



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 939 378 103
Organisasjonsform: Aksjeselskap
Foretaksnavn: REICHHOLD AS
Forretningsadresse: Lilleborggata 4
1630 GAMLE FREDRIKSTAD

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: marianne.nerlie@polynt.com
Dato for fastsettelse av årsregnskapet: 30.06.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 29.09.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2,13	529 228 000	532 672 000
Annen driftsinntekt		4 408 000	8 054 000
Sum inntekter		533 636 000	540 726 000
Kostnader			
Varekostnad	13	400 848 000	420 002 000
Lønnskostnad	3,9	34 526 000	33 314 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	4	5 696 000	6 813 000
Annen driftskostnad	3,13	75 423 000	60 348 000
Sum kostnader		516 493 000	520 477 000
Driftsresultat		17 143 000	20 249 000
Finansinntekter og finanskostnader			
Annen renteinntekt		565 000	215 000
Annen finansinntekt		7 996 000	7 666 000
Sum finansinntekter		8 561 000	7 881 000
Rentekostnad til foretak i samme konsern		472 000	465 000
Annen rentekostnad		91 000	68 000
Annen finanskostnad		9 570 000	9 909 000
Sum finanskostnader		10 133 000	10 442 000
Netto finans		-1 572 000	-2 561 000
Ordinært resultat før skattekostnad		15 571 000	17 688 000
Skattekostnad på ordinært resultat	10	3 428 000	3 916 000
Ordinært resultat etter skattekostnad		12 143 000	13 772 000
Årsresultat	8	12 143 000	13 772 000
Overføringer og disponeringer			
Konsernbidrag	8	7 066 000	0
Overføringer til/fra annen egenkapital	8	5 076 000	13 772 000



Resultatregnskap

Beløp i: NOK	Note	2019	2018
Sum overføringer og disponeringer	8	12 142 000	13 772 000



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	4	59 246 000	52 058 000
Maskiner og anlegg	4	28 296 000	23 955 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	4	1 223 000	1 623 000
Sum varige driftsmidler		88 765 000	77 636 000
Finansielle anleggsmidler			
Investering i annet foretak i samme konsern	5	4 000 000	4 000 000
Andre fordringer	9	749 000	852 000
Sum finansielle anleggsmidler		4 749 000	4 852 000
Sum anleggsmidler		93 514 000	82 488 000
Omløpsmidler			
Varer			
Varer	6	56 849 000	43 308 000
Sum varer		56 849 000	43 308 000
Fordringer			
Kundefordringer		3 847 000	8 579 000
Andre fordringer		1 014 000	2 347 000
Konsernfordringer	13	197 406 000	188 021 000
Sum fordringer		202 267 000	198 947 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	11	15 313 000	41 695 000
Sum bankinnskudd, kontanter og lignende		15 313 000	41 695 000
Sum omløpsmidler		274 429 000	283 950 000
SUM EIENDELER		367 943 000	366 438 000



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	7,8	32 000 000	32 000 000
Overkurs	8	105 297 000	105 297 000
Annen innskutt egenkapital	8	8 400 000	8 400 000
Sum innskutt egenkapital		145 697 000	145 697 000
Opptjent egenkapital			
Annen egenkapital	8	91 411 000	86 401 000
Sum opptjent egenkapital		91 411 000	86 401 000
Sum egenkapital		237 108 000	232 098 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	10	2 690 000	3 351 000
Andre avsetninger for forpliktelser		2 957 000	716 000
Sum avsetninger for forpliktelser		5 647 000	4 067 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		5 647 000	4 067 000
Kortsiktig gjeld			
Leverandørgjeld		52 115 000	47 006 000
Betalbar skatt	10	2 096 000	2 658 000
Skyldige offentlige avgifter		15 792 000	19 781 000
Kortsiktig konserngjeld	13	50 267 000	55 319 000
Annen kortsiktig gjeld		4 918 000	5 509 000
Sum kortsiktig gjeld		125 188 000	130 273 000
Sum gjeld		130 835 000	134 340 000
SUM EGENKAPITAL OG GJELD		367 943 000	366 438 000

