



AZELIS DENMARK A/S

Lundtoftegårdsvej 95


2800 Kongens Lyngby

CVR No. 26991064

Annual Report 1. January - 31. December 2017

15. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on

 10/7-2018

Chairman

Contents

Management's Statement	3
Independent Auditor's Report	4
Company Information	6
Management's Review	7
Key Figures and Financial Ratios	9
Accounting Policies	10
Income Statement	15
Balance Sheet	16
Notes	19

Management's Statement

Today, Management has considered and adopted the Annual Report of AZELUS DENMARK A/S for the financial year 1 January 2017 - 31 December 2017.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

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

Kgs. Lyngby, 10/2-2018

Executive Board



Gert Allan Schnoor
Man. Director

Supervisory Board



Anna Bertona
Chairman



Thijs William Bakker



Gert Allan Schnoor
Man. Director



Steffen Kristensen

Independent Auditor's Report

To the shareholders of AZELIS DENMARK A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of Azelis Denmark A/S at 31 December 2017, and of the results of Azelis Denmark A/S's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Azelis Denmark A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet and statement of changes in equity and notes ("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 Azelis Denmark A/S 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

Independent Auditor's Report

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.

Hellerup,

10/2 - 2018

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33771231


Leif Ulbæk Jensen
State Authorised Public Accountant
mne23327


Anders Røjleskov
State Authorised Public Accountant
mne28699

Company details

Company	AZELIS DENMARK A/S Lundtoftegårdsvej 95 2800 Kongens Lyngby
CVR No.	26991064
Registered office	Lyngby-Tårnbæk
Financial year	1 January 2017 - 31 December 2017
Supervisory Board	Anna Bertona, Chairman Thijs William Bakker Gert Allan Schnoor , Man. Director Steffen Kristensen
Executive Board	Gert Allan Schnoor , Man. Director

Management's Review

The Company's principal activities

The Group's most significant business activity is to sell De-Icing salt, Chemicals and Food Ingredients primarily within the Nordic market area.

Development in activities and financial matters

Azelis Denmark A/S has during 2017 acquired the Food Ingredients company LCH A/S in order to strengthen the activities within this business segment in the Nordic area.

All Danish companies in the Azelis Group has been merged with effect from January 1st 2017 with Azelis Denmark A/S as the continuing company which will increase effectiveness and simplify the work procedure.

The Company's Income Statement of the financial year 01-01-2017 - 31-12-2017 shows a result of DKK -6.337.163 and the Balance Sheet at 31-12-2017 a balance sheet total of DKK 272.396.784 and an equity of DKK 29.525.281.

The comparison figures for 2016 has not been adjusted for the effect from the merge with LCH A/S as Azelis Denmark A/S did not have the ownership in that period.

The result for the year has improved in most segments but is still negatively influenced by the mild winter and the loss of contracts within the De-Icing bulk segment, extraordinary impairment of the inventory and amortization of Good-Will related to the newly acquired company.

The Company's results are not deemed satisfactory.

Outlook

For 2018 the Company expects an increase in revenue and an improved result.

Material assumptions and uncertainties

The financing facility held by the Parent, Azelis Holding S.A., and utilized by the Group, including Azelis Denmark A/S, is subject to financial covenants which the Group forecasts will be met within the next 12-month period. Full details of the Group's facility and going concern status are included within the consolidated financial statements of Azelis Holding S.A., 19 rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg.

Corporate Social Responsibility

The Azelis Group has developed a global strategy for Corporate Social Responsibility (CSR). The Azelis Group has issued a CSR statement, which can be requested from the Company.

The CSR policy has been developed and based on the globally recognized standards of "Global Compact", the UN's 17 "Sustainable Development Goals", ISO 2600 and GRI4.

The Azelis Groups priorities and policies includes all 7 core subjects of Corporate Social Responsibility: Organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues and community involvement and development.

The Azelis Group expects to launch the first CSR report in 2018.

Gender distribution in the Board

Azelis Denmark A/S does not have a specific policy regarding the gender distribution in the Board, however the Company board of 4 people does have a split of gender of 25/75 (female/male).

The Company will work for increasing the number of females within the Management so that it will be at least 40% of the general assembly elected members of the Board of Directors and that the number of females also will be increased in the underlying management levels.

