0	-446,071	-446,071
	Equity at 1 January 2018	4,300,000	70,395,605	74,695,605
16	Transfer, see "Appropriation of profit"	0	16,549,550	16,549,550
	Adjustment of hedging instruments at fair value	0	393,342	393,342
	Tax on items recognised directly in equity	0	-86,536	-86,536
	Equity at 31 December 2018	4,300,000	87,251,961	91,551,961

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Etex Nordic A/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company, Etex S.A.

Reporting currency

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

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

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.

Derivative financial instruments

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

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

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

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, comprising sale of construction products, primarily in fibre cement within the main groups fire-proof building boards, roofing products, cladding systems and plaster boards, etc. is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received.

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, change in inventories of finished goods and goods for resale, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

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

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

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 cost net of the expected residual value for aquired intangible assets is amortised over the expected useful life. Acquired intangible assets include customer base and IP rights.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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	3-7 years
Goodwill	5 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 amortisation charges are recognised. In case of changes in the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

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:

Plant and machinery	15 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3 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.

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.

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years.

Other intangible assets include acquired intangible rights, including customer base and IP rights.

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

Gains and losses on the sale of intangible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment 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.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

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 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.

Prepayments

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

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

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".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Provisions

Provisions comprise expected expenses relating to warranty commitments. Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Guarantee commitments comprise expected cost of repairs within the guarantee period and are recognised based on previous experience with work performed under guarantees.

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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. 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.

Other liabilities are measured at net realisable value.

Deferred income

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

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Return on assets $$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$$

Equity ratio $$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$$

Return on equity $$\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$$

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK	2018	2017
2	Staff costs		
	Wages/salaries	44,856,743	39,162,286
	Pensions	3,360,474	2,845,923
	Other social security costs	205,759	216,011
	Other staff costs	936,920	1,094,268
		49,359,896	43,318,488
	Average number of full-time employees	79	77

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

		2018	2017
3	Amortisation/depreciation of intangible assets and property, plant and equipment		
	Amortisation of intangible assets	7,182,848	17,028,910
	Depreciation of property, plant and equipment	236,859	251,347
		7,419,707	17,280,257
4	Financial income		
	Interest income, group entities	203,869	331,428
	Other interest income	281	305
	Other financial income	54	563
		204,204	332,296
5	Financial expenses		
	Interest expenses, group entities	720,650	33,973
	Other interest expenses	263,646	61,655
	Other financial expenses	397,258	0
		1,381,554	95,628
6	Tax for the year		
	Estimated tax charge for the year	2,498,861	1,624,434
	Deferred tax adjustments in the year	2,178,948	-808,356
		4,677,809	816,078

Financial statements 1 January - 31 December

Notes to the financial statements

7 Intangible assets

DKK	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2018	114,760,821	3,948,739	118,709,560
Disposals in the year	-90,693,600	0	-90,693,600
Cost at 31 December 2018	24,067,221	3,948,739	28,015,960
Impairment losses and amortisation at 1 January 2018	19,465,109	3,948,739	23,413,848
Amortisation/depreciation in the year	7,182,848	0	7,182,848
Reversal of amortisation/depreciation and impairment of disposals	-12,956,229	0	-12,956,229
Impairment losses and amortisation at 31 December 2018	13,691,728	3,948,739	17,640,467
Carrying amount at 31 December 2018	10,375,493	0	10,375,493
Amortised over	3-7 years	5 years	

8 Property, plant and equipment

DKK	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2018	2,169,068	2,173,992	34,487	4,377,547
Cost at 31 December 2018	2,169,068	2,173,992	34,487	4,377,547
Impairment losses and depreciation at 1 January 2018	1,774,021	1,928,115	34,487	3,736,623
Amortisation/depreciation in the year	128,124	108,735	0	236,859
Impairment losses and depreciation at 31 December 2018	1,902,145	2,036,850	34,487	3,973,482
Carrying amount at 31 December 2018	266,923	137,142	0	404,065
Depreciated over	15 years	3-5 years	3 years	

9 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including rent of DKKt 1,045 and other prepaid expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2018	2017
10 Share capital		
Analysis of the share capital:		
86 shares of DKK 50,000.00 nominal value each	4,300,000	4,300,000
	4,300,000	4,300,000

All shares rank equally.

The Company's share capital has remained DKK 4,300,000 over the past 5 years.

11 Deferred tax

Deferred tax relates to:

DKK	2018	2017
Intangible assets	-496,000	117,000
Property, plant and equipment	1,000	32,000
Provisions	-308,000	-308,000
Tax loss	0	-2,865,000
	-803,000	-3,024,000

12 Provisions

Other provisions comprise provisions for warranty commitments. Warranty provisions relate to expected warranty expenses in accordance with usual guarantee commitments applicable to the sale of goods. The obligation is expected to be settled over the warranty period, which is one year.

13 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is subject to claims related to magnesium-oxide boards sold in the Nordics in 2010-2013. Due to uncertainties related to root cause, extent, amount and insurance coverage it is uncertain if an obligation exists. If so, management is of the opinion that any claim will be covered by the supplier to Etex Nordic A/S. Hence, no amount is recognised in the financial statements.

Other financial obligations

Other rent and lease liabilities:

DKK	2018	2017
Rent and lease liabilities	35,052,416	13,148,294

Rent and lease liabilities consists of rent and lease liabilities totalling DKK 7.915.839 (2017: 7.231.561) with remaining contract terms of 0-1 years, and rent and lease liabilities totalling DKK 27.136.577 (2017: 5.916.733) with remaining contract terms of more than a year.

14 Currency risks

Forecast transactions

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14 Currency risks (continued)

The Company uses forward exchange contracts to hedge expected currency risks in relation to sale and buy of goods.

The fair value at 31 December 2018 amount to DKK 1,278 thousand. Hereof, DKK 1.030 thousand is related to hedge of future cashflows and recognised in equity.

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15 Related parties

Etex Nordic A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Parent: Etermat SAS	Vernouillet, France	Participating interest
Ultimate parent: Etex S.A.	Brussels, Belguim	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Etex S.A.	Brussels, Belgium	www.etexgroup.com

Related party transactions

Etex Nordic A/S was engaged in the below related party transactions:

DKK	2018	2017
Purchase of goods	208,554,231	304,594,191
Purchase of services	11,452,111	8,136,797
Management fee, etc.	8,294,522	7,008,987
Interest income	203,869	331,428
Interest expenses	720,650	33,973
Receivables from affiliated	93,262,432	65,945,622
Payables to affiliated	13,771,160	112,724,640

	DKK	2018	2017
16	Appropriation of profit		
	Recommended appropriation of profit		
	Retained earnings	16,549,550	25,068,495
		16,549,550	25,068,495