POSTER UTENOM BALANSEN



Balanse

Beløp i: NOK	Note	2019	2018
Pantstillelser	12	363 123 000	360 063 000



Annual Report 2019 Reichhold AS

Revenue statement
Balance sheet
Cash flows
Notes to the Accounts

Org.no.: 939 378 103



Revenue statement

Reichhold AS

Operating income and operating expenses (NOK 1.000) Note		2019	2018
Revenue	2, 13	529 228	532 672
Other operating income		4 408	8 054
Total operating income		533 636	540 726
Cost of materials	13	400 848	420 002
Personnel expenses	3, 9	34 526	33 314
Depreciation of operating and intangible assets	4	5 696	6 813
Other operating expenses	3, 13	75 423	60 348
Total operating expenses		516 494	520 477
Operating profit		17 143	20 249
Financial income and expenses			
Other interest income		565	215
Other financial income		7 996	7 666
Interest expense to group companies		472	465
Other interest expenses		91	68
Other financial expenses		9 570	9 909
Net financial items		-1 573	-2 561
Operating result before tax		15 570	17 688
Tax on ordinary result	10	3 428	3 916
Ordinary result after tax		12 142	13 772
Annual net profit		12 142	13 772
Allocations and distributions			
Given intra-group contribution		-7 066	0
Profit / Loss brought forward		-5 076	-13 772
Net brought forward	8	12 142	13 772

Reichhold AS

Side 2



Balance sheet

Reichhold AS

Assets (NOK 1.000)	Note	2019	2018
Fixed assets			
Tangible assets			
Buildings and land	4	59 246	52 058
Machinery and equipment	4	28 296	23 956
Equipment and other movables	4	1 223	1 623
Total tangible assets	4	88 765	77 636
Financial fixed assets			
Investments in other group companies	5	4 000	4 000
Pension assets	9	749	852
Total financial fixed assets		4 749	4 852
Total fixed assets		93 514	82 488
Current assets			
Inventories	6	56 849	43 308
Debtors			
Accounts receivables		3 847	8 579
Receivables from group companies	13	197 406	188 021
Other short-term receivables		1 014	2 347
Total receivables		202 267	198 947
Cash and bank deposits	11	15 313	41 695
Total current assets		274 429	283 950
Total assets		367 943	366 438



Balance sheet

Reichhold AS

Equity and liabilities (NOK 1.000)	Note	2019	2018
Paid-up equity			
Share capital	7, 8	32 000	32 000
Share premium reserve	8	105 297	105 297
Other contributed reserves	8	8 400	8 400
Total paid-up equity		145 697	145 697
Retained earnings			
Other equity	8	91 411	86 401
Total retained earnings		91 411	86 401
Total equity		237 108	232 098
Liabilities			
Provisions for liabilities			
Deferred tax	10	2 690	3 351
Other provisions		2 957	716
Total provisions		5 647	4 068
Current debt			
Liabilities to group companies	13	50 267	55 319
Trade creditors		52 115	47 006
Tax payable	10	2 096	2 658
Public duties payable		15 792	19 781
Other current debt		4 918	5 509
Total current debt		125 188	130 272
Total liabilities		130 835	134 340
Total equity and liabilities		367 943	366 438

Fredrikstad, 30.06.2020
The board of Reichhold ASSergio Mario Conni
Chairman of the boardRichard Thomas Donovan
Member of the boardMaurizio Leonardi
Member of the boardChrister Alexander Bjørnsland
Member of the boardMarianne Nerlie
Member of the boardRim Haakon Holm Kvale
Deputy

Reichhold AS

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Balance sheet

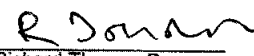
Reichhold AS

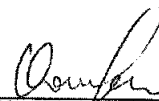
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Fredrikstad, 30.06.2020

The board of Reichhold AS


Sergio Mario Conni
Chairman of the board


Richard Thomas Donovan
Member of the board


Maurizio Leonardi
Member of the board

Christer Alexander Bjørnsland
Member of the board

Marianne Nerlie
Member of the board

Kim Haakon Holm Kvale
Deputy

Reichhold AS

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Cash flow

Reichhold AS

(NOK 1.000)	Note	2019	2018
Cash flows from operating activities			
Profit/loss before tax		15 570	17 688
Taxation paid		-2 658	0
Loss/gain on the sale of fixed assets		-378	0
Ordinary depreciation	4	5 696	6 813
Change in inventory	6	-13 541	2 695
Change in accounts receivable		4 733	54 300
Change in accounts payable		5 110	1 333
Changes in intercompany		-54 332	-133 351
Change in other accrual items		-968	18 236
Net cash flows from operating activities		-40 770	-32 286
Cash flows from investment activities			
Proceeds from the sale of fixed assets	4	963	4
Payments to buy tangible assets	4	-17 409	-5 076
Changes in cash-pool	13	30 835	-9 767
Net cash flows from investment activities		14 390	-14 839
Net change in cash and cash equivalents		-26 381	-47 125
Cash and cash equivalents at the start of the period		41 695	88 822
Cash and cash equivalents at the end of the period		15 313	41 695