Management's Review

The staff policy is taken care off centrally and is supervised by the Board of Directors. The goal shall be achieved by equal career possibilities for both genders.

By end of 2017 the number of females amongst the general assembly elected members of the Board of Directors was 25%. By end of 2017 there was no female representation in the Management level.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of the financial position of the company.

Azelis Denmark A/S has in 2018 acquired the activity of a Swedish food ingredients company in order to continue the expansion in the Swedish market.

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

Numbers appear in thousands

	2017	2016	2015	2014	2013
Net turnover	410.371	317.662	299.986	312.596	361.823
Gross profit / loss	44.053	41.353	30.301	39.012	41.091
Operating profit/loss	-4.696	2.114	-26.138	-17.285	-13.812
Net financial income and expenses	-2.732	-2.487	-8.251	-8.131	-12.038
Profit/loss for the year	-6.337	-234	-34.466	-30.845	-25.084
Balance	272.397	223.572	211.793	265.396	235.327
Total equity	29.525	-18.557	-18.300	33.771	9.526
Investment in Investment in					
Property, plant and equipment	447	242	849	2.654	1.115
Avg. no. of emp.	63	55	54	52	63
Gross profit ratio (%)	10,73	13,02	10,10	12,48	11,36
Return on equity (ROE) (%)	-115,55	-1,26	-445,57	-142,48	-263,32
Solvency ratio (%)	10,84	-8,30	-8,64	12,72	4,04
Revenue per full-time employee	6.514	5.776	5.555	6.011	5.743
EBITDA	-544	4.125	-5.913	4.817	8.021

For definitions of key ratios, see Accounting and Valuation Principles

The comparative figures are adjusted as a result of the business combination between Azelis Denmark Smoke Ingredients A/S, Azelis Nordic Holding ApS and Azelis Denmark A/S.

The comparative figures has not been adjusted as a result of the business combination with LCH A/S as of 1 January 2017 because the company was acquired in 2017.

Accounting Policies

Reporting Class

The Annual Report of AZELIS DENMARK A/S for 2017 has been presented in accordance with the provisions of the Danish financial statements Act applying to big-sized enterprises of reporting class C.

The Company has also decided not to include an cash flow statement due to Danish Financial Statements Act §86, 4.

Referring to section 112 (1) of the Danish Financial Statement Act, Azelis Demnark A/S has not prepared any consolidated financial statement. The financial statement of Azelis Denmark A/S and its subsidiaries are included in the consolidated financial statement of Azelis S. A.

Changed accounting policies, estimates and errors

The company is merged with its parent company Azelis Holding ApS and the sistercompany Azelis Smoke Ingredients ApS. The comparative figures are adjusted so that the impact of this merger is incorporated in the comparative figures.

Businesscombinations

Newly acquired or newly established companies are recognized in the consolidated financial statements from the acquisition date. Sold or settled Companies are recognized in the consolidated financial statements until the date of disposal. Comparative figures are not corrected for newly acquired companies. Discontinued activities are presented separately.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, 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 are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant

Accounting Policies

effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature to the principal activity of the Company.

Raw materials and consumables

Costs for raw materials and consumables comprise purchase of goods and services for resale.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Completed development projects	5 years	0%
Concessions, patents, licens, trademarks and other similar rights	7-10 years	0%
Goodwill	7 years	0%
Properties	20-50 years	0%
Plant and machinery	5-10 years	0%
Other fixtures and fittings, tools and equipment	3-10 years	0%
Leasehold improvements	5 years	0%

Land is not amortised.

Depreciation period and residual value are reassessed annually.

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under amortisation.

Income from equity investments in group enterprises and associates

Accounting Policies

Income from equity investments comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortisation of consolidated goodwill.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Other intangible assets, including licences and acquired rights etc., are measured at cost less accumulated amortisation and impairment losses.

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Tangible assets that are leased and meet the conditions for financial leasing are treated according to the same guidelines as those applying to purchased assets.

The cost of financially leased assets is measured at the lower value of the purchase prices according to the leases and the present value of the lease payments, determined on the basis of the interest rate implicit in the leases.

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured by the equity method at the proportionately owned share of the equity of the enterprises plus any consolidated goodwill, less intercompany profit and negative goodwill. Enterprises with negative equity are measured at 0 as the negative value corresponding to the proportionate share is offset against receivables, if any. Amounts beyond this are recognised in the provisions item, if there is a legal or actual obligation to cover the negative balance.

Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Finance lease commitments

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Accounting Policies

Accounting policies Cash Flow Statement

According to the section 86 (4) of the the Danish Financial Statement Act, no cash flow statement has been prepared as it is included in thn consolidated financial statement of Azelis Holding S.A.

Explanation of financial ratios

Gross Profit ratio (%)	=	$\frac{\text{Revenue - Variable cost}}{\text{Revenue}}$
Return on Equity (%)	=	$\frac{\text{Net income}}{\text{Average equity}}$
Solvency Ratio (%)	=	$\frac{\text{Equity}}{\text{Total assets}}$
Revenue per full time employee	=	$\frac{\text{Revenue}}{\text{Full time employees}}$
EBITDA-margen	=	Earnings before depreciation

Income Statement

	Note	2017 kr.	2016 kr.
Revenue	1	410.370.564	317.662.346
Change in inventories of finished goods, work in progress and goods for resale		-7.308.770	-1.346.394
Other operating income		-7.655.077	851.508
Raw materials and consumables used		-314.106.766	-242.070.977
Other external expenses		-37.247.367	-33.743.047
Gross result		44.052.584	41.353.436
Employee benefits expense	2	-44.596.666	-37.228.469
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	3	-4.151.690	-2.010.605
Profit from ordinary operating activities		-4.695.772	2.114.362
Income from investments in group enterprises and associates		1.176.133	1.249.375
Other finance income from group enterprises		6.642.435	6.871.811
Finance income		929.766	2.652.161
Finance expenses arising from group enterprises		-10.044.117	-10.535.218
Other finance expenses		-1.436.321	-2.725.589
Profit from ordinary activities before tax		-7.427.876	-373.098
Tax expense on ordinary activities	4	1.090.713	139.341
Profit		-6.337.163	-233.757
Proposed distribution of results			
Retained earnings		-6.337.163	-233.757
Distribution of profit		-6.337.163	-233.757

Balance Sheet as of 31 December

	Note	2017 kr.	2016 kr.
Assets			
Acquired customer portfolio	5	15.891.944	796.063
Goodwill	6	20.660.462	0
Intangible assets		36.552.406	796.063
Land and buildings	7	254.022	237.068
Plant and machinery	8	2.187.528	2.404.601
Fixtures, fittings, tools and equipment	9	412.264	122.002
Property, plant and equipment		2.853.814	2.763.671
Long-term investments in group enterprises	11, 12	11.950.126	11.037.424
Investments		11.950.126	11.037.424
Fixed assets		51.356.346	14.597.158
Work in progress		86.249	1.087.600
Manufactured goods and goods for resale		36.164.883	37.791.682
Inventories	13	36.251.132	38.879.282
Short-term trade receivables		39.401.999	33.670.888
Short-term receivables from group enterprises		127.985.993	129.249.340
Other short-term receivables		2.765.189	2.808.398
Prepayments	14	200.235	166.872
Current deferred tax	15	5.680.131	636.909
Timing differences, short-term receivables (especially utilities)		146.322	366.025
Receivables		176.179.869	166.898.432
Cash and cash equivalents		8.609.437	3.197.435
Current assets		221.040.438	208.975.149
Assets		272.396.784	223.572.307

Balance Sheet as of 31 December

	Note	2017 kr.	2016 kr.
Liabilities and equity			
Contributed capital	16	3.000.000	3.000.000
Retained earnings		26.525.281	-21.556.517
Equity		29.525.281	-18.556.517
Payables to group enterprises		146.973.204	146.765.919
Long-term liabilities other than provisions	17	146.973.204	146.765.919
Trade payables		43.425.874	30.028.491
Payables to group enterprises		23.806.366	46.785.083
Tax payables		6.581.467	1.121.846
Other payables		19.278.720	14.530.636
Deferred income, liabilities		2.805.872	2.733.676
Lease commitments		0	163.173
Short-term liabilities other than provisions		95.898.299	95.362.905
Liabilities		242.871.503	242.128.824
Liabilities and equity		272.396.784	223.572.307
Subsequent events	18		
Contingent liabilities	19		
Collaterals and assets pledges as security	20		
Ownership	21		
Related parties	22		
Fees for auditors elected on the general meeting	23		

