

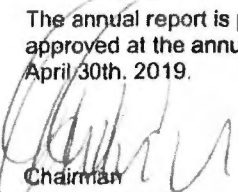
**HAVI Logistics ApS**  
**Transitvej 60**  
**7100 Vejle**

CVR-nr. 13 78 86 42

**Annual report**  
**2018**

(External)

The annual report is presented and  
approved at the annual general meeting  
April 30th, 2019.



Chairman  
Marianne Lock

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## 1. Management Statement

Annual report 2018 for HAVI Logistics ApS, Vejle (HL-DK), was submitted by the management today.

This annual report was prepared in accordance with the Danish Financial Statements Act.

We consider all used accounting policies appropriate and therefore the annual report presents a true and fair view of the company's assets and liabilities, its financial position and the 2018 result.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

The annual report is recommended to the annual General Assembly for approval.

Vejle, April 30<sup>th</sup>, 2019

### Executive Board:

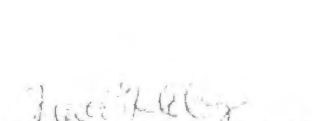


Marianne Lock  
Managing Director

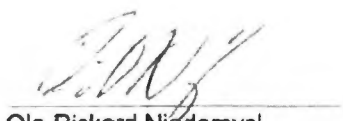
### Board of Directors:



Marianne Lock



Tina Guldager



Ola Rickard Niedomysl

## 2. Independent Auditor's Report

To the Shareholders of HAVI Logistics ApS

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of HAVI Logistics ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of cash flows, 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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## **Management's 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 these financial statements

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment 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.
- 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 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.

*Vejle, April 30<sup>th</sup>., 2019*

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 77 12 31



Lars Almskou Ohmeyer  
State Authorized Public Accountant  
mne24817



John Lindholm Bode  
State Authorized Public Accountant  
mne32840

### 3. Company Information

Company:	HAVI Logistics ApS Transitvej 60 DK-7100 Vejle
Phone:	7572 5088
Fax:	7572 4055
Homepage:	<a href="http://www.havi-logistics.com">www.havi-logistics.com</a>
Reg.no.:	13 78 86 42
Founded:	1. januar 1990
Registered office:	Vejle
Financial year	January 1 – December 31
Board of Directors:	Marianne Lock Tina Guldager Ola Rickard Niedomysl
Executive Board:	Marianne Lock
Auditor:	PricewaterhouseCoopers Statsautoriseret revisionspartnerselskab Herredsvej 32 7100 Vejle
Annual General Meeting:	Annual general meeting is held on April 30 <sup>th</sup> 2019 at the address of the company.

## 4. Key Figures

	2018 TDKK	2017 TDKK	2016 TDKK	2015 TDKK	2014 TDKK
<b>Income statement</b>					
Revenue .....	1.136.900	1.125.838	1.086.689	1.042.002	944.078
Gross result.....	81.734	74.831	75.449	69.740	63.012
Result of main activities.....	10.749	9.498	12.036	11.696	10.534
Financial net items .....	199	206	262	378	633
Annual result.....	8.391	7.798	9.658	9.222	8.412
<b>Balance sheet</b>					
Balance sheet amount.....	187.941	176.021	196.421	188.192	160.532
Equity.....	17.940	17.347	19.207	18.771	17.961
<b>Cash flows</b>					
Operating activity .....	12.086	-12.189	14.380	26.997	34.251
Investment activity.....	-558	0	-181	469	357
Hereof investment in intangibel and tangible fixed assets.....	823	0	181	81	165
Financial activity.....	-7.798	-9.658	-9.222	-8.412	-5.119
<b>Employees</b>					
Average, full time employees .....	128	120	116	109	103
<b>Keyfigures</b>					
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Key figures in % *)</b>					
Gross margin .....	7,2%	6,6%	6,9%	6,7%	6,7%
Net profit rate .....	0,9%	0,8%	1,1%	1,1%	1,1%
Yield rate.....	6,0%	5,1%	6,3%	6,8%	7,0%
Equity rate.....	9,5%	9,9%	9,8%	10,0%	11,2%
Return on Equity .....	47,6%	42,7%	50,9%	50,2%	51,6%