Reichhold AS

Note 1 Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act from 1998 and Generally Accepted Accounting Standards in Norway.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as fixed assets. Other assets are classified as current assets. Debtors due within one year are classified as current assets. The classification of current and long-term liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost, but are written down if a decline in fair value below the carrying amount is expected to be permanent. Fixed assets with a limited useful economic life are depreciated in accordance with a depreciation schedule based on best estimate.

Other long-term liabilities and current liabilities are carried at nominal value.

All balance sheet items denominated in foreign currencies are translated into NOK at the period-end market rate.

Intangible assets

Costs to develop intangible assets internally, are recognised in the balance sheet if it is probable that the Company will be able to obtain future economic benefits of the assets and if the expenditure attributable to the intangible assets during its development is reliably measured. Intangible assets bought separately, are carried at historical cost. Intangible assets acquired by purchase of other companies are booked at historical cost. Intangible assets with a limited useful economic life are depreciated in accordance with a depreciation schedule based on best estimate. Intangible assets are written down if a decline in fair value below the carrying amount is expected to be permanent.

Fixed assets

Land is not depreciated. Other tangible fixed assets are capitalized and depreciated on a straight-line basis at the residual value over the expected useful lifetime of the assets. If the depreciation plan is changed, the effect is distributed over the remaining depreciation period ("breakdown method"). Maintenance of operating equipment is expensed as operating costs continuously. Costs and improvements are added to the cost of the asset and depreciated in line with the asset. The difference between maintenance and cost/improvement is calculated in relation to the state of the asset at the date of acquisition.

Leased operating assets are carrying as operating assets if the lease is regarded as financial.

Investments in subsidiary company

Investments in subsidiary companies are assessed by the purchase method. The investment is written down if a decline in fair value below the carrying amount is expected to be permanent. Dividend and group contribution received from subsidiaries are booked as other financial income. The same applies for investments in associated companies.

Inventories

Inventories are stated at the lower of cost and net realizable value. For raw materials and work in progress net realizable value is based on estimated selling price, less further costs expected to be incurred on completion and disposal. Self-made inventories are valued at the lower of full cost of conversion and net realizable value.



Reichhold AS

Revenue recognition

Revenue from sales of goods are recognized when goods are delivered and significant risks and rewards of the goods have passed over to the customer. Revenue is measured at the fair value of the consideration received or receivable. Revenue from delivery of services is recognized when the service is performed. Revenue is measured at the fair value of the consideration received or receivable.

Foreign currency

Receivables and liabilities in foreign currency are valued at the exchange rate at the end of the financial year. Exchange gains and losses on goods sales and foreign exchange purchases are recorded as financial income and financial expenses.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

Accounts receivables

Accounts receivables and other receivables are carried at face value less provision for expected loss. An estimate is made for doubtful debtors based on a review of all outstanding amounts at period-end.

Product guarantees, services and complaints

Upon sale, the entire selling price, inclusive of that relating to future guarantees, expected return rates and provision of services, is recognized as revenue at the time of the sale. The proportion relating to future guarantees and provision of service is accounted for separately.

Pensions

In accounting for defined benefit pension schemes, the obligation is expensed over the service life according to the plan benefit formula. The method of allocation corresponds to the plan benefit formula, unless the bulk of the service costs accrue towards the end of the service life. In such instances, the service cost is allocated on a straight-line basis. A straightline allocation is therefore applied for pension schemes operated in accordance with the occupational pension legislation. The net pension obligation is the difference between the present value of the pension obligations and the value of plan assets invested for the purpose of paying the pensions. Plan assets are recognized at fair value. An accrual for social costs is included.

Cost of sales and other expenses

In principle, costs of sales and other expenses are recognized in the same period as the revenue to which they relate. In the instances where there is no clear connection between the expense and income, costs are recorded when occurred. Remaining exceptions are disclosed as they arise.

