

Brenntag Biosector A/S
Borupvang 5B, 2750 Ballerup

Company reg. no. 36 05 87 14

Annual report

2017

The annual report have been submitted and approved by the general meeting on the 17 May 2018.

Morten Mark Sørensen
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Brenntag Biosector A/S for the financial year 1 January to 31 December 2017.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Ballerup, 17 May 2018

Managing Director

Peter Holm Tygesen

Board of directors

Torsten Walz
Chairman

Morten Mark Sørensen

Thomas Bjørk Pedersen

Independent auditor's report

To the shareholder of Brenntag Biosector A/S

Opinion

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 operations for the financial year 1 January to 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Brenntag Biosector A/S for the financial year 1 January to 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 the Company in accordance with 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 the Management's Review

Management is responsible for the Management's Review.

Our opinion on the financial statements does not cover the Management's Review, and we do not express any form of assurance conclusions thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to contain material misstatement.

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 Statement Acts. We did not identify any material misstatement in Management's Review.

Independent auditor's report

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 with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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.

Independent auditor's report

- 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 the internal control that we identify during our audit.

Hellerup, 17 May 2018

PricewaterhouseCoopers

State Authorised Public Accountants
Company reg. no. 33 77 12 31

Ulrik Ræbild

State Authorised Public Accountant
mne33262

Company data

The company

Brenntag Biosector A/S
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2750 Ballerup

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Web site www.Brenntag-Biosector.com
E mail Main@Brenntag-Biosector.com

Company reg. no. 36 05 87 14
Domicile: Ballerup
Financial year: 1 January - 31 December

Board of directors

Torsten Walz, Chairman
Morten Mark Sørensen
Thomas Bjørk Pedersen

Managing Director

Peter Holm Tygesen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Bankers

Danske Bank
Holmens Kanal Afdeling
Holmens Kanal 2
1090 København K

Lawyer

Kromann Reumert
Sundkrogsgade 5
2100 København Ø

Parent company

Brenntag Nordic A/S
Borupvej 5B
2450 Ballerup
Denmark

Financial highlights

DKK in thousands.	2017	2016	2015	2014
Profit and loss account:				
Gross profit	82.081	122.409	72.383	70.939
Results from operating activities	17.068	58.504	31.242	41.608
Results before financial income and expense	15.210	55.927	29.682	41.608
Net financials	-56	-62	-75	-2
Results for the year	11.596	45.017	20.194	31.817
Balance sheet:				
Balance sheet sum	339.390	203.497	137.402	107.278
Investments in tangible fixed assets represent	22.912	43.744	11.009	10.318
Equity	158.413	157.237	112.220	92.026
Employees:				
Average number of full time employees	90	91	64	44
Key figures in %:				
Return on assets	4,4	27,2	21,6	38,8
Solvency ratio	46,7	77,3	81,7	85,8
Return on equity	7,3	33,4	19,8	34,6

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

The key figures appearing from the survey have been calculated as follows:

Return on assets	$\frac{\text{Results from primary activities (EBIT)} \times 100}{\text{Assets in total}}$
Equity share	$\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$
Solvency ratio	$\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$
Return on equity	$\frac{\text{Results for the year} \times 100}{\text{Average equity}}$

Management's review

The principal activities of the company

The Company's activity consists of the production and sale of adjuvants.

Sales are mainly effected to countries outside the EU.

Development in activities and financial matters

During the past year, the company have had a challenging development. The customers of Biosector have accrued too much stock of adjuvants, resulting in a decreased sale in financial year 2017, compared to the budget for same period.

Furthermore, the market have been affected by increased competition, causing pressure on obtainable prices.

Previously, Biosector had a large influx of personnel, primarily driven by regulatory and quality requirements associated with maintenance of production according to GMP standards. However, during 2017 a decrease in personnel occurred due to an increased focus on efficiency measures.

The result for the year 2017 decreased, and amounted to DKK 12m after tax, which we do not find satisfactory. This is caused mainly by increased competition in the market.

Earnings before financing show a profit of DKK 15m (2016: DKK 56m)

At year-end 2017, the company equity amounted to DKK 158m (2016: DKK 157m)

Special risks, operation risks and financial risks

Operating risks:

The Company produces and sells goods, and the risk is related to Company's production capacity.

Market risks:

The Company is currently subject to the competition and market situation – including customer expectations to the future and thus the demand for products offered by the Company.

Credit risks:

The Company's credit risks relate exclusively to our customers. Internal control systems in the form of tight credit control and application of external credit information imply that the Company is not subject to any material risks posed by individual customers or business partners, and, historically the Company has not realized any major bad debts.

Management's review

Strategy and targets

Strategy

The Company's strategy is to develop our core business, i.e. aluminum-based adjuvants, through an ever-stronger connection with our customer base in terms of delivering products and expertise to the customers. In addition, we will continuously expand our current production capacity to reflect the growth in the adjuvant market. Lastly, it is a strategic decision to work purposefully to expand our product portfolio through the development, and launch, of new and innovative adjuvants.

Targets and expectations for the year ahead

We expect an increased pressure in 2018 due to increased competition on prices and delivery. For our part, 2018 will be characterized by improvements in efficiency, implementation of new facilities and development. In 2018, we also seek to further develop our adjuvant platform through the maturation of current R&D projects in the pipeline.

External environment

Brenntag is continuously working on limiting our impact on the external environment surrounding our warehouses and factories in accordance with the current rules.

The Brenntag Group furthermore places a numbers of requirements on the Company's management of the external environment.

Accounting policies used

The annual report for Brenntag Biosector A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of Brenntag Biosector A/S and its group enterprises are included in the consolidated annual accounts for Brenntag AG, Essen, Germany.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the consolidated annual accounts of Brenntag AG, Essen, Germany.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is likely to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Accounting policies used

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Other operating costs

Other operating costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Accounting policies used

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Software

Software is measured at cost with deduction of accumulated amortisation. Software are amortised on a straight line basis over an evaluation of the expected useful life. Usually, the amortisation period is 3-8 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Buildings	30-40 years
Technical plants and machinery	4-10 years
Other plants, operating assets, fixtures and furniture	4-6 years
Decoration rented premises	6 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

Accounting policies used

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Financial fixed assets

Equity investments in group enterprises and associated enterprises

Equity investments in group enterprises and associated enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and associated enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

Accounting policies used

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Work in progress for the account of others

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is determined on the basis of an evaluation of the work performed, usually determined as the ratio of the costs incurred to the total expected cost of the contract in question.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Brenntag Biosector A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Accounting policies used

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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

Profit and loss account 1 January - 31 December

DKK in thousands.

<u>Note</u>		<u>2017</u>	<u>2016</u>
	Gross profit	82.081	122.409
2	Staff costs	-57.040	-60.947
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-7.973	-3.759
	Other operating costs	-1.858	-1.776
	Results before net financials	15.210	55.927
	Other financial income	153	48
	Other financial costs	-209	-110
	Results before tax	15.154	55.865
3	Tax on ordinary results	-3.558	-10.848
4	Results for the year	11.596	45.017

Balance sheet 31 December

DKK in thousands.

Assets		2017	2016
Note			
Fixed assets			
5 Software		1.026	1.088
Intangible fixed assets in total		<u>1.026</u>	<u>1.088</u>
6 Land and property		57.101	31.817
7 Production plant and machinery		54.630	30.194
8 Other plants, operating assets, and fixtures and furniture		270	509
9 Tangible assets under construction and prepayments for tangible assets		0	33.519
10 Decoration rented premises		507	1.145
Tangible fixed assets in total		<u>112.508</u>	<u>97.184</u>
11 Equity investments in group enterprises		150.291	0
Financial fixed assets in total		<u>150.291</u>	<u>0</u>
Fixed assets in total		<u>263.825</u>	<u>98.272</u>
Current assets			
Raw materials and consumables		2.441	2.917
Manufactured goods and trade goods		19.651	16.192
Inventories in total		<u>22.092</u>	<u>19.109</u>
Trade debtors		16.233	9.468
12 Work in progress for the account of others		17.679	15.526
Amounts owed by group enterprises		14.712	2.167
Other debtors		247	2.655
13 Prepayments		380	823
Debtors in total		<u>49.251</u>	<u>30.639</u>
Cash		4.222	55.477
Current assets in total		<u>75.565</u>	<u>105.225</u>
Assets in total		<u>339.390</u>	<u>203.497</u>

Balance sheet 31 December

DKK in thousands.

Equity and liabilities

Note		2017	2016
Equity			
14	Contributed capital	500	500
	Share premium account	59.709	59.709
	Results brought forward	98.204	86.608
	Proposed dividend for the financial year	0	10.420
	Equity in total	158.413	157.237
 Provisions			
15	Provisions for deferred tax	12.701	8.231
	Provisions in total	12.701	8.231
 Liabilities			
	Debt to group enterprises	27.539	0
	Earn-out, referring to acquisition of patent	126.560	0
	Long-term liabilities in total	154.099	0
	Trade creditors	7.835	8.077
	Debt to group enterprises	0	391
	Corporate tax	73	16.369
	Other debts	6.269	13.192
	Short-term liabilities in total	14.177	38.029
	Liabilities in total	168.276	38.029
	Equity and liabilities in total	339.390	203.497

1 Subsequent events

16 Contingencies

17 Related parties

Statement of changes in equity

DKK in thousands.

	Contributed capital	Share premium account	Results brought forward	Proposed dividend for the financial year	In total
Equity 1 January 2016	500	59.709	52.011	0	112.220
Profit or loss for the year brought forward	0	0	34.597	10.420	45.017
Equity 1 January 2017	500	59.709	86.608	10.420	157.237
Dividend for the financial year	0	0	0	-10.420	-10.420
Profit or loss for the year brought forward	0	0	11.596	0	11.596
	500	59.709	98.204	0	158.413

Notes

DKK in thousands.

1. Subsequent events

No events materially affecting the assessment og annual Report have occured after the balance sheet date.

	2017	2016
2. Staff costs		
Salaries and wages	51.005	55.337
Pension costs	5.404	5.029
Other costs for social security	631	581
	57.040	60.947
Average number of employees	90	91

In accordance with section 98 B(3) of Danish Financial Statements Act, remuneration to the Executive Board i not disclosed.

3. Tax on ordinary results

Tax of the results for the year, parent company	73	16.369
Adjustment for the year of deferred tax	3.251	-6.652
Adjustment of tax for previous years	-985	1.131
Adjustment of deffered tax previous years	1.219	0
	3.558	10.848

4. Proposed distribution of the results

Dividend for the financial year	0	10.420
Allocated to results brought forward	11.596	34.597
Distribution in total	11.596	45.017

Notes

DKK in thousands.

	31/12 2017	31/12 2016
5. Software		
Cost 1 January	1.155	0
Additions during the year	389	1.017
Disposals during the year	0	0
Transfers	0	138
Cost 31 December	1.544	1.155
Amortisation and writedown 1 January	-67	0
Amortisation for the year	-451	-67
Amortisation and writedown 31 December	-518	-67
Book value 31 December	1.026	1.088
Amortised over	<u>3-8 years</u>	
6. Land and property		
Cost 1 January	43.043	30.916
Additions during the year	9.464	9.095
Disposals during the year	0	0
Transfers	16.977	3.032
Cost 31 December	69.484	43.043
Depreciation and writedown 1 January	-11.226	-10.697
Depreciation for the year	-1.157	-529
Depreciation and writedown 31 December	-12.383	-11.226
Book value 31 December	57.101	31.817
Amortised over	<u>30-40 years</u>	

Notes

DKK in thousands.

	31/12 2017	31/12 2016
7. Production plant and machinery		
Cost 1 January	59.399	44.475
Additions during the year	13.313	6.948
Disposals during the year	-2	0
Transfers	16.542	7.976
Cost 31 December	89.252	59.399
Depreciation and writedown 1 January	-29.205	-26.728
Depreciation for the year	-5.417	-2.477
Depreciation and writedown 31 December	-34.622	-29.205
Book value 31 December	54.630	30.194
Amortised over		<u>4-10 years</u>
8. Other plants, operating assets, and fixtures and furniture		
Cost 1 January	1.051	480
Additions during the year	0	479
Disposals during the year	-92	0
Transfers	0	92
Cost 31 December	959	1.051
Amortisation and writedown 1 January	-542	-480
Depreciation for the year	-175	-62
Depreciation, amortisation and writedown for the year, assets disposed of	28	0
Amortisation and writedown 31 December	-689	-542
Book value 31 December	270	509
Amortised over		<u>4-6 years</u>

Notes

DKK in thousands.

	31/12 2017	31/12 2016
9. Tangible assets under construction and prepayments for tangible assets		
Cost 1 January	33.519	18.277
Additions during the year	0	26.594
Transfers	-33.519	-11.352
Cost 31 December	0	33.519
Book value 31 December	0	33.519
10. Decoration rented premises		
Cost 1 January	2.491	1.751
Additions during the year	135	627
Transfers	0	113
Cost 31 December	2.626	2.491
Depreciation and writedown 1 January	-1.346	-722
Depreciation for the year	-773	-624
Depreciation and writedown 31 December	-2.119	-1.346
Book value 31 December	507	1.145
Amortised over	6 years	

Notes

DKK in thousands.

	<u>31/12 2017</u>	<u>31/12 2016</u>
11. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January	0	0
Additions during the year	150.291	0
Disposals during the year	0	0
Cost 31 December	150.291	0
Book value 31 December	150.291	0
The items include goodwill with an amount of	23.731	0
Goodwill is recognised under the item "Additions during the year" with an amount of	23.731	0

Notes

DKK in thousands.

	<u>31/12 2017</u>	<u>31/12 2016</u>
12. Work in progress for the account of others		
Sales value of the production of the period	39.960	37.807
Payments on account received	-22.281	-22.281
Work in progress for the account of others, net	<u>17.679</u>	<u>15.526</u>
13. Prepayments		
Prepaid rent	245	230
Prepaid leasing	0	25
Other prepaid expenses	135	568
	<u>380</u>	<u>823</u>
14. Contributed capital		
The Share capital consist of 500,000 shares, each with a nominal value of DKK 1. No shares hold particular rights.		
15. Provisions for deferred tax		
Provisions for deferred tax 1 January	8.231	14.883
Deferred tax of the results for the year	3.251	-6.652
Adjustment of deferred tax previous years	1.219	0
	<u>12.701</u>	<u>8.231</u>
The following items are subject to deferred tax:		
Intangible fixed assets	226	-459
Tangible fixed assets	5.249	2.684
Current assets	7.226	6.006
	<u>12.701</u>	<u>8.231</u>

Notes

DKK in thousands.

16. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered into operating leases with an average annual lease payment of DKK 192k. The leases have remaining terms to maturity of between 6-60 months with a total remaining lease payment of DKK 484k.

The Company has entered into leases with a total obligation of DKK 10,155k. The lease may be terminated at 6-24 months' notice.

Joint taxation

Brenntag Nordic A/S, company reg. no 24994589 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

17. Related parties

Controlling interest

Brenntag Nordic A/S, Ballerup

Majority shareholder

Transactions

During the year, there have been no transactions with Board of Directors, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Consolidated annual accounts

The company is included in the Consolidated Financial Statements of Brenntag AG, Essen, Germany.

The Consolidated Financial Statement may be obtained at www.brenntag.com when the Consolidated Financial Statements have been presented.

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Peter Holm Tygesen

Adm. direktør

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Morten Mark Sørensen

Bestyrelsesmedlem

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Thomas Bjørk Pedersen

Bestyrelsesmedlem

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Torsten Walz

Bestyrelsesformand

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NEM ID 

Ulrik Ræbild

Statsautoriseret revisor

På vegne af: PricewaterhouseCoopers Statsautoriseret

Revisionspartnerselskab

Serienummer: CVR:33771231-RID:18477328

IP: 83.136.94.4

2018-05-18 06:26:56Z

NEM ID 

Morten Mark Sørensen

Dirigent

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