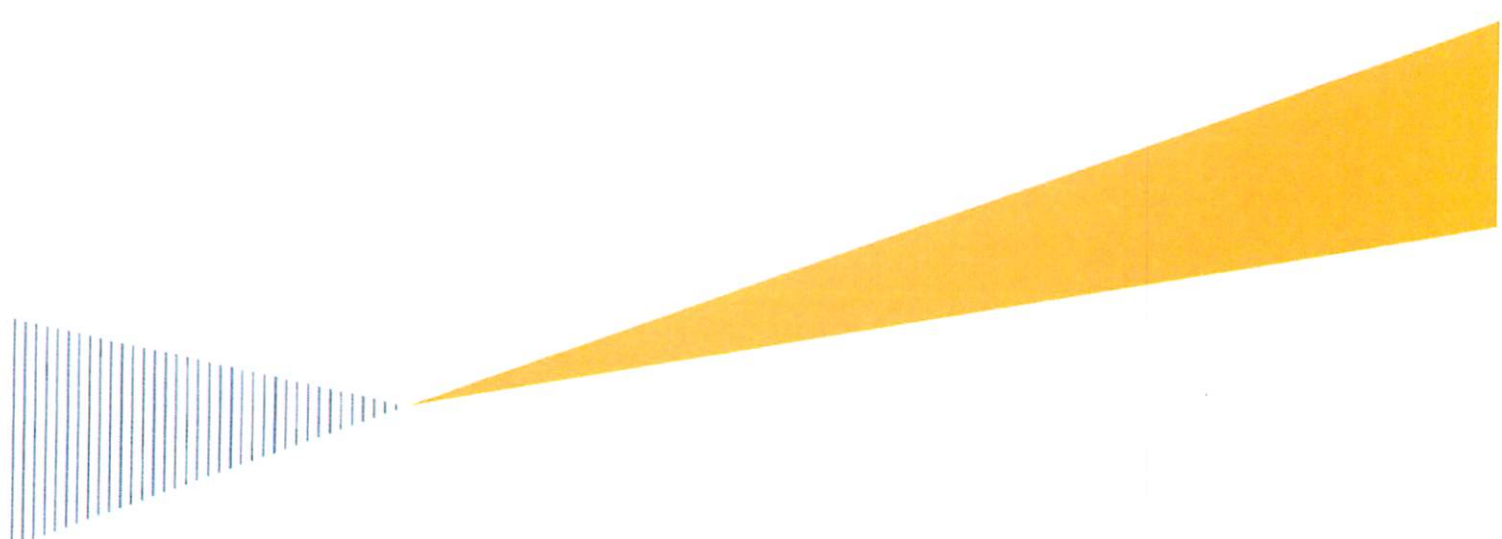


Sika Danmark A/S

Hirsemarken 5, DK-3520 Furesø

CVR no. 55 18 81 14



Annual report

for the year 1 January - 31 December 2016

Approved at the annual general meeting of shareholders on 1 June 2017

Chairman:

.....
Martin Schwalbe



Building a better
working world



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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 2016.

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

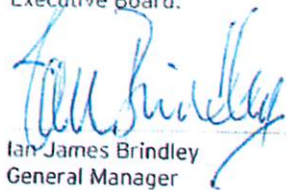
In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

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, 1 June 2017

Executive Board:



Ian James Brindley
General Manager



Martin Schwalbe
Head Finance

Board of Directors:



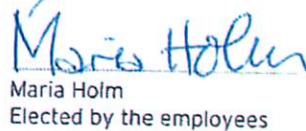
Eric Dehasque
Chairman



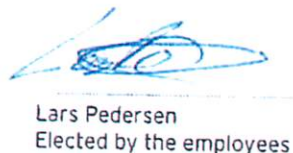
Daniel Lang



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 2016, which comprise an 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 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 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.

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 conclusion is 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 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 our procedures, 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, 1 June 2017
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Brian Skibtoft
State Authorised Public Accountant



Management's review

Company details

Name	Sika Danmark A/S
Address, Postal code, City	Hirsemarken 5, DK-3520 Furesø
CVR no.	55 18 81 14
Registered office	Furesø
Financial year	1 January - 31 December
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 Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Danske Bank Citibank Landsbankinn

Management's review

Financial highlights

DKK	2016	2015	2014	2013	2012
Key figures					
Revenue	308,381,674	315,033,436	286,218,299	273,851,632	274,052,898
Gross margin	38,969,806	33,560,354	40,509,996	50,987,728	42,215,676
Operating profit/loss	2,725,575	-6,855,723	-8,900,707	-4,370,034	-11,992,374
Net financials	-1,525,188	-2,161,347	-2,041,411	-3,722,013	-3,187,961
Profit/loss for the year	8,130,387	-8,728,507	-9,730,211	-7,849,770	-15,180,335
Total assets					
Equity	97,459,845	100,154,667	101,764,111	122,482,983	117,046,000
	12,756,055	-38,014,332	-29,285,825	-19,555,614	-12,205,844
Financial ratios					
Operating margin	0.9%	-2.2%	-3.1%	-1.6%	-4.4%
Gross margin	12.6%	10.7%	14.2%	18.6%	15.4%
Return on assets	2.8%	-6.8%	-7.9%	-3.6%	-9.0%
Current ratio	110.4%	68.0%	73.1%	76.8%	76.3%
Average number of employees					
	54	59	78	84	92