Income taxes

Tax expenses are matched with ordinary income before tax. Tax related to equity transactions is posted directly to equity. The tax cost consists of payable tax (tax on this years taxable income) and changes in the net deferred tax liability.



Reichhold AS

Group

There will not be prepared consolidated accounts for Reichhold AS, because the company is part of the consolidated accounts of Speciality Chemical International BV, The Netherlands. Cf. The Norwegian Accounting Act§ 3-7 "Exception from the compulsory consolidated accounts for parent company in sub groups". The consolidated accounts can be obtained by request to adress: Lichtenauerlaan 102, 3062 ME, Rotterdam



Reichhold AS

Note 4 Fixed assets
(NOK 1.000)

	Buildings and land	Machinery and construction	Operating equipment	Total plant and equipment
Acquisition cost 01.01.2019	84 923	181 138	43 900	309 062
Addition of plant and equipment purchased	8 945	8 155	309	17 409
Disposal of plant and equipment sold	0	- 4 097	- 82	-4 179
Acquisition cost 31.12.2019	93 868	185 196	44 127	323 191
Accumulated depreciation 31.12.2019	34 622	156 901	42 904	234 427
Book value as at 31.12.2019	59 246	28 296	1 223	88 765
The year's depreciation	1 756	3 234	705	5 696
Expected Lifetime	20-40 years	5-15 years	3-10 years	
Depreciation plan	Linear	Linear	Linear	

Leases not capitalized	Buildings and land	Machinery and construction	Operating equipment
Annual	106 782	546 428	19 455
Duration	Renewed every 6 months	Month to month	2-5 years

Note 5 Subsidiaries, associated companies etc.
(NOK 1.000)

Company	Time of acquisition	Registered office	Votes	Shares
Reichhold CZ s.r.o	07.01.1993	Usti Nad Labem, Tsjekkia	50 %	50 %

Company	Equity 31.12.2019	Net profit 31.12.2019	Book value at 31.12.2019
Reichhold CZ s.r.o	51 999	1 121	4 000

When translating equity and net profit (loss) to local currency, the exchange rate as of 31.12.2019 were used for the equity balances, and the average rates of exchange for 2019 were used for the net profit (loss).



Reichhold AS

Note 6 Inventories

(NOK 1.000)

	2019	2018
Raw materials	29 430	21 223
Finished goods	27 420	22 085
Total	56 849	43 308

Inventories are valued at the cost of fair value.

Note 7 Equity and shareholders information

(NOK 1.000)

The share capital in the company at 31.12.2019 consists of one share class:

	Number	Face value	Book value
Ordinary	32	1 000	32 000
Total	32	1 000	32 000

There is no regulation regarding limitation in voting rights. Each share carries one vote.

Owner structure

Shareholders at 31.12.2019:

	Ordinary Shares	Total	Share	Votes
Reichhold Norway AS	32	32	100 %	100 %
Total numbers of shares	32	32	100 %	100 %

Neither the Board of directors nor managing director own shares in the company.

Reichhold Norway AS is owned by Reichhold Holdings International BV, The Netherlands.

Note 8 Equity

(NOK 1.000)

	Share capital	Share premium	Other paid-in capital	Other equity	Sum equity
Equity 01.01.2019	32 000	105 297	8 400	86 401	232 098
Change in estimate deviation for the financial year				-66	-66
Net profit 2019				12 142	12 142
Group contribution				-7 066	
Equity 31.12.2019	32 000	105 297	8 400	91 411	237 108



Reichhold AS

Note 9 Pension funds and obligations
(NOK 1.000)

Defined benefit plan

The company is obliged according to Norwegian legislation to have a mandatory pension scheme for all Norwegian employees. The company has a defined benefit plan that fulfills this obligations. All plans give a right to defined future benefits. These are mainly dependent on the number of years of service, the level of salary at the retirement age and the level of the government funded pension benefits. The obligations are funded through an insurance company.

