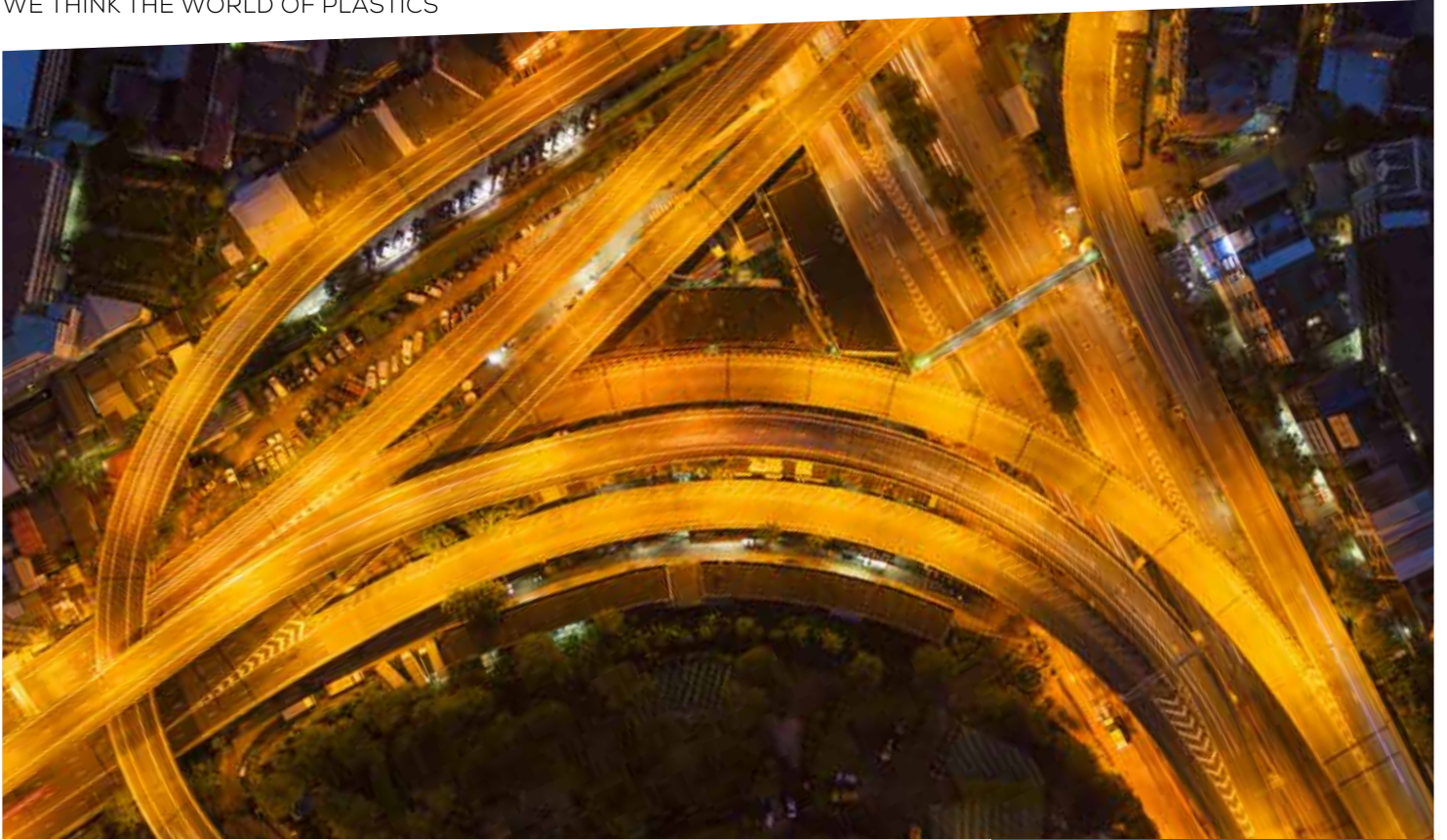


WE THINK THE WORLD OF PLASTICS



ANNUAL REPORT '18  
REVIEWS AND PERSPECTIVES



A STRONG YEAR FOR PRIMO AND A CONTINUED FOCUS ON SALES AND BUSINESS DEVELOPMENT

In 2019, Primo will be celebrating its 60th anniversary and we arrive in this landmark year presenting a satisfactory annual result for 2018.

With a successful year now behind us, we will maintain a strong focus on sales development in the coming years. In 2018, we have reorganized our international sales management team with a Group Director and regional sales managers, and we expect this sales setup to influence our results in a positive way in years to come.

We acquired Profilex China and Profilex Germany in Berlin in 2017, and both are now fully incorporated in the Primo Group: Profilex China is now Primo China, and Profilex Berlin is part of Primo Profile GmbH. Both have contributed significantly to our strong 2018 result, and the name Profilex will be retained as a brand within the Primo family. With their specialist knowledge in packing tubes, the two entities have opened up a new business area for us, bringing new synergies and new market opportunities into the group with increased proximity to key accounts and emerging markets in China and Asia.

The Primo Group is now present in eight countries across Northern and Eastern Europe and in China. This footprint allows us to focus our attentions on vital business areas as part of a targeted sales strategy with activities in several different business areas.

One example of this is the strong growth in our offshore segment where we have completed delivery of profiles for the largest offshore project in history. Another example is our new gasket business unit in Hamburg, where we will gather all competences from sales and development to production and service of everything related to gaskets.

As a major plastics producer, we are keenly aware of the environmental problems arising from the widespread use of plastics. We are equally convinced that plastics are also part of the solution. We take our responsibility seriously and are constantly working to introduce new sustainable solutions in our production and in the recycling of plastics. In 2018, we launched the Future Fit project, in which we aim to consolidate our position as the trusted partner in plastics by meeting our customers' needs for commercially and environmentally sound products. We have also implemented Operation Clean Sweep in all Primo facilities, minimising pellet waste from our production.

We believe that we have both the ability and the responsibility to drive the industry in the right direction, and these projects are a vital part of this journey.

We will be heading into our 60th year with confidence and with a strong belief in the future.



Fleming Grunnet, chairman



GROUP PROFIT AND LOSS ACCOUNT (€ 1,000)

	2018	2017	2016
Turnover	121,711	107,859	107,387
Profit before tax	8,643	7,363	7,057
Tax	1,757	1,849	1,633
<b>Profit for the financial year</b>	<b>6,886</b>	<b>5,514</b>	<b>5,420</b>

PRIMO GROUP BALANCE SHEET (€ 1,000)

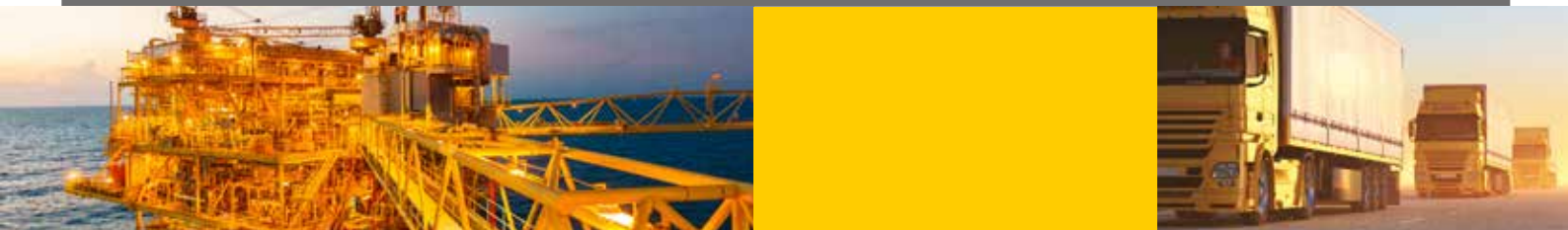
ASSETS

	2018	2017	2016
Intangible assets	363	440	37
Tangible assets	23,006	24,210	21,074
Financial fixed assets	3,743	3,419	3,929
<b>Total fixed assets</b>	<b>27,112</b>	<b>28,069</b>	<b>25,040</b>
Stocks	16,800	16,408	13,449
Debtors	14,291	15,389	11,796
Securities	7	10	9
Cash	9,152	10,922	11,226
<b>Total current assets</b>	<b>40,250</b>	<b>42,729</b>	<b>36,480</b>
<b>Total assets</b>	<b>67,362</b>	<b>70,798</b>	<b>61,520</b>

LIABILITIES AND EQUITY

	2018	2017	2016
Net capital	40,983	37,896	36,246
Provisions	0	715	371
Long term debt	1,580	1,902	2,754
Short term debt	24,799	30,285	22,149
<b>Total debt</b>	<b>26,379</b>	<b>32,187</b>	<b>24,903</b>
<b>Total liabilities and equity</b>	<b>67,362</b>	<b>70,798</b>	<b>61,520</b>

- 1959** The company is established by Architect Chresten Jensen under the name Primo-Plast A/S.
- 1977** Fleming Grunnet takes over the company from his father.
- 1980** Ureflex is acquired.
- 1983** Color System A/S is acquired.
- 1984** Primo Sweden AB is established after the acquisition of Kontraplast AB.
- 1985** Primo Finland AB is established following the acquisition of OY WH – Profil AB. Sondex AB is acquired.
- 1987** Inter Primo A/S is established as a holding company for the group of companies.
- 1990** Primo Profile GmbH in Germany is established.
- 1993** Inter Primo enters into the joint venture Spyra Primo Poland Sp. z o.o.
- 1996** Primo Profile Sp. z o.o. in Poland is established.
- 1997** Primo Norge in Norway is established.
- 2000** Inter Primo Group Headquarter is established in Copenhagen.
- 2002** Primo Tools A/S is established after the acquisition of BP Maskinværksted.
- 2003** OTV Plast A/S, Teknoplast A/S and Primo System Vinduer A/S are acquired.
- 2004** 25% of the share capital of Profiflex GmbH is acquired including a subsidiary in Zhuhai, China.
- 2005** Primo Russia starts up production near St Petersburg.
- 2006** Profitechnik AB is acquired. Facilities near Berlin and in St Petersburg are acquired along with the start of a large factory expansion in Poland.
- 2008** Norsk Extrudering is acquired.
- 2009** Norsk Formblåsning is established, in corporation with external investors.
- 2010** Totax A/S is acquired.
- 2011** OTV is sold off.
- 2013** Primo Vinduer A/S is sold off.
- 2013** Shares in Norsk Formblåsning are sold.
- 2017** Profiflex China and Profiflex Germany are acquired.



# PRIMO

## – WE THINK THE WORLD OF PLASTICS

**Primo is a leading and dedicated extrusion specialist.**

Driven by our care for a better tomorrow and based on our extensive experience, know-how and proven process, we continuously seek to design and extrude the profiles of tomorrow that

will optimise performance and save resources. Thanks to the private ownership of Primo, we have the agility, the ability and the willingness to invest in the future. We treat our customers as long-term partners and steadily work to improve our footprint.

Primo supplies extrusion knowledge and profiles for a wide variety of businesses: Building, energy, medico, offshore, lighting, transport, air-con & ventilation, windows & doors and many more.

The Primo Group consists of companies throughout Northern and Eastern Europe and in China.

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