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

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

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Gross margin ratio	$\frac{\text{Gross margin} \times 100}{\text{Revenue}}$
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

Management commentary

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.

Recognition and measurement uncertainties

Reference is made to note 2 for more details. (Note regarding the recognition of the tax assets now included in the accounts).

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 Company's income statement for the year ended 31 December 2016 shows a net profit of DKK 8,130,387, and the balance sheet shows and positive equity of DKK 12,756,055.

During 2016 the improving performance against the five year plan to restore the equity of Sika Danmark A/S was recognised by the parent company Sika AG who made an equity contribution to restore the equity position.

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

The Company expects again a strong increase in EBIT.

Results of operations will depend on the economic situation in Denmark in the construction and aftermarket industry in 2017.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2016	2015
	Revenue	308,381,674	315,033,436
	Cost of sales	-256,423,746	-266,060,927
	Other operating income	14,169,708	15,184,707
	Other external expenses	-27,157,830	-30,596,862
	Gross margin	38,969,806	33,560,354
3	Staff costs	-35,036,122	-39,518,813
	Depreciation and impairment of property, plant and equipment	-986,675	-564,942
	Other operating expenses	-221,434	-332,322
	Profit/loss before net financials	2,725,575	-6,855,723
4	Financial income	732,215	893,669
5	Financial expenses	-2,257,403	-3,055,016
	Profit/loss before tax	1,200,387	-9,017,070
	Tax for the year	6,930,000	288,563
	Profit/loss for the year	8,130,387	-8,728,507

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	ASSETS		
	Fixed assets		
6	Intangible assets		
	Acquired intangible assets	2,268,024	0
		<u>2,268,024</u>	<u>0</u>
7	Property, plant and equipment		
	Land and buildings	0	3,386,048
	Plant and machinery	420,608	572,482
	Other fixtures and fittings, tools and equipment	151,399	221,029
	Leasehold improvements	266,323	0
		<u>838,330</u>	<u>4,179,559</u>
8	Investments		
	Other receivables	1,831,667	2,281,667
		<u>1,831,667</u>	<u>2,281,667</u>
	Total fixed assets	<u>4,938,021</u>	<u>6,461,226</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	677,832	1,042,592
	Finished goods and goods for resale	31,295,061	36,554,923
		<u>31,972,893</u>	<u>37,597,515</u>
	Receivables		
	Trade receivables	33,108,602	33,958,588
	Receivables from group entities	11,169,319	13,685,813
	Deferred tax assets	12,050,000	5,120,000
	Income taxes receivable	0	181,019
	Other receivables	1,548,303	637,392
9	Prepayments	264,025	374,043
		<u>58,140,249</u>	<u>53,956,855</u>
	Cash	<u>2,408,682</u>	<u>2,139,071</u>
	Total non-fixed assets	<u>92,521,824</u>	<u>93,693,441</u>
	TOTAL ASSETS	<u>97,459,845</u>	<u>100,154,667</u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2016</u>	<u>2015</u>
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	6,000,000	6,000,000
	Retained earnings	6,756,055	-44,014,332
	Total equity	<u>12,756,055</u>	<u>-38,014,332</u>
	Provisions		
	Other provisions	910,016	383,342
11	Total provisions	<u>910,016</u>	<u>383,342</u>
	Liabilities		
	Current liabilities		
	Trade payables	11,976,272	11,251,604
	Payables to group entities	63,006,111	117,416,687
	Other payables	8,811,391	9,117,366
		<u>83,793,774</u>	<u>137,785,657</u>
	Total liabilities other than provisions	<u>83,793,774</u>	<u>137,785,657</u>
	TOTAL EQUITY AND LIABILITIES	<u>97,459,845</u>	<u>100,154,667</u>

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

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2016	6,000,000	-44,014,332	-38,014,332
15 Transfer, see "Appropriation of profit/loss"	0	8,130,387	8,130,387
Contribution from group	0	42,640,000	42,640,000
Equity at 31 December 2016	<u>6,000,000</u>	<u>6,756,055</u>	<u>12,756,055</u>

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Sika Danmark A/S for 2016 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

Effective 1 January 2016, the Company has adopted act no. 738 of 1 June 2015. This implies the following changes in recognition and measurement:

In future, residual values of property, plant and equipment and intangible assets will be subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment other than those relating to the Company's land. Consequently, the change is made with future effect only as a change in accounting estimates with no impact on equity.

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

Apart from the above changes in accounting policy and new and changed presentation and disclosure requirements, which follow from act. no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Omission of a cash flow statement

According to section 86(4) of the Financial Statements Act, no cash flow statement has been prepared, as Sika Danmark A/S is included in the consolidated financial statements of Sika AG.

Reporting currency

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

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.

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 gains or losses on the sale of fixed assets.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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
----------------------------	---------

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.

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Other intangible assets includes software licences.

Other 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.

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

2 Recognition and measurement uncertainties

It has been decided to recognise the deferred tax assets in full. Utilisation is uncertain as it is based on expectations for the coming 3-5 years. Deferred tax assets amount to DKK 12 million and are recognised in the balance sheet.

DKK	2016	2015
3 Staff costs		
Wages/salaries	31,091,410	34,978,259
Pensions	3,564,985	4,019,988
Other social security costs	379,727	520,566
	<u>35,036,122</u>	<u>39,518,813</u>
Average number of full-time employees	<u>54</u>	<u>59</u>
Remuneration to members of management:		
Executive board	3,245,007	4,085,000
Board of Directors	15,000	15,000
	<u>3,260,007</u>	<u>4,100,000</u>
4 Financial income		
Interest income, group entities	465,491	585,577
Other financial income	266,724	308,092
	<u>732,215</u>	<u>893,669</u>
5 Financial expenses		
Interest expenses, group entities	2,071,172	2,720,871
Other financial expenses	186,231	334,145
	<u>2,257,403</u>	<u>3,055,016</u>

Financial statements for the period 1 January - 31 December

Notes to the financial statements

6 Intangible assets

DKK	Acquired intangible assets
Cost at 1 January 2016	0
Additions in the year	2,835,031
Cost at 31 December 2016	2,835,031
Impairment losses and amortisation at 1 January 2016	0
Amortisation/depreciation in the year	567,007
Impairment losses and amortisation at 31 December 2016	567,007
Carrying amount at 31 December 2016	2,268,024

7 Property, plant and equipment

DKK	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2016	5,567,875	3,160,655	22,037,219	0	30,765,749
Disposals in the year	-5,141,807	0	0	0	-5,141,807
Transfer from/to other accounts	-426,068	0	0	426,068	0
Cost at 31 December 2016	0	3,160,655	22,037,219	426,068	25,623,942
Impairment losses and depreciation at 1 January 2016	2,181,827	2,588,173	21,816,190	0	26,586,190
Depreciation in the year	113,073	151,874	69,630	85,213	419,790
Reversal of depreciation and impairment of disposals	-2,220,368	0	0	0	-2,220,368
Transfer from/to other account	-74,532	0	0	74,532	0
Impairment losses and depreciation at 31 December 2016	0	2,740,047	21,885,820	159,745	24,785,612
Carrying amount at 31 December 2016	0	420,608	151,399	266,323	838,330

8 Investments

DKK	Other receivables
Cost at 1 January 2016	2,281,667
Disposals in the year	-450,000
Cost at 31 December 2016	1,831,667
Carrying amount at 31 December 2016	1,831,667

9 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

10 Share capital

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

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

DKK	2016	2015	2014	2013	2012
Opening balance	6,000,000	6,000,000	5,000,000	5,000,000	5,000,000
Capital increase	0	0	1,000,000	0	0
	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>

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	2016	2015
Rent and lease liabilities	<u>8,741,000</u>	<u>10,041,000</u>

Rent and lease liabilities include a rent obligation totalling DKK 3,830,000 in interminable rent agreements with remaining contract terms of 4 years. Furthermore, the Company has liabilities under operating leases for cars and IT equipment, totalling DKK 4,911,000, with remaining contract terms of 3-4 years.

13 Collateral

The Company has not placed any assets or other as security for loans at 31 December 2016.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

14 Related parties

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

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Sika AG	Switzerland	Participating interest Shareholders' agreement Participating interest

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

Related party transactions

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

DKK	<u>2016</u>
Sales of goods and services to group entities	89,668,000
Other operating income from group entities	14,064,000
Cost of sales	168,790,000
Purchase of services from group entities	7,588,000
Financial income from group entities	465,000
Financial expenses to group entities	2,071,000
Receivables from group entities	11,169,000
Payables to group entities	63,006,000

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:

<u>Name</u>	<u>Domicile</u>
Sika AG	Zugerstrasse 50, CH-6340 Baar, Switzerland

15 Appropriation of profit/loss

Recommended appropriation of profit/loss
Retained earnings/accumulated loss

<u>8,130,387</u>	<u>-8,728,507</u>
<u>8,130,387</u>	<u>-8,728,507</u>