Pension costs:	2019	2018
Current service cost	935	1 036
Interest cost	- 22	46
Expected return on plan assets	0	0
Amortization of unrecognized gains/losses	0	0
Other pension cost	521	578
Net pension costs (before social security tax)	1 434	1 660
Accrued social security tax	200	234
Net pension costs (after sac.sec.tax)	1 634	1 894

Financial assumptions	1.1.2019	1.1.2018
Discount rate	1,80%	2,60%
Expected return on plan assets	4,20%	4,30%
Expected increase in salaries	2,25%	2,75%
Expected increase in base amount for national insurance (G)	2,00%	2,50%
Expected increase in yearly pension increase	0,70%	0,80%
Expected increase in long term inflation	1,50%	1,50%

Total active members

Employees	50	51
Pensioners	80	75
Total	130	126

	31.12.2019	31.12.2018
Pension assets	Assets > Obligations	Assets > Obligations
Defined benefit obligation	-43 710	-46 650
Estimated market value of plan assets	44 460	47 502
Pension obligation	749	852



Reichhold AS

Note 10 Tax
(NOK 1.000)

This year's tax expense	2019	2018
Entered tax on ordinary profit/loss:		
Payable tax	4 089	2 658
Changes in deferred tax	-661	1 258
Tax expense on ordinary profit/loss	3 428	3 916

Taxable income:		
Ordinary result before tax	15 570	17 688
Permanent differences	10	0
Changes in temporary differences	3 005	-1 473
Provided intra-group contribution	-9 059	0
Allocation of loss to be brought forward	0	-4 659
Taxable income	9 526	11 556

Payable tax in the balance:		
Payable tax on this year's result	4 089	2 658
Payable tax on provided Group contribution	-1 993	0
Total payable tax in the balance	2 096	2 658

Calculation of effective tax rate		
Profit before tax	15 570	17 688
Calculated tax on profit before tax	3 425	4 068
Tax effect of permanent differences	2	0
Effect of change in tax rate	0	-152
Total	3 428	3 916
Effective tax rate	22,0 %	22,1 %

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	2019	2018	Difference
Tangible assets	14 250	15 055	804
Stock	195	-419	-614
Allocations and more	-2 967	-255	2 712
Pension premium / liabilities	749	852	103
Total	12 228	15 233	3 005
Basis for deferred tax	12 228	15 233	3 005
Deferred tax (22 %)	2 690	3 351	661
Effect of change in tax rate	0	-152	



Reichhold AS

Note 11 Bank deposits
(NOK 1.000)

Cash and cash equivalents includes restricted cash of kr 1 083.

Note 12 Collaterals and guarantees
(NOK 1.000)

The groups enterprises' debt to Cantor Fitzgerald Securities, US is secured by a registered letter of indemnity on the company's assets at booked values:

	2019	2018
Fixed assets	88 765	77 636
Inventories	56 849	43 308
Other current assets	217 509	239 119
Total	363 123	360 063



Reichhold AS

Note 13 Related party transactions and balances
(NOK 1.000)

Related party transactions, profit and loss

Transaction/transaction type	Belongs to P&L line	Counterpart	Relationship to the counterpart	2019	2018
Sales	Op income	Group com. EU	Associated	385 782	351 221
Sales	Op income	Group com. Other	Associated	218	121
COGS	COGS	Group com. EU	Associated	66 023	46 790
COGS	COGS	Group com. Other	Associated	0	0
Management fee income	Other op inc.	Group com. EU	Associated	0	0
Management fee expense	Other op exp.	Group com. USA	Associated	719	148
Management fee expense	Other op exp.	Group com. EU	Associated	6 794	5 977
Sum				319 969	298 427

Trade to related parties are made in accordance with special agreements at arm's length.

Account receivables/
Other receivables

Counterpart	Relationship to the counterpart	2019	2018
Group companies Europe	Associated - Accounts receivables	85 028	83 297
Group companies Europe	Associated - Reichhold Group cashpool	105 850	74 960
Group companies Other	Associated - Accounts receivables	6 529	12 097
Total		197 406	170 354

Accounts payable

Counterpart	Relationship to the counterpart	2019	2018
Group companies Europe	Associated - Accounts payable	-11 480	- 6 784
Group companies Europe	Associated - loan	-29 592	- 29 844
Group companies Other	Associated - Accounts payable	-136	-1 025
Group companies Europe	Associated - Group contribution	-9 059	0
Total		-50 267	-37 654

14 Subsequent events

In mid of March 2020 the Norwegian government implemented regulation to reduce the consequences of Covid 19. The management is monitoring the situation closely and has taken necessary actions to reduce infections among employees to maintain the production. At the date of the accounts, the company has experienced decline in sales of approx. 15%. No temporary or permanent lay-offs has so far been necessary and the supply of raw materials is currently sufficient. On the other side, the commodity prices have shown a downward trend due to Covid-19. The coming 12-month period looks uncertain and the operations and financial consequences of the Pandemic outbreak is difficult to assess, though there are early, but possibly temporary signs of recovery. It cannot be ruled out that the Covid-19 outbreak will not have a material negative operational and financial impact on the company.



Reichhold AS

MANAGEMENT REPORT 2019

The nature of the business and its operating

Reichhold AS is located and having its legal seat in Fredrikstad, Norway. The Company's principal activities are research and development, manufacturing, sales and distribution of unsaturated polyester resins, gelcoats and related products to the composites industry.

Since December 31, 1997 the Company has been a wholly owned subsidiary of Reichhold Norway AS ("RNAS"). Reichhold Industries, Inc. was the ultimate owner of RNAS up till April 1, 2015. On this date, Coöperatie Reichhold Holdings Netherlands U.A. acquired Reichhold Holdings International BV, the immediate shareholder of RNAS.

On May 17, 2017, The Reichhold Group completed a business combination with the Polynt Group. The new Polynt-Reichhold Group is a global company in the Intermediates, Coating and Composite Resins, Thermoset Compounds, Gel-coats and niche Specialties with revenues of more than 2 billion euros. The Company is indirectly wholly held/controlled by Speciality Chemicals International Ltd., itself equally held by an indirect subsidiary of Investindustrial V L.P. and Black Diamond Capital Management, with other shareholders holding minority positions. Following this merger, a reorganization took place in the Norwegian part of the business from November 1, 2017. Reichhold's R&D and sales activities in Sandefjord were transferred to the newly created company Polynt Composites Norway AS ("PC NO"), located in Sandefjord. On June 1, 2019 PC NO closed all activities in Sandefjord and moved to Reichhold's production facility in Fredrikstad.

Legal overview of development and results

In accordance with Section 4-5 of the Norwegian Financial Reporting Act, the Board of Directors finds that conditions are present for a going concern and the accounts for 2019 are rendered on this assumption.

The Board of Directors believes that the financial statements present fairly the company's development and position as of 31 December 2019. To date, no incidents which might be of importance for assessing the company's position have occurred after the closing of the accounting year.

The company's operating income in 2019 was NOK 534 million, slightly down from NOK 541 million in 2018. Operating profit for 2019 ended at NOK 17.1 million against NOK 20.2 million in 2018. Profit before tax was NOK 15.6 million compared to NOK 17.7 million in 2018.

Operating EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) decreased by NOK 4.2 million, from NOK 27 million in 2018 to NOK 22.8 million in 2019.

The company's total investments was NOK 17.4 million against NOK 5.1 million in 2018. The increase is mainly due to two major projects; new laboratory for R&D and a new process control system in the factory. Total assets at year end 2019 was NOK 368 million, against NOK 367 million in 2018. The equity ratio went up to 66% from 63% at year-end 2018.

Net cash flow from operation activities 2019 was NOK -9,9 million against NOK 42.7 million in 2018. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company is member of the Reichhold group's cash pool at BMG Bank in Amsterdam. The liquidity risk and the interest risk are therefore limited.

Reichhold AS does not prepare any group accounts since the company is included in the consolidated financial statements of Specialty Chemicals International B.V., a company registered in The Netherlands.

Key risks and uncertainty factors

The European market for UPR (Unsaturated Polyester Resin) continued to grow through 2019 and the Polynt-Reichhold Group expanded its market share and achieved increased sales volumes. However, early 2020 saw the beginning of the Coronavirus pandemic which has had a negative effect



Reichhold AS

on our customers and the world market in general. In mid of March 2020 the Norwegian government implemented regulation to reduce the consequences of Covid-19. The management is monitoring the situation closely and has taken necessary actions to reduce infections among employees to maintain the production. At the date of the accounts, the company has experienced decline in sales of approx. 15%. No temporary or permanent lay-offs has so far been necessary and the supply of raw materials is currently sufficient. On the other side, the commodity prices have shown a downward trend due to Covid-19. The coming 12-month period looks uncertain and the operations and financial consequences of the Pandemic outbreak is difficult to assess, though there are early, but possibly temporary signs of recovery. It cannot be ruled out that the Covid-19 outbreak will not have a material negative operational and financial impact on the company.

Reichhold AS is exposed to fluctuations in the foreign currency exchange mainly related to raw material purchase in Euro. Overall exposure is limited due to intercompany settlements in EUR. Reichhold AS does not use derivative financial instruments. The company has some credit exposure, but procedures for credit evaluation are in place at several levels

Working environment, equality

The working environment in the company is considered to be satisfactory. This can be supported by results from working environment surveys and a continuous focus on preventive measures and potential improvements. There have been regular meetings in the Working Environment Committee. Reichhold aims to be a workplace with equal opportunities across cultural, ethnic and gender divides. Number of employees at year end was 53 (9 female and 44 male).

The management in Reichhold emphasizes EHS activities to prevent sick leave and injuries. Reporting systems are in place to register nearmisses and analyze incidents and accidents. The absence statistics show an average sick leave of 9.4 % in 2019, down from 10.2% in 2018. Long term sick leave (duration more than 16 days) counts for 4.6% of this total (4.7% in 2018). During 2019 there have been reported zero work accident classified as injury with treatment and lost-time.

External environment

The company's production site in Fredrikstad is subject to permits regarding industrial emissions to water and air. The company complies with the government requirement and has no environmental issues pending. Yearly emission measurements show levels according to or below permit levels. Reichhold AS is continuously focusing on environmental projects and is also prioritizing the development of environmentally friendly products and processes. The Company aims to carry out its activities in such a way that due consideration is given to protect the environment and the health and safety of all those who come into contact with our products during their life-cycle.

Net income and profit and loss allocation

The year end result for 2019 was TNOK 12 142. Board of Directors of Reichhold AS proposes the following distribution of the profit:

Transferred to Other equity: TNOK -5 076
Given intra-group contribution: TNOK -7 066

Fredrikstad, 30.06.2020

Sergio Mario Conni
Chairman of the board

Richard Thomas Donovan
Board member

Maurizio Leonardi
Board member

Christer Alexander Bjørnsland
Board member

Marianne Nerlie
Board member

Kim Haakon Holm Kvale
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Reichhold AS

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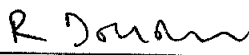
Net income and profit and loss allocation

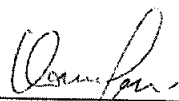
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To the General Meeting of Reichhold AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Reichhold AS showing a profit of NOK 12 142 002. The financial statements comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 as required by laws and regulations, 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.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Offices in

KPMG AS is a Norwegian limited liability company, and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Oslo	Liverpool	Moscow	Stord
Aix	London	Norway	Strasbourg
Amsterdam	Madrid	Osaka	Toronto
Berlin	Munich	Shanghai	Trondheim
Boston	Norway	Singapore	Tyngset
Drammen	Oslo	Stockholm	Ålesund



Reichhold AS

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment 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. We 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 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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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.



Reichhold AS

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 28. July 2020
KPMG AS

John Thomas Sørhaug
State Authorised Public Accountant



Skatteetaten

Vår dato
16.12.2019

Din/Deres dato
18.10.2019

Saksbehandler
Vibeke Horne

800 80 000
Skatteetaten.no

Din/Deres referanse
AR340348270

Telefon
32212250

Org.nr
974761076

Vår referanse
2019/6626316

Postadresse
Postboks 9200 Grønland
0134 OSLO

REICHHOLD NORWAY AS
Lilleborggata 4
1630 GAMLE FREDRIKSTAD

Att. Marianne Nerlie

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev av 18. oktober 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskap:

Reichhold Norway AS	org.nr. 978 680 860
Reichhold AS	org.nr. 939 378 103

Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Reichhold AS er et heleid datterselskap av Reichhold Norway AS. Reichhold Norway AS er heleid av et utenlandsk selskap som er en del av et multinasjonalt konsern med hovedkontor i England. Selskapene driver virksomhet knyttet til utvikling, produksjon og salg av umettet polyester, gelcoat og relaterte produkter til komposittindustrien i Europa og Midtøsten. Kundene er norske og utenlandske profesjonelle aktører. Konsernets arbeidsspråk er engelsk, og flere av styremedlemmene er utenlandske.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."



I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapene er i et internasjonalt konsern. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Vibeke Horne
rådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.