

Azelis Nordic Holding ApS

Lundtoftegårdsvej 95

2800 Kongens Lyngby

CVR No. 27311121

Annual Report 2015

13. financial year

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

23/6 2016



Chairman

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Azelis Nordic Holding ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of Azelis Nordic Holding ApS for the financial year 1 January 2015 - 31 December 2015.

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 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015.

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

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

Kgs. Lyngby, 23/6 2016

Executive Board



Andrew Paul Johnson
Man. Director

Supervisory Board



Hans Joachim Müller
Chairman



Steffen Kristensen



Andrew Paul Johnson
Man. Director



Martin Hollenhorst

Independent Auditor's Report

To the shareholders of Azelis Nordic Holding ApS

Report on the Financial Statements

We have audited the Financial Statements of Azelis Nordic Holding ApS for the financial year 1 January 2015 - 31 December 2015, which comprise income statement, balance sheet, statement and changes in equity, and notes, including summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal controls as Management determines is necessary to enable preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We have conducted our audit in accordance with international standards on auditing and additional requirements under Danish auditor regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatements.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualifications.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in consistent with the Financial Statements.

Kgs. Lyngby, 23/6-2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No. 33 77 12 31



Leif Ulbæk Jensen
State Authorised Public Accountant



Anders Røjleskov
State Authorised Public Accountant

Company details

Company	Azelis Nordic Holding ApS Lundtoftegårdsvej 95 2800 Kongens Lyngby
Telephone	4546263333
Telefax	4546931334
CVR No.	27311121
Registered office	Lyngby-Tårnbæk
Financial year	1 January 2015 - 31 December 2015
Supervisory Board	Hans Joachim Müller , Chairman Andrew Paul Johnson , Man. Director Martin Hollenhorst Steffen Kristensen
Executive Board	Andrew Paul Johnson , Man. Director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

Management's Review

Primary activities

The company is a holding company which owns the shares in Azelis Denmark A/S.

The main activities of the Azelis Denmark Group is international distribution and sale of road salt, chemicals and food ingredients and raw materials to various industries.

Development in activities and finances

The Company's income statement for the year shows a net loss of DKK 34,519 thousand (2014 : loss of DKK 48,291 thousand). The amount comprises partly a negative result in the subsidiary Azelis Denmark A/S and partly amortization of goodwill less interest. The amount is also negative due to an extraordinary payment of cost related to the new Group finance structure.

After deduction of the loss for the year, the equity is negative with DKK -18,300 thousand (2014 : DKK 16,324 thousand).

The Company has planned a Capital increase in 2016 of DKK 20,000 thousand in order to strengthen the Company's financial situation.

The Company has received a letter of support from Azelis Holding S.A. in which it confirms to support the Company. The Comfort letter expires on February 8th 2017.

The financing facility held by the Parent, Azelis Holding S.A., and utilized by the Group, including Azelis Nordic Holding ApS, 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. from Azelis S.A., 19 rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting Policies

Reporting Class

The Annual Report of Azelis Nordic Holding ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

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

Reporting currency

The Annual Report is presented in Danish kroner.

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 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.

Accounting Policies

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

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.

Balance Sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method under equity

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 5 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

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.

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.

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.

Income Statement

	Note	2015 kr.	2014 kr.
Other external expenses		<u>-175.366</u>	<u>-189.378</u>
Gross result		<u>-175.366</u>	<u>-189.378</u>
Profit from ordinary operating activities		<u>-175.366</u>	<u>-189.378</u>
Income from investments in group enterprises and associates		-20.186.617	-31.841.581
Other finance income from group enterprises		-4.419.146	-1.194
Finance income	1	379.973	448.960
Finance expenses	2	<u>-9.987.826</u>	<u>-11.332.580</u>
Profit from ordinary activities before tax		<u>-34.388.982</u>	<u>-42.915.773</u>
Tax expense on ordinary activities		<u>-130.413</u>	<u>-5.375.369</u>
Profit		<u>-34.519.395</u>	<u>-48.291.142</u>
Proposed distribution of results			
		<u>34.519.395</u>	<u>48.291.141</u>
		<u>34.519.395</u>	<u>48.291.141</u>

Balance Sheet as of 31. December

	Note	2015 kr.	2014 kr.
Assets			
Long-term investments in group enterprises	3, 4	146.049.859	166.732.505
Investments		<u>146.049.859</u>	<u>166.732.505</u>
Fixed assets		<u>146.049.859</u>	<u>166.732.505</u>
Short-term tax receivables from group enterprises		228.557	2.080.773
Prepaid expenses		10.285	79.068
Receivables		<u>238.842</u>	<u>2.159.841</u>
Current assets		<u>238.842</u>	<u>2.159.841</u>
Assets		<u>146.288.701</u>	<u>168.892.346</u>

Balance Sheet as of 31. December

	Note	2015 kr.	2014 kr.
Liabilities and equity			
Contributed capital	5	1.020.000	1.020.000
Retained earnings	6	-19.320.042	15.304.001
Equity		-18.300.042	16.324.001
Debt to banks		0	142.905.088
Payables to group enterprises		147.322.628	0
Long-term liabilities other than provisions	7	147.322.628	142.905.088
Payables to group enterprises		17.216.115	8.119.643
Deferred income, liabilities		50.000	1.543.614
Short-term liabilities other than provisions		17.266.115	9.663.257
Liabilities other than provisions within the business		164.588.743	152.568.345
Liabilities and equity		146.288.701	168.892.346
Other disclosures	8, 9		

Notes

	2015	2014
1. Finance income		
Other finance income	379.973	448.960
	<u>379.973</u>	<u>448.960</u>
2. Finance expenses		
Finance expenses arising from group enterprises	6.658.203	2.840.322
Other finance expenses	3.329.623	8.492.258
	<u>9.987.826</u>	<u>11.332.580</u>
3. Long-term investments in group enterprises		
Cost at the beginning of the year	268.038.505	268.038.505
Cost at the end of the year	<u>268.038.505</u>	<u>268.038.505</u>
Depreciation and amortisation at the beginning of the year	-101.306.000	-15.591.000
Exchanges rate adjustments	-104.648	-803.000
Amortisation of goodwill	-17.844.246	-19.587.000
Impairment losses relating to goodwill	0	-17.500.000
Reversal of impairment losses	0	-51.706.000
Share of profit/loss after tax	-2.733.753	3.881.000
Impairment losses and amortisation at the end of the year	<u>-121.988.647</u>	<u>-101.306.000</u>
Carrying amount at the end of the year	<u>146.049.859</u>	<u>166.732.505</u>
4. Disclosure in long-term investments in group enterprises and associates		
<i>Group enterprises</i>		
Name	Registered office	Share held in %
Azelis Denmark A/S	Lyngby	100,00
5. Contributed capital		
Balance at the beginning of the year	1.020.000	1.020.000
Balance at the end of the year	<u>1.020.000</u>	<u>1.020.000</u>
The share capital has remained unchanged for the last 5 years.		
6. Retained earnings		
Balance at the beginning of the year	15.304.001	63.595.142
Exchangerate adjustments	-104.648	0
Additions during the year	-34.519.395	-48.291.141
Balance at the end of the year	<u>-19.320.042</u>	<u>15.304.001</u>

Notes

	2015	2014	
7. Long-term liabilities			
	Due after 1 year	Due within 1 year	Due after 5 years
Intercompany loans	<u>0</u>	<u>0</u>	<u>147.322.628</u>
	<u>0</u>	<u>0</u>	<u>147.322.628</u>

8. Contingent liabilities

The company serves as an administration company in a Danish joint taxation arrangement. According to joint taxation provision of the Danish Cooperation Tax Act, the company is therefor liable from the financial year 2013 to pay taxes etc. for the jointly taxed companies, and from 1st of July 2012, also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

The company has no other liabilities.

9. 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