## 5. Management report

### 5.1. Business Model

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HAVI Logistics ApS is 100% owned by and part of HAVI Global Logistics GmbH, one of the three business units of the HAVI Group LP. HAVI Group LP consists of the following three business segments: HAVI Logistics which includes both Food Service Logistics and STI FM Group, HAVI Global Solution and The Marketing Store.

HL DK's philosophy is based on the principle of "One Stop Shopping", mainly serving Quick Service Restaurants. HL DK's business model enables its customers to fully focus on their core business as HL DK integrates itself into the customers supply chain. HL DK's customers design their own supply chain, define product ranges and negotiate conditions with its suppliers. Once conditions have been established, HL DK takes over the operational management of the supply chain, ensuring optimization, consistency, compliance and transparency. HL DK takes on procurement, customer service, supply chain quality management and distribution of supplies for its customers. HL DK activities are directed entirely to the rendering of logistics services, with a focus on value adding offerings.

HL DK assumes ownership of goods but does not bear any risk, as all procurement activities are performed based on contracts and product specifications defined by the customers. This activity works as a pass-through sales activity where HL DK initially buys goods for its customers from the suppliers chosen by the same customers. Next HL DK resells the goods to the customers at the buying price negotiated by the customers and with a logistic service markup added.

HL DK business is run from a leased distribution center in Vejle. HL DK is currently servicing around 300 delivery points (restaurants/coffee bars /stores). HL DK predominantly uses its own warehouse- and distribution staff as well as company owned distribution trucks. Subcontractors are used on a needed basis. In total HL DK owns 18 trucks, all used for distribution. HL DK employs 113 people, all located in Denmark.

### 5.2. Development in the financial year

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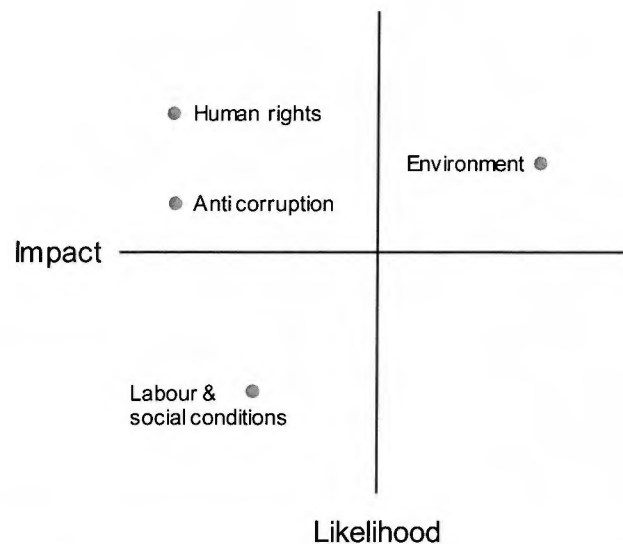
The result of TDKK 10.948 before tax meets expectations. No particular uncertainties found.

### 5.3. Corporate Social responsibility

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#### 5.3.1. Determination of main risk areas

HL DK has conducted a risk assessment based on the inside-out view in order to identify the main impacts and risks in the areas of human rights, environment, anti-corruption, labour- and social conditions. The risk assessment is based on a method where risks are identified as the likelihood and impact and the basic matrix score can be seen in the below matrix figure:



The risks are managed/mitigated through policies and standards which are defined by the group or locally within HL DK. Policy/standards implementation, risk mitigation, actions and results are presented in the below.

### 5.3.2. Human rights

#### 5.3.2.1. Policies

HL DK is supporting and complies with the human rights as set out in the UN Declaration of Human Rights.

As it is both in the interest of HL DK and its customers to comply with the human rights defined by UN, HL DK is conducting the Social Workplace Accountability (SWA) audit by means of an independent external auditor every second year.

Besides the SWA audit, HL DK follows the global HAVI policies related to human rights, being policies on Diversity, the HAVI Values see <https://www.havi.com/who-we-are> and Code of Conduct.

According to The Diversity Policy, HL DK is not allowed to discriminate based on color, nationality, sex, age, religion, disability, sexual orientation or any other characteristic protected by law.

The Code of Conduct outlines that:

- UN declaration of human rights shall be followed, that HL DK shall treat its employees fair and ensure a workplace free from discrimination and shall pay their employees per market standards and not below lawful wages
- Work place environment shall be safe and all workers shall receive training on emergency procedures.
- Employees in HL DK shall act with business integrity by being compliant with law, not be involved in any bribery, kickbacks, corruption, extortion or embezzlement.

The SWA (Supplier Workplace Accountability) audit describes guidelines to assist HAVI Logistics ApS within the following working conditions:

## Hiring/Employment Practices

- Working Hours
- Compensation and Benefits
- Workplace Protections (Discrimination, Harassment & Abuse)
- Workplace Health and Safety
- Emergency Planning
- Environment
- Sourcing Practices
- 

### 5.3.2.2. Actions and Results

To ensure compliance with human rights, every other year HL DK is conducting the Social Workplace Accountability audit by means of an independent external auditor.

Latest SWA audit was conducted in 2018 with a result score of 100%.

HL DK is also a member of the Dansk Arbejdsgiverforening and has signed and complies with union agreements for all work areas within the company.

Further HAVI has established a global whistleblower hotline which is promoted to all employees by HL DK. All employees have been informed how to get in touch with and how to report incidents to this hotline.

In 2018 no incidents related to HL DK was reported to the Whistleblower hotline.

### 5.3.3. KPIs & Due Diligence

No specific KPIs are measured.

HL DK has no formalized due diligence process related to CSR.

### 5.3.4. Labour and Social conditions

#### 5.3.4.1. Policies

HL DK's most important asset is its workforce and HL DK is aiming at being known as a company taking care of its employees and actively contributing to job satisfaction, well-being and safety.

Further description of above objectives can be found in HL DK's Job Satisfaction and Well-being Policy, in the HAVI Logistics' Health and Safety Policy and in the employee handbook.

#### 5.3.4.2. Actions & Results

Dialogue meetings with HL DK's white collars were established in 2018 with the aim of achieving an even closer dialogue between management and employees

S-AMO (Cooperation and Working Environment) meetings are being held on a quarterly basis and in each meeting topics as safety, job satisfaction and well-being of the employees are being discussed.

Every year performance appraisals are conducted. Besides performance, job satisfaction, education and future opportunities are evaluated.

A variety of safety trainings are conducted for relevant blue and white collars on a yearly basis.

Every second year an employee satisfaction survey is conducted. Based on the outcome, work groups lead by the employees are identifying improvements and implementation.

Latest employee satisfaction survey was conducted in the second half of 2017. The formed work groups presented their action points in the first half of 2018.

#### **5.3.4.3. KPIs & Due Diligence**

HL DK is on a continuous basis measuring the:

- Illness rate
- No. of accidents at work and the no. of near miss accidents
- Fluctuation rate
- Safety trainings tracked via the HR management system

HL DK has no formalized due diligence process related to CSR.

#### **5.3.5. Environment**

##### **5.3.5.1. Policies**

The guiding principles on environment are based on the Environmental Policy which outlines that HAVI always must act in an environmentally responsible manner. Examples could be, when purchasing or replacing trucks, consideration must be put on potential environmental impact and route plans must be made with the aim of minimizing environmental impact.

##### **5.3.5.2. Actions & Results**

In the effort to further minimize the environmental impact from deliveries to customers (the CO2 emission from trucks) the initial work related to a business case on building a distribution center in the Copenhagen area was started in 2017. The approval of the business case was granted in Q1 2018. The construction of the DC is presently taking place and it will be completed in 2019.

Driving in major cities requires trucks approved in accordance with EURO norm 4. Outside the cities there are no requirements as to EURO norms. In 2018 3 EURO 4 trucks were replaced with 2 trucks with EURO 6 standards.

All drivers have received training on economical driving in 2018.

##### **5.3.5.3. KPIs & Due Diligence**

HL DK reports a variety of KPIs related to the business impact on the environment to its head quarter and several are related to CSR. Amongst others HL DK is on a continuous basis measuring the:

- Energy consumption:
  - Electricity consumption in kWh
  - Gas consumption in m3

- Co2 emission in tons
- Km driven
- Diesel consumption per 100 km

HL DK has no formalized due diligence process related to CSR.

### **5.3.6. Anti-corruption**

#### **5.3.6.1. Policies**

HL DK disassociates itself from corruption. The disassociation is expressed in the policies:

- The Ethical Business Conduct
- Code of Conduct, that is shared in the employee handbook and is shared with the HL DK main suppliers

The Ethical Business Conduct and the Code of Conduct outlines that:

- Employees in HL DK must act with business integrity by being compliant with law, not be involved in any bribery, kickbacks, corruption, extortion or embezzlement. All business activities shall be conducted with honesty, integrity, and in accordance with the moral, ethical and legal standards of the countries in which HL DK conducts its business.

#### **5.3.6.2. Actions & Results**

HAVI has established a global whistleblower hotline which is promoted to all employees by HL DK. All employees have been instructed how to get in touch with and how to report incidents to this hotline.

In 2018 no incidents related to HL DK was reported to the Whistleblower hotline.

HAVI has an Internal Audit function that is auditing the HAVI companies on a continuous basis with focus on proper business conduct in accounting, finance and internal controls. An internal Audit of HL DK was conducted in November 2017. The internal audit report was received in February 2018 and no high-risk deficiencies were identified.

HAVI has established a yearly anti-bribery & anti-corruption training program which was completed by top management and randomly selected employees in HL DK.

#### **5.3.6.3. KPIs & Due Diligence**

No specific KPIs are measured.

HL DK has no formalized due diligence process related to CSR.

#### **5.4. Particular risks**

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##### **5.4.1. Currency risks**

Activities abroad mean that result, cash flow and equity are affected by current exchange rates and interest developments. It is company policy to uncover commercial currency risks. The uncovering is primarily done by currency forward transactions to uncover expected turnover and procurement within the next 12 months. No currency speculation transactions are made.

##### **5.4.2. Interest risks**

Based on business model and liquidity resources in the group, management evaluates if moderate changes of interest level will have minor effects on the result. Therefore, no positions to cover interest risk is taken.

#### **5.5. Development activities**

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The company does not have specific development activities.

#### **5.6. Report on gender representation per section 99b of the Danish Financial Statements Act.**

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The company strives for equally representation of both sexes on management level. Top 2 executives are female, so target figures are not considered relevant. Resent year recruitment and development initiatives have led to an equal gender distribution across management levels in the company today.

#### **5.7. The expected development**

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A small increase is expected in the activity compared to year 2018. Budgeted result before tax for year 2019 is on level with the result of year 2018.

No incidents of importance registered at year end closing reg. balance sheet and operations.

## 6. Accounting policies

The annual report was prepared in accordance with the provisions of the Danish Financial Statements Act applying to big-sized enterprises of reporting Class C.

Accounting policies are consistent with last year.

### 6.1. Generally, about calculation and measurement

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Revenue is included in the income statement on a continuous basis and value regulations of financial assets and liabilities are included. All costs, among those depreciations and devaluations are also included in the income statement.

Assets are included in the balance sheet when it is likely that financial advantages will accrue to the company and an authentic measurement of the asset value is possible.

Liabilities are included in the balance sheet when it is likely that future financial advantages will be deducted from the company and an authentic measurement of the liability is possible.

In the first calculation assets and liabilities are measured at cost price. Subsequently, assets and liabilities are measured in accordance with description for each item below.

By calculating and measuring, predictable losses and risks, appearing before the presentation of the annual report, are taken into consideration.

### 6.2. Foreign Currency

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Foreign currencies are converted in accordance with the transaction day rate.

Receivables and debts in foreign currencies are converted in accordance with the exchange rate of the balance sheet date.

Foreign exchange rate adjustments are included in the income statement.

### **6.3. Derivative financial instruments**

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Derivative financial instruments are initially recognized in the balance sheet at cost price and are remeasured subsequently at their fair values. Positive and negative fair values of derivative financial instruments are classified as other receivables and other payables, respectively.

Changes in the fair values of derivative financial instruments are recognized in the income statement unless the derivative financial instrument is designated and qualifies as hedge accounting, see below.

### **6.4. Hedge accounting**

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Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognized asset or a recognized liability are recognized in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognized in retained earnings under equity about the effective portion of the hedge. The ineffective portion is recognized in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognized in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognized. The amount is recognized in the same item as the hedged transaction.



## **7. The income statement**

### **7.1. Revenue**

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Revenue from the sale of commodities and finished goods is included in the income statement, when delivery and transfer of risk has taken place before year end.

Revenue is included exclusive of VAT and net of discounts relating to sales.

### **7.2. Expenses for raw materials and consumables**

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Expenses for raw materials and consumables comprise raw materials and consumables used to achieve revenue for the year.

### **7.3. Other external expenses**

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Other external expenses comprise expenses for premises, sales and distribution as well as office expenses etc.

### **7.4. Staff expenses**

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Staff expenses comprise wages and salaries as well as payroll expenses.

### **7.5. Financial entries**

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Financial entries include interest income and -expense, as well as fees and allowances in accordance with payment of company tax legislation on account.

### **7.6. Corporate tax of the year**

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Tax for the year consists of current tax for the year and deferred tax for the year. Tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

## 8. Balance Sheet

### 8.1. Tangible fixed assets

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Hardware, equipment, furniture, and vehicles are valued at cost price minus accumulated depreciations.

The depreciation basis is cost price minus expected remaining value after ended useful life.

Linear depreciations are made based on the following valuation of the expected useful life of assets:

Hardware	3 years
Other Equipment	3 – 5 years
Furniture	12 years
Vehicles	3 - 10 years

Depreciation period and residual value are reassessed annually.

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

### 8.2. Financial fixed assets

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Financial fixed assets reflect payment of deposit for property lease agreements.

#### 8.2.1. Inventory

Inventory is valued at cost price or net realization value if lower.

Cost price for commodities includes initial cost plus purchase costs.

Net realization value for inventory is balanced as sales price minus defrayed costs to effectuate the sale and is fixed considering marketability, obsolescence and development in expected sales price.

### **8.2.2. Receivables**

Receivables are balanced to nominal value minus possible provisions for anticipated losses.

### **8.2.3. Prepaid expenses**

Prepaid expenses balanced under assets include paid expenses concerning subsequent financial year.

### **8.2.4. Liquidity**

Cash includes cash at hand and in banks.

### **8.2.5. Equity**

Dividend, expected to be paid out for the year, is shown as a separate entry under equity.

### **8.2.6. Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method for temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The calculation is done on basis of intended use of the asset and settlement of the liability.

Deferred tax assets, including the tax base of tax loss carry-forward, are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on basis of current tax rules and rates at the date of the balance sheet when the deferred tax is expected to materialize into actual tax. Any changes in deferred tax due to changes in tax rates are recognized in the income statement.

### **8.2.7. Current tax receivables and liabilities**

Current tax liabilities and receivables are recognized in the balance sheet as the expected taxable income for the year with an adjustment of tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme is recