

BLUE CUBE DENMARK ApS

c/o TMF, Købmagergade 60, 1., 1150 København K

CVR no. 35 37 64 61

Annual report 2017

Approved at the Company's annual general meeting on 31 May 2018

Chairman:



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Ole Fynbo Hansen

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of BLUE CUBE DENMARK ApS for the financial year 1 January - 31 December 2017.


The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Executive Board has considered the criteria for omission of audit to be met.

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

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 May 2018
Executive Board:



Teresa Marie Vermillion

Irene Franck



Ole Fynbo Hansen

Independent auditor's report on the compilation of financial statements

To the general management of BLUE CUBE DENMARK ApS

We have compiled the financial statements of BLUE CUBE DENMARK ApS for the financial year 1 January - 31 December 2017 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed this compilation engagement in accordance with ISRS 4410 *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant ethical requirements in the Danish act on approved auditors and audit firms and FSR - Danish Auditors' code of ethics, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 31 May 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Lisa Hagedorn
State Authorized Public Accountant
MNE no.: mne30130

Management's review

Company details

Name	BLUE CUBE DENMARK ApS
Address, Postal code, City	c/o TMF, Købmagergade 60, 1., 1150 København K
CVR no.	35 37 64 61
Established	13 June 2013
Registered office	København
Financial year	1 January - 31 December
Executive Board	Teresa Marie Vermillion Irene Franck Ole Fynbo Hansen

Management's review

Business review

Blue Cube Denmark's main activities is selling epoxies globally on behalf of Blue Cube Germany to multinational customers active in coatings, wind, civil engineering applications etc. with the strategy of building long term business relations with both existing and new customers. The strategy of the company is to grow the business.

In 2017 the average number of staff (FTE) was 1. The employee has a shared responsibility for marketing and sales activities for the Blue Cube Group in Europe.

Financial review

In 2017, the Company's revenue amounted to DKK 2,612,188 against DKK 2,646,841 last year. The income statement for 2017 shows a profit of DKK 285,870 against a profit of DKK 351,012 last year, and the balance sheet at 31 December 2017 shows equity of DKK 922,305.

Management considers the Company's financial performance in the year satisfactory.

Special risks

There are no specific business risks for Blue Cube Denmark.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

In 2018, the company's revenue and profit will be comparable to 2017.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2017	2016
	Revenue	2,612,188	2,646,841
	Other external expenses	-463,496	-937,798
	Gross margin	2,148,692	1,709,043
2	Staff costs	-1,713,424	-1,268,152
	Profit before net financials	435,268	440,891
3	Financial income	16,743	14,292
4	Financial expenses	-55,093	-4,839
	Profit before tax	396,918	450,344
5	Tax for the year	-111,048	-99,332
	Profit for the year	285,870	351,012
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	842,305	0
	Retained earnings/accumulated loss	-556,435	351,012
		285,870	351,012

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2017</u>	<u>2016</u>
	ASSETS		
	Non-fixed assets		
	Receivables		
	Trade receivables	5,455	371,600
	Receivables from group enterprises	1,398,187	4,077,279
	Deferred tax assets	16,200	0
	Other receivables	44,221	53,418
	Prepayments	29,973	0
		<u>1,494,036</u>	<u>4,502,297</u>
	Cash	<u>97,458</u>	<u>171,450</u>
	Total non-fixed assets	<u>1,591,494</u>	<u>4,673,747</u>
	TOTAL ASSETS	<u><u>1,591,494</u></u>	<u><u>4,673,747</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	80,000	80,000
	Retained earnings	0	556,435
	Dividend proposed	842,305	0
	Total equity	<u>922,305</u>	<u>636,435</u>
	Provisions		
	Other provisions	202,842	0
	Total provisions	<u>202,842</u>	<u>0</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	17,039	69,674
	Payables to group enterprises	0	3,605,941
	Corporation tax payable	109,248	99,352
	Joint taxation contribution payable	59,198	59,198
	Other payables	280,862	203,147
		<u>466,347</u>	<u>4,037,312</u>
	Total liabilities other than provisions	<u>466,347</u>	<u>4,037,312</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>1,591,494</u></u>	<u><u>4,673,747</u></u>

- 1 Accounting policies
- 7 Contractual obligations and contingencies, etc.
- 8 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Dividend proposed</u>	<u>Total</u>
Equity at 1 January 2016	80,000	205,423	0	285,423
Transfer through appropriation of profit	0	351,012	0	351,012
Equity at 1 January 2017	80,000	556,435	0	636,435
Transfer through appropriation of profit	0	-556,435	842,305	285,870
Equity at 31 December 2017	<u>80,000</u>	<u>0</u>	<u>842,305</u>	<u>922,305</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of BLUE CUBE DENMARK ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods for resale and finished goods, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income Tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

DKK	2017	2016
2 Staff costs		
Wages/salaries	1,590,391	1,159,575
Other social security costs	123,033	108,577
	<u>1,713,424</u>	<u>1,268,152</u>
 Average number of full-time employees	 <u>1</u>	 <u>1</u>
 3 Financial income		
Exchange gain	16,743	14,292
	<u>16,743</u>	<u>14,292</u>
 4 Financial expenses		
Interest expenses, group entities	4,372	0
Other interest expenses	1,056	1,860
Exchange adjustments	44,943	2,979
Other financial expenses	4,722	0
	<u>55,093</u>	<u>4,839</u>
 5 Tax for the year		
Estimated tax charge for the year	127,248	99,352
Deferred tax adjustments in the year	-16,200	0
Tax adjustments, prior years	0	-20
	<u>111,048</u>	<u>99,332</u>

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2017	2016
6 Share capital		
Analysis of the share capital:		
80,000 shares of DKK 1.00 nominal value each	80,000	80,000
	80,000	80,000

The Company's share capital has remained DKK 80,000 over the past 5 years.

7 Contractual obligations and contingencies, etc.

Other contingent liabilities

The company was subject to the Danish scheme of jointly taxation an unlimited jointly and severally liable with other jointly taxed companies for the total corporation tax.

The company was jointly and severally liable with other jointly taxes group entities for payment of income taxes, taxes of dividends, interest and royalties.

8 Related parties

Information about consolidated financial statements

Parent	Domicile
Nedastra Holding B.V.	Axelsedam 3A, 5431 HH Terneuzen, Holland