Icopal Holding ApS

Lyskær 5, 2730 Herlev

CVR no. 30 61 64 64

Annual report 2018

Approved at the Company's annual general meeting on 26 June 2019

Chairman:

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Jan Simonsen

Building a better
working world

Contents

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 Icopal Holding 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.

Herlev, 26 June 2019
Executive Board:

Johannes Georg Schmidt-Schultes

Board of Directors:

Johannes Georg Schmidt-Schultes	Thomas Joseph Anderson

Independent auditor's report

To the shareholder of Icopal Holding ApS

Opinion

We have audited the financial statements of Icopal Holding 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.

Independent auditor's report

- 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 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.

Copenhagen, 26 June 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Skov Larsen	Thomas Legarth
State Authorised Public Accountant	State Authorised Public Accountant
mne26797	mne44099

Management's review

Company details

Name	Icopal Holding ApS
Address, Postal code, City	Lyskær 5, 2730 Herlev
CVR no.	30 61 64 64
Established	18 June 2007
Registered office	Herlev
Financial year	1 January - 31 December
Board of Directors	Johannes Georg Schmidt-Schultes Thomas Joseph Anderson
Executive Board	Johannes Georg Schmidt-Schultes
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

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

Financial review

The income statement for 2018 shows a loss of DKK 7,892 thousand against a loss of DKK 7,204 thousand last year, and the balance sheet at 31 December 2018 shows equity of DKK 2,258,272 thousand.

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

The company has received a group contribution of DKK 683,891 thousand from its parent company Cortes Acquisition Company ApS by transfer of receivables, whereof DKK 671,100 thousand has been passed on to its fully owned subsidiary RFG Midco ApS, and will be recognised as an increase in investments in subsidiaries. The remaning DKK 12,791 thousand has been used to partially settle loans from Group entities.

Events after the balance sheet date

It is expected that the company will merge with one or more Group Companies in 2019.

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
	Gross profit	1,114	0
	Administrative expenses	-1,078	-593
	Operating profit/loss	36	-593
2	Financial expenses	-9,233	-8,398
	Profit/loss before tax	-9,197	-8,991
3	Tax for the year	1,305	1,787
	Profit/loss for the year	-7,892	-7,204

	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-7,892	-7,204
		-7,892	-7,204

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2018	2017
	ASSETS		
	Fixed assets		
4	Investments		
	Investments in group enterprises	2,680,677	2,009,577
		2,680,677	2,009,577
	Total fixed assets	2,680,677	2,009,577
	Non-fixed assets		
	Receivables		
	Deferred tax assets	397	397
	Joint taxation contribution receivable	1,526	11,602
	Other receivables	0	8
		1,923	12,007
	Total non-fixed assets	1,923	12,007
	TOTAL ASSETS	2,682,600	2,021,584
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	224,091	224,091
	Retained earnings	2,034,181	1,358,182
	Total equity	2,258,272	1,582,273
	Provisions		
	Other provisions	2,263	0
	Total provisions	2,263	0
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Payables to group enterprises	422,064	439,239
	Other payables	1	72
		422,065	439,311
	Total liabilities other than provisions	422,065	439,311
	TOTAL EQUITY AND LIABILITIES	2,682,600	2,021,584

1 Accounting policies
5 Contractual obligations and contingencies, etc.
6 Collateral
7 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2018	224,091	1,358,182	1,582,273
Transfer through appropriation of loss	0	-7,892	-7,892
Contribution from group	0	683,891	683,891
Equity at 31 December 2018	224,091	2,034,181	2,258,272

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Icopal Holding 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.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

Gross profit

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

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administration costs.

Other operating income and operating expenses

Other operating income and 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.

Profit from investments in subsidiaries

The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

Financial expenses

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 BMI Group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Balance sheet

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

The carrying amount of investments in subsidiaries 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.

Receivables

Receivables are measured at amortised cost.

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.

Cash

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

Equity

Grants without consideration within a group

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Grants to subsidiaries without consideration are recognised as a capital injection under "Investments in group entities". Grants received from subsidiaries are recognised as dividend received from the subsidiary.

Provisions

Provisions comprise anticipated expenses relating to legal or constructive obligation at the balance sheet date as a result of a past event 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.

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

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	2018	2017
2	Financial expenses		
	Interest expenses, group entities	6,529	8,209
	Other financial expenses	2,704	189
		9,233	8,398

Other financial expenses consist of costs related to prior years financing.

		2018	2017
3	Tax for the year		
	Estimated tax charge for the year	-1,524	-1,710
	Deferred tax adjustments in the year	0	-55
	Tax adjustments, prior years	219	-22
		-1,305	-1,787

4 Investments

DKK'000	Investments in group enterprises
Cost at 1 January 2018	2,786,913
Additions	671,100
Cost at 31 December 2018	3,458,013
Value adjustments at 1 January 2018	-777,336
Value adjustments at 31 December 2018	-777,336
Carrying amount at 31 December 2018	2,680,677

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries				
RFG Midco ApS	Denmark	100.00%	2,584,846	-24,698

5 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, Cortes Acquisition Company ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

6 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2018.

Financial statements 1 January - 31 December

Notes to the financial statements

7 Related parties

Icopal Holding ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Cortes Acquisition Company ApS	Herlev, DK	Participating Interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
BMI Group Holding UK Ltd	London, UK	www.cvr.dk