



## Azelis Nordic Holding ApS

Lundtoftegårdsvej 95

2800 Kongens Lyngby

CVR No. 27311121

## Annual Report 1. January - 31. December 2016

14. financial year

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

*18/6 2017*

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Steffen Kristensen  
Chairman

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## Management's Statement

Today, Management has considered and adopted the Annual Report of Azelis Nordic Holding ApS for the financial year 1 January 2016 - 31 December 2016.

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 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

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

Kgs. Lyngby, 19/6-2017

### Executive Board



Andrew Paul Johnson  
Man. Director

### Supervisory Board



Anna Bertona  
Chairman



Andrew Paul Johnson  
Man. Director



Thijs William Bakker



Steffen Kristensen

## Independent Auditor's Report

To the shareholders of Azelis Nordic Holding ApS

### Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31-12-2016 and of the results of its operations and cash flows for the financial year 01-01-2016 - 31-12-2016 in accordance with the Danish financial statements Act.

We have audited the financial statements of Azelis Nordic Holding ApS for the financial year 01-01-2016 - 31-12-2016, which comprise an income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish financial statements Act.

### Basis of 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 the Company 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 responsibility 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.

### The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

## Independent Auditor's Report

Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* 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,

19/6-2017

**PricewaterhouseCoopers**  
**Statsautoriseret Revisionspartnerselskab**  
CVR-no. 33771231

  
Leif Ulbæk Jensen  
State Authorised Public Accountant

  
Anders Røjleskov  
State Authorised Public Accountant

## Company details

<b>Company</b>	Azelis Nordic Holding ApS Lundtoftegårdsvej 95 2800 Kongens Lyngby
Telephone	4546263333
Telefax	4546931334
CVR No.	27311121
Registered office	Lyngby-Tårbæk
Financial year	1 January 2016 - 31 December 2016
<b>Supervisory Board</b>	Anna Bertona , Chairman Andrew Paul Johnson Thijs William Bakker Steffen Kristensen
<b>Executive Board</b>	Andrew Paul Johnson
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

## Management's Review

### **The Company's principal 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 De-Icing salt, chemicals and Food Ingredients and raw material to various industries.

### **Development in activities and financial matters**

The Company's income statement for the year shows a net result of DKK -235 thousand (2014: loss of DKK -34.519 thousand). The result comprises partly a positive result in the subsidiary Azelis Denmark A/S and partly a negative result in the Holding Company due to interest payments. The improvement of the result versus last year is impacted by Goodwill, which was fully amortized last year. After deduction of the loss for the year, the Equity is negative with DKK -18.557 thousand (2014: -18.300 thousand).

The Company has planned a Capital increase in 2017 of DKK 20.000 thousand in order to strengthen the Company's financial situation.

The Company has received a letter of Support from the parent company Azelis S.A., in which it confirms to support the Company. The letter of support expires on January 30th 2018.

The financing facility held by the Parent, Azelis S.A., and utilized by the Group, including Azelis Nordic Holding ApS, is subject to financial covenant's which the Group forecasts will be met within the next 12-month period. Full detail 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 2016 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 statement of Azelis 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. 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

### 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.

### 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.

## Accounting Policies

### Accrued income, assets

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

### 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	2016 kr.	2015 kr.
Other external expenses		-66.802	-175.366
<b>Gross result</b>		<b>-66.802</b>	<b>-175.366</b>
<b>Profit from ordinary operating activities</b>		<b>-66.802</b>	<b>-175.366</b>
Income from investments in group enterprises and associates		9.265.775	-20.186.617
Other finance income from group enterprises		12.938	-4.419.146
Finance income	1	645.653	379.973
Finance expences	2	-10.231.575	-9.987.826
<b>Profit from ordinary activities before tax</b>		<b>-374.011</b>	<b>-34.388.982</b>
Tax expense on ordinary activities		139.341	-130.413
<b>Profit</b>		<b>-234.670</b>	<b>-34.519.395</b>
<b>Proposed distribution of results</b>			
Retained earnings		- 234.670	-34.519.395
		<b>-234.670</b>	<b>-34.519.395</b>

## Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
<b>Assets</b>			
Long-term investments in group enterprises	3, 4	154.311.324	146.049.859
<b>Investments</b>		<u>154.311.324</u>	<u>146.049.859</u>
<b>Fixed assets</b>		<u>154.311.324</u>	<u>146.049.859</u>
Short-term tax receivables from group enterprises		1.577.502	228.557
Other short-term receivables	1	1	0
Deferred income		38.143	10.285
<b>Receivables</b>		<u>1.615.646</u>	<u>238.842</u>
<b>Cash and cash equivalents</b>		<u>28.088</u>	<u>0</u>
<b>Current assets</b>		<u>1.643.734</u>	<u>238.842</u>
<b>Assets</b>		<u>155.955.058</u>	<u>146.288.701</u>

## Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
<b>Liabilities and equity</b>			
Contributed capital	5	1.020.000	1.020.000
Retained earnings	6	-19.576.517	-19.320.042
<b>Equity</b>		<b>-18.556.517</b>	<b>-18.300.042</b>
Payables to group enterprises		146.765.919	147.322.628
<b>Long-term liabilities other than provisions</b>	7	<b>146.765.919</b>	<b>147.322.628</b>
Payables to group enterprises		27.700.656	17.216.115
Deferred income, liabilities		45.000	50.000
<b>Short-term liabilities other than provisions</b>		<b>27.745.656</b>	<b>17.266.115</b>
<b>Liabilities other than provisions within the business</b>		<b>174.511.575</b>	<b>164.588.743</b>
<b>Liabilities and equity</b>		<b>155.955.058</b>	<b>146.288.701</b>
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## Notes

	2016	2015
<b>1. Finance income</b>		
Other finance income	645.653	379.973
	<u>645.653</u>	<u>379.973</u>
<b>2. Finance expenses</b>		
Finance expenses arising from group enterprises	10.231.575	6.658.203
Other finance expenses	0	3.329.623
	<u>10.231.575</u>	<u>9.987.826</u>
<b>3. Long-term investments in group enterprises</b>		
Cost at the beginning of the year	268.038.505	268.038.505
<b>Cost at the end of the year</b>	<u>268.038.505</u>	<u>268.038.505</u>
Depreciation and amortisation at the beginning of the year	-121.988.646	-101.306.000
Exchange rate adjustment	-21.805	-104.648
Amortisation for the year	0	-17.844.246
Share of profit/losses after taxes	8.283.270	-2.733.752
<b>Impairment losses and amortisation at the end of the year</b>	<u>-113.727.181</u>	<u>-121.988.646</u>
<b>Carrying amount at the end of the year</b>	<u>154.311.324</u>	<u>146.049.859</u>
<b>4. Disclosure in long-term investments in group enterprises and associates</b>		
<i>Group enterprises</i>		
<b>Name</b>	<b>Registered office</b>	<b>Share held in %</b>
Azelis Denmark A/S	Lyngby	100,00
<b>5. Contributed capital</b>		
Balance at the beginning of the year	1.020.000	1.020.000
<b>Balance at the end of the year</b>	<u>1.020.000</u>	<u>1.020.000</u>
The share capital has remained unchanged for the last 5 years.		
<b>6. Retained earnings</b>		
Balance at the beginning of the year	-19.320.042	15.304.001
Exchange rate adjustments	-21.805	-104.648
Retained earnings	-234.670	-34.519.395
<b>Balance at the end of the year</b>	<u>-19.576.517</u>	<u>-19.320.042</u>

**Notes**

2016 2015

**7. Long-term liabilities**

	Due after 1 year	Due within 1 year	Due after 5 years
Intercompany loans			146.765.919
		0	<b>146.765.919</b>

**8. Collaterals and securities**

Azelis Nordic Holding ApS, has provided a guarantee for all bankloans to the Azelis Group. The guarantee is limited to the equity in the Company. All assets in the Company have been provided as security for the guarantee. Further information can be obtained in the consolidated accounts for Atlas Holding S.A.

**9. 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.

**10. 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