

# Sika Danmark A/S

Hirsemarken 5, 3520 Farum

CVR no. 55 18 81 14

## Annual report

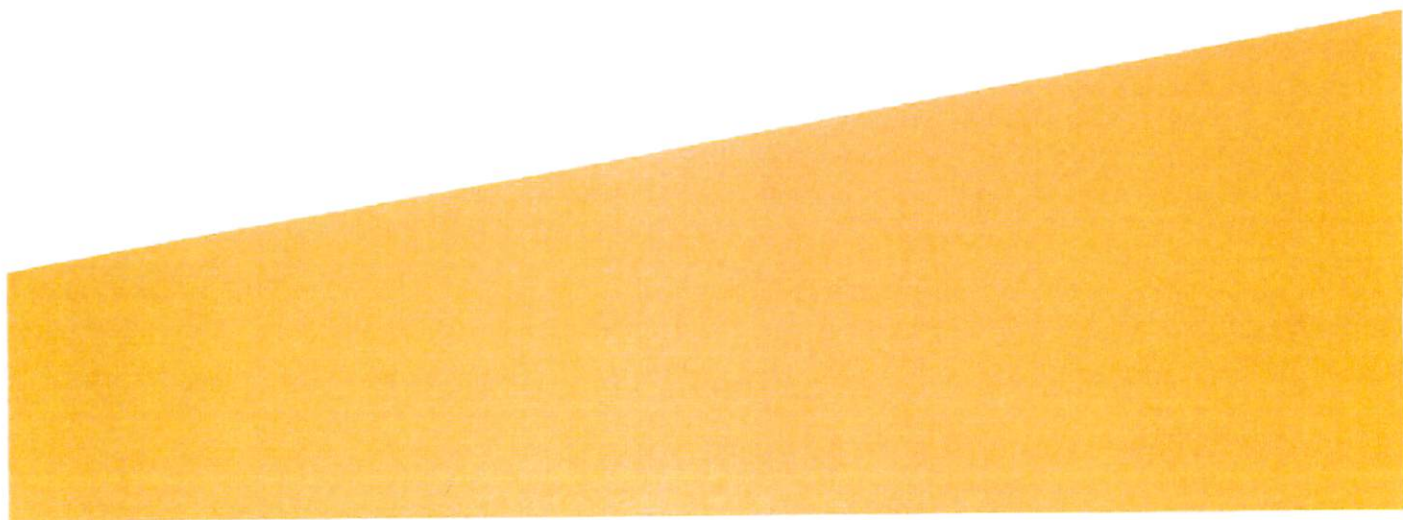
for the year 1 January - 31 December 2017

Approved at the Company's annual general meeting on 23 May 2018

Chairman:



.....  
Martin Schwalbe





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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Sika Danmark A/S for the financial year 1 January - 31 December 2017.

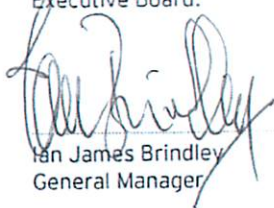
The annual report is prepared in accordance with the Danish Financial Statements Act.

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 development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Furesø, 23 May 2018  
Executive Board:

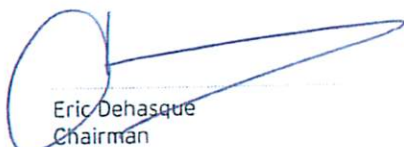


Ian James Brindley  
General Manager



Martin Schwalbe  
Head Finance

Board of Directors:




Eric Dehasque  
Chairman


Daniel Lang



Pascal Michael Rave



Maria Holm  
Elected by the employees



Lars Pedersen  
Elected by the employees

## Independent auditor's report

To the shareholders of Sika Danmark A/S

### Opinion

We have audited the financial statements of Sika Danmark A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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 in accordance with the Danish Financial Statements Act.

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

### Independence

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 rules and requirements.

### 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 as to 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 can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 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.



## Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note 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.

### 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 conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the 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 be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 23 May 2018  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Henrik Pedersen  
State Authorised Public Accountant  
MNE no.: mne35456



## Management's review

### Company details

Name	Sika Danmark A/S
Address, Postal code, City	Hirsemarken 5, 3520 Farum
CVR no.	55 18 81 14
Registered office	Furesø
Financial year	1 January - 31 December
E-mail	sika@dk.sika.com
Telephone	+45 48 18 85 85
Board of Directors	Eric Dehasque, Chairman Daniel Lang Pascal Michael Rave Maria Holm, Elected by the employees Lars Pedersen, Elected by the employees
Executive Board	Ian James Brindley, General Manager Martin Schwalbe, Head Finance
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuhs Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Danske Bank Citibank Landsbankinn



## Management's review

### Financial highlights

DKK'000	2017	2016	2015	2014	2013
<b>Key figures</b>					
Gross margin	43,721	38,969	33,560	40,510	50,988
Operating profit/loss	8,371	2,725	-6,856	-8,901	-4,370
Net financials	-585	-1,525	-2,161	-2,041	-3,722
Profit/loss for the year	6,071	8,130	-8,729	-9,730	-7,850
<b>Total assets</b>					
Equity	76,636	97,460	100,154	101,764	122,483
	18,827	12,756	-38,014	-29,286	-19,556
<b>Financial ratios</b>					
Return on assets	9.6%	2.8%	-6.8%	-7.9%	-3.6%
Current ratio	129.9%	110.4%	68.0%	73.1%	76.8%
<b>Average number of employees</b>					
	51	54	59	78	84

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios.

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on assets	$\frac{\text{Profit/loss from operating activities}}{\text{Average assets} \times 100}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$



## Management's review

### Business review

Sika Danmark A/S is a subsidiary of Sika AG, a global company located in Baar, Switzerland.

The Sika Group is globally active, offers specialty chemicals and supplies the building and construction industry as well as manufacturing industries with its products. Sika is a leader in processing materials used in sealing, bonding, damping, reinforcing and protecting load-bearing structures.

Sika's product lines feature high-quality concrete admixtures, specialty mortars, sealants and adhesives, fillers, damping and reinforcing materials, structural strengthening systems, industrial flooring as well as roofing and waterproofing systems.

### Unusual matters having affected the financial statements

The Company was not exposed to any unusual commercial or financial risks in the year under review.

### Financial review

The income statement for 2017 shows a profit of DKK 6,071 thousand against a profit of DKK 8,130 thousand last year, and the balance sheet at 31 December 2017 shows equity of DKK 18,827 thousand.

Results for the financial year were in line with expectations, with a strong increase in profitability.

### Knowledge resources

The Company has no knowledge resources of particular importance to its future earnings.

### Special risks

The Company was not exposed to any unusual commercial or financial risks in the year under review.

### Impact on the external environment

Sika Danmark A/S complies with the standards of the Sika group.

The Sika Group is certified according to ISO9001 and ISO14001.

### Foreign branches

The Company maintains a registered branch in Iceland.

### Events after the balance sheet date

No events have occurred after the financial year-end which could significantly affect the Company's financial position.

### Outlook

Revenues defined as sales to other group entities will decrease in 2018 due to new logistic setup within Sika group.

Again, the Company expects an increase in EBIT, as a minimum at the same level as last year.

The final result will depend on the economic situation in Denmark within the construction and aftermarket industry in 2018.





## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2017	2016
	Gross margin	43,721	38,969
2	Staff costs	-34,518	-35,036
	Depreciation and amortisations of intangible assets and property, plant and equipment	-832	-987
	Other operating expenses	0	-221
	Profit before net financials	8,371	2,725
3	Financial income	1,088	732
4	Financial expenses	-1,673	-2,257
	Profit before tax	7,786	1,200
	Tax for the year	-1,715	6,930
	Profit for the year	6,071	8,130