AZELIS DENMARK A/S

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 31 December 2016	3.000.000	151.311.327	154.311.327
Adjustment due to merger		-172.867.844	-172.867.844
Adjusted equity 1 January 2017	3.000.000	-21.556.517	-18.556.517
Cashcontribution		55.000.000	55.000.000
Exchange rate adjustments		-581.039	-581.039
Profit (loss)		-6.337.163	-6.337.163
Equity 31 December 2017	3.000.000	26.525.281	29.525.281

Notes

	2017	2016
1. Revenue		
Revenue is recognized exclusive of VAT and net of discounts relating to sales. The Company has no significant markets besides the Danish market. In consideration of the Company's chemical segments, the Company considers distribution of different chemicals as one business segment.		
2. Employee benefits expense		
	2017	2016
Wages and salaries	40.031.825	33.839.895
Post-employment benefit expense	3.697.074	2.553.487
Social security contributions	867.767	835.087
	<u>44.596.666</u>	<u>37.228.469</u>
<i>Hereof remuneration to management</i>		
Management	1.958.666	1.735.675
Board of directors	1.721.884	1.409.100
	<u>3.680.550</u>	<u>3.144.775</u>
Average number of employees	<u>63</u>	<u>55</u>
3. Depreciation, ammortisation and impairment losses		
Amortisation of intangible assets	-2.718.265	-594.679
Depreciation of property, plant and equipment	-1.433.425	-1.415.926
	<u>-4.151.690</u>	<u>-2.010.605</u>
4. Tax expense		
Current income taxes	7.072.655	745
Change in deferred tax assets	-8.163.368	-140.086
	<u>-1.090.713</u>	<u>-139.341</u>
5. Acquired customer portfolio		
Cost at the beginning of the year	7.591.378	7.591.378
Addition from merger	16.095.006	0
Cost at the end of the year	<u>23.686.384</u>	<u>7.591.378</u>
Depreciation and amortisation at the beginning of the year	-6.795.315	-6.200.636
Amortisation for the year	-999.125	-594.679
Impairment losses and amortisation at the end of the year	<u>-7.794.440</u>	<u>-6.795.315</u>
Carrying amount at the end of the year	<u>15.891.944</u>	<u>796.063</u>

Notes

	2017	2016
6. Goodwill		
Cost at the beginning of the year	229.199.594	229.199.594
Addition from merger	24.559.047	0
Cost at the end of the year	253.758.641	229.199.594
Revaluations at the beginning of the year	-229.199.594	-229.199.594
Addition from merger	-2.179.445	0
Revaluations at the end of the year	-231.379.039	-229.199.594
Amortisation for the year	-1.719.140	0
Impairment losses and amortisation at the end of the year	-1.719.140	0
Carrying amount at the end of the year	20.660.462	0
7. Land and buildings		
Cost at the beginning of the year	1.678.136	1.678.136
Addition during the year, incl. improvements	17.846	0
Cost at the end of the year	1.695.982	1.678.136
Depreciation and amortisation at the beginning of the year	-1.441.068	-1.441.068
Amortisation for the year	-892	0
Impairment losses and amortisation at the end of the year	-1.441.960	-1.441.068
Carrying amount at the end of the year	254.022	237.068
8. Plant and machinery		
Cost at the beginning of the year	24.055.506	23.813.906
Addition from merger	795.557	0
Addition during the year, incl. improvements	189.856	241.600
Cost at the end of the year	25.040.919	24.055.506
Depreciation and amortisation at the beginning of the year	-21.650.905	-20.360.723
Depreciation and amortisation from merger	-94.809	0
Amortisation for the year	-1.107.677	-1.290.182
Impairment losses and amortisation at the end of the year	-22.853.391	-21.650.905
Carrying amount at the end of the year	2.187.528	2.404.601

Notes

	2017	2016
9. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	3.636.836	3.636.836
Addition from merger	1.443.475	0
Addition during the year, incl. improvements	156.251	0
Disposal during the year	-784.621	0
Cost at the end of the year	4.451.941	3.636.836
Depreciation and amortisation at the beginning of the year	-3.514.834	-3.389.089
Depreciation and amortisation from merger	-669.610	0
Amortisation for the year	-324.856	-125.745
Reversal of impairment losses and amortisation of disposed assets	469.623	0
Impairment losses and amortisation at the end of the year	-4.039.677	-3.514.834
Carrying amount at the end of the year	412.264	122.002
10. Leased assets		
Cost at the beginning of the year	1.522.560	1.522.560
Addition from merger	795.557	0
Cost at the end of the year	2.318.117	1.522.560
Depreciation and amortisation at the beginning of the year	-1.284.560	-1.165.560
Depreciation and amortisation from merger	-94.809	0
Amortisation for the year	-295.964	-119.000
Impairment losses and amortisation at the end of the year	-1.675.333	-1.284.560
Carrying amount at the end of the year	642.784	238.000
Note 11 is a part of note 9, it has no separate position in the balance.		
11. Long-term investments in group enterprises		
Cost at the beginning of the year	11.037.424	13.867.374
Eliminations due to mergers	0	-2.829.950
Loss from liquidation Azelis Latvia Sia	22.474	0
Share of profit/loss after taxes	1.249.245	0
Reversal of impairment losses	-359.017	0
Cost at the end of the year	11.950.126	11.037.424
Carrying amount at the end of the year	11.950.126	11.037.424

Notes

2017

2016

12. Disclosure in long-term investments in group enterprises and associates*Group enterprises*

Name	Registered office	Share held in %
Azelis Norway	Norway	100,00
Azelis Sweden	Sweden	100,00
Azelis Finland	Finland	100,00

13. Inventories*Inventories are stated as follows:*

Work in progress	86.249	1.087.600
Manufactured goods and goods for resale	36.164.883	37.791.682
Inventories in total	36.251.132	38.879.282

14. Prepayments

Prepaid Insurance	4.076	-63.429
Prepaid Utilities	196.159	230.301
Balance at the end of the year	200.235	166.872

15. Current deferred tax

Balance at the beginning of the year	636.909	496.823
Addition from merger	-3.120.146	0
Addition during the year	8.163.368	140.086
Balance at the end of the year	5.680.131	636.909

The deferred tax assets has been included in the balance per Dec 31st 2017 with t.kr. 5.680. The companys total tax asset amount to t.kr. 13.925. It is the managements assesment that the tax assets within a 5 year period, can be used for deduction in future positive taxable income.

The tax asset is included in the balance sheet based on the managements expectations to the result of the future operations of the copmany, and therefor naturally is subject to uncertainty.

16. Contributed capital

	Number	Par value DKK	Nominal value DKK'000
A-shares	1	3.000	3.000

17. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	0	0	146.973.204
	0	0	146.973.204

Notes

2017

2016

18. Subsequent events

No events have occurred after the balance sheet date to this date, which would influence the evaluation of the financial position of the Company.

However Azelis Denmark A/S has in 2018 acquired the activity of a Swedish food ingredients company in order to continue the expansion in the Swedish market.

19. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

20. Collaterals and securities

Azelis Denmark A/S has provided a guarantee for subsidiary Azelis Finland OY as security for their agreement with the Finnish Customs authorities.

Deposit of DKK 600.000 has been placed as security with financial institutions.

21. Consolidation

Name and registered office of the parent preparing consolidated financial statements for the largest group:

Atlas Holding S.A
19 Rue Gabriel Lippmann, L-6365 Munsbach Luxembourg.

22. Related parties

Azelis S. A. is the 100% owner of Azelis Denmark A/S, all transactions with related parties have been conducted on market terms.

23. Fees for auditors elected on the general meeting

Statutory audit	324.336	308.793
Other assurance reports	20.000	29.000
Tax consultancy	0	0
	<u>344.336</u>	<u>337.793</u>

24. Collaterals and commitments regarding rent- and leaseagreements, not in the balancesheet

Rent commitments	6.055.590	9.052.000
Operational leasing	3.889.930	4.277.270
	<u>9.945.520</u>	<u>13.329.270</u>