

Solae Denmark ApS

CVR-nr. 16 31 67 92

Annual Report for the period 1 January 2017 - 31 December 2017

The Annual Report has been presented and adopted at the Annual General Meeting
of the Company on **31.5.2018**

Chairman

Henrik Fastholm



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Management's Statement on the Annual Report

The Executive Board has today considered and adopted the Annual Report of Solae Denmark ApS for the financial year 1 January – 31 December 2017.

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 at 31 December 2017 of the Company and of the results of the Company operations for 2017.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

The Executive Board continues to consider the criteria for waiving audit to be fulfilled.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 9 March 2018

Executive Board



Flemming Jørgensen



Henrik Fastholm



Lisbeth Sørensen

Company Information

The Company

Solae Denmark ApS
Edwin Rahrs Vej 38
DK-8220 Brabrand

CVR no: 16 31 67 92

Financial year: 1 January - 31 December
Municipality of reg. office: Aarhus

Management

Flemming Jørgensen
Henrik Fastholm
Lisbeth Sørensen

Bankers

Danske Bank
Åboulevarden 69
DK-8000 Aarhus C

Review

Primary activity

The activity of the Company has been closed, and the company is continuing as a dormant entity.

Development in activities and finances

2017 showed a profit before tax of DKK -698k. Management finds the result satisfactory, and in accordance with expectations.

The Danish tax authorities have at the end of April 2009 with a subsequent correction in December 2009 made a claim to significantly increase the taxable income for 2003. Solae Denmark ApS disagreed to this claim, and consequently appealed to the Danish National Tax Tribunal, which in October 2015 issued its decision. Despite in its decision the Danish National Tax Tribunal reduced the amount of the claim of the Danish tax authorities, Solae Denmark ApS still disagrees with this decision considering that important facts have still not been taken into consideration. Consequently, Solae Denmark ApS has appealed to the Aarhus District Court in January 2016, the appeal procedure which includes several phases of submission of additional information and answers from the two Parties is still ongoing.

Outlook

The company is expected to continue as a dormant company.

Events after the balance sheet date

No other major events have occurred that could considerably influence the economic position of the Company at 31 December 2017.

Accounting Policies

Basis of Preparation

The Annual Report of Solae Denmark ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to middle-sized enterprises of reporting class B.

The given accounting policies are unchanged compared to last year.

The Annual Report presented in DKK 1.000.

Recognition and measurement

All revenues are recognised in the income statement as earned based on the following criteria:

- delivery has been made before year-end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received at the time of sale or may with reasonable certainty be expected to be received.

Based on the above, revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Accounting Policies

Corporation tax and deferred tax

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity. Any share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year.

Current tax liabilities and current tax receivable are recognised in the balance sheet.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes or other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, are measured at the value at which the asset is expected to be realised.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish Group Companies. The tax effect of the joint taxation is allocated to Danish enterprises showing profits or losses in proportion to their taxable income.

Accounting Policies

Income Statement

Administrative expenses

Administrative expenses include expenses for, administrative cost, external advice, etc.

Financial income and expenses

Financial income and expenses include interest, realised and unrealised exchange adjustments.

Balance Sheet

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Equity

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation. Provisions are measured at amortized cost, substantially corresponding to nominal value.

Other payables

Other payables is measured to amortized costprice, which practically is the same as nominal value.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2017</u> DKK '000	<u>2016</u> DKK '000
Administrative expenses		- 523	-1 273
Operating profit/loss		- 523	-1 273
Exchange gain		46	174
Other financial income		0	16
Financial income		46	190
Exchange loss		-162	-81
Other financial expenses		-59	0
Financial expenses		- 221	- 81
Profit/loss before tax		- 698	-1 164
Tax on profit/loss for the year		73	300
Net profit/loss for the year		- 625	- 864
Distribution of profit			
Proposed distribution of profit			
Retained earnings		- 625	- 864
		- 625	- 864

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2017</u> DKK '000	<u>2016</u> DKK '000
Receivables from group enterprises		4	4
Other receivables		196	274
Corporation tax		<u>176 118</u>	<u>176 301</u>
Receivables		<u>176 318</u>	<u>176 579</u>
 Cash at bank and in hand		 <u>8 003</u>	 <u>8 567</u>
 Current assets		 <u>184 321</u>	 <u>185 146</u>
 Assets		 <u>184 321</u>	 <u>185 146</u>

Balance Sheet 31 December

Liabilities and equity

	Note	2017 DKK '000	2016 DKK '000
Share capital	1	31 000	31 000
Retained earnings		153 319	153 944
Equity		184 319	184 944
Trade payables		2	189
Payables to group enterprises		0	13
Short-term debt		2	202
Debt		2	202
Liabilities and equity		184 321	185 146
Contingent liabilities	2		
Related parties	3		

Notes to the Annual Report

1 Share capital

	Share capital	Retained earnings	Total
	DKK '000	DKK '000	DKK '000
Equity at 1 January 2017	31 000	153 944	184 944
Net profit/loss for the year		- 625	- 625
Equity at 31 December 2017	31 000	153 319	184 319

The share capital consists of 31,000 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There has been no changes in the Company's share capital in the past 5 years.

2 Contingent liabilities

The Danish companies in the DuPont Group are jointly taxed and jointly liable for the total tax of the Group. The net payable tax is included in the annual report of Dupont Denmark Holding ApS, which is the administration company for the group taxation. Any later corrections of the taxable income may increase the total liable amount.

The Danish tax authorities have at the end of April 2009 with a subsequent correction in December 2009 made a claim to significantly increase the taxable income for 2003. Solae Denmark ApS disagreed to this claim, and consequently appealed to the Danish National Tax Tribunal, which in October 2015 issued its decision. Despite in its decision the Danish National Tax Tribunal reduced the amount of the claim of the Danish tax authorities, Solae Denmark ApS still disagrees with this decision considering that important facts have still not been taken into consideration. Consequently, Solae Denmark ApS has appealed to the Aarhus District Court in January 2016, the appeal procedure which includes several phases of submission of additional information and answers from the two Parties is still ongoing. Due to the nature of the situation it is not possible to assess the monetary implication or the time of completion.

3 Related parties

DowDuPont Inc. prepares consolidated accounts for the largest group. The Group Annual Report may be obtained at www.Dow-DuPont.com.