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2017	2016
	<b>ASSETS</b>		
	Fixed assets		
5	Intangible assets		
	Acquired intangible assets	1,701	2,268
		<u>1,701</u>	<u>2,268</u>
6	Property, plant and equipment		
	Plant and machinery	278	421
	Other fixtures and fittings, tools and equipment	114	151
	Leasehold improvements	181	266
		<u>573</u>	<u>838</u>
7	Investments		
	Other receivables	707	1,832
		<u>707</u>	<u>1,832</u>
	<b>Total fixed assets</b>	<u>2,981</u>	<u>4,938</u>
	<b>Non-fixed assets</b>		
	Inventories		
	Raw materials and consumables	488	678
	Finished goods and goods for resale	23,538	31,295
		<u>24,026</u>	<u>31,973</u>
	Receivables		
	Trade receivables	31,898	33,109
	Receivables from group entities	3,979	11,169
10	Deferred tax assets	10,335	12,050
	Other receivables	647	1,548
8	Prepayments	177	264
		<u>47,036</u>	<u>58,140</u>
	Cash	2,593	2,409
	<b>Total non-fixed assets</b>	<u>73,655</u>	<u>92,522</u>
	<b>TOTAL ASSETS</b>	<u>76,636</u>	<u>97,460</u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2017	2016
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
9	Share capital	6,000	6,000
	Retained earnings	6,827	6,756
	Dividend proposed for the year	6,000	0
	<b>Total equity</b>	<b>18,827</b>	<b>12,756</b>
	Provisions		
	Other provisions	1,098	910
11	<b>Total provisions</b>	<b>1,098</b>	<b>910</b>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	11,679	11,977
	Payables to group entities	36,930	63,006
	Other payables	8,102	8,811
		<b>56,711</b>	<b>83,794</b>
	<b>Total liabilities other than provisions</b>	<b>56,711</b>	<b>83,794</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>76,636</b>	<b>97,460</b>

- 1 Accounting policies
- 12 Contractual obligations and contingencies, etc.
- 13 Collateral
- 14 Related parties



## Financial statements 1 January - 31 December

### Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total
		6,000	6,756	0	12,756
15		0	71	6,000	6,071
		6,000	6,827	6,000	18,827



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Sika Danmark A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

#### Changes in accounting policies

For 2017, the Company has decided to present gross profit combined in the annual report.

The items revenue, change in inventories of finished goods, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

There has been no effect in the pre-tax profit/loss for the year due to the change for the Company. The balance sheet has not been effected by the changes for Sika Danmark A/S, whereas the equity has not been effected.

Therefore, the changes are only presentation and disclosure requirements. The accounting policies are consistent with those of last year for recognition and measurement.

The comparative figures as well as the financial highlights have been adjusted to the new presentation.

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Foreign currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the transaction date.

Receivables, payables and other monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

### Income statement

#### Revenue

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

#### Gross margin

The items revenue, change in inventories of finished goods, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including re-invoicing of some costs to other group companies, gains or losses on the sale of fixed assets etc.

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's 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.

##### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	5 years
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The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised. In case of changes in the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Land and buildings	25 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-6 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

##### 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

##### Intangible assets

Acquired intangible assets include software licences.

Acquired intangible assets are measured at cost less accumulated amortisation and impairment losses.

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses arising from the sale of items of property, plant and equipment are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of the sale.

##### Impairment of fixed assets

Intangible assets, property, plant and equipment and investments are subject to an annual test for evidence of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is evidence of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for groups of assets, impairment losses are recognised in respect of the other assets.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

Finished goods are measured at manufacturing cost, which includes the cost of raw materials, consumables and direct payroll costs plus production overheads.

Production overheads comprise the indirect cost of material and labour as well as maintenance and depreciation of property, plant and equipment used in the production process.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

##### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

##### Prepayments

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

##### Cash

Cash comprises cash balances and bank balances.

##### Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

##### Income taxes

Current tax payable and receivable is recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.



## 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 the tax rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

#### Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

#### Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

	2017	2016
DKK'000		
<b>2 Staff costs</b>		
Wages/salaries	30,571	31,091
Pensions	3,523	3,565
Other social security costs	424	380
	<u>34,518</u>	<u>35,036</u>
Average number of full-time employees	<u>51</u>	<u>54</u>
Remuneration to members of management:		
Executive board	3,094	3,245
Board of Directors	15	15
	<u>3,109</u>	<u>3,260</u>
<b>3 Financial income</b>		
Interest income, group entities	367	465
Other financial income	721	267
	<u>1,088</u>	<u>732</u>
<b>4 Financial expenses</b>		
Interest expenses, group entities	1,123	2,071
Other financial expenses	550	186
	<u>1,673</u>	<u>2,257</u>



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 5 Intangible assets

DKK'000	Acquired intangible assets
Cost at 1 January 2017	2,835
Cost at 31 December 2017	2,835
Impairment losses and amortisation at 1 January 2017	567
Amortisation/depreciation in the year	567
Impairment losses and amortisation at 31 December 2017	1,134
Carrying amount at 31 December 2017	1,701

#### 6 Property, plant and equipment

DKK'000	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2017	3,161	22,037	426	25,624
Disposals in the year	-2,264	-1,650	0	-3,914
Cost at 31 December 2017	897	20,387	426	21,710
Impairment losses and depreciation at 1 January 2017	2,740	21,886	160	24,786
Depreciation in the year	143	37	85	265
Reversal of depreciation of disposals	-2,264	-1,650	0	-3,914
Impairment losses and depreciation at 31 December 2017	619	20,273	245	21,137
Carrying amount at 31 December 2017	278	114	181	573

#### 7 Investments

DKK'000	Other receivables
Cost at 1 January 2017	1,832
Repayment in the year	-1,125
Cost at 31 December 2017	707
Carrying amount at 31 December 2017	707

#### 8 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 9 Share capital

The Company's share capital, DKK 6,000 thousand, consists of six shares of DKK 1,000 thousand each.

Analysis of changes in the share capital over the past 5 years:

DKK'000	2017	2016	2015	2014	2013
Opening balance	6,000	6,000	6,000	5,000	5,000
Capital increase	0	0	0	1,000	0
	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>5,000</u>

DKK'000

#### 10 Deferred tax

	2017
Deferred tax at 1 January	-12,050
Acquired intangible assets	-125
Leasehold improvements	-19
Plant and equipment	535
Provision for warranty commitment	-442
Tax loss carry-forward	<u>1,766</u>
Deferred tax at 31 December	<u>-10,335</u>

The Company expect that tax loss carry-forward will be utilised within 3-4 years in future taxable income. Therefore the deferred tax asset DKK 10,335 thousand have been recognised in the financial statements.

#### 11 Provisions

Other provisions comprise provisions for warranty commitments. The commitment is expected to be settled as the warranties fall due, expectedly within a period of 0-5 years.

#### 12 Contingent liabilities and other financial obligations

##### Other financial obligations

Other rent and lease liabilities:

DKK'000	2017	2016
Rent and lease liabilities	<u>5,849</u>	<u>8,741</u>

Rent and lease liabilities include a rent obligation totalling DKK 1,869 thousand in interminable rent agreements with remaining contract terms of 2 years. Furthermore, the Company has liabilities under operating leases for cars and IT equipment, totalling DKK 3,980 thousand, with remaining contract terms of 0-4 years.

#### 13 Collateral

The Company has not placed any assets or other as security for loans at 31 December 2017.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 14 Related parties

Sika Danmark A/S' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Sika AG	Switzerland	Participating interest Shareholders' agreement Participating interest

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Sika AG	Switzerland	www.sika.com

##### Related party transactions

Sika Danmark A/S was engaged in the below related party transactions:

DKK'000	2017	2016
Sales of goods and services to group entities	81,370	89,668
Other operating income from group entities	13,935	14,064
Cost of sales	150,476	168,790
Purchase of services from group entities	5,477	7,588
Financial income from group entities	367	465
Financial expenses to group entities	13,029	2,071
Receivables from group entities	3,979	11,169
Payables to group entities	36,930	63,006

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
Sika AG	Zugerstrasse 50, CH-6340 Baar, Switzerland

DKK'000	2017	2016
15 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	6,000	0
Retained earnings	71	8,130
	6,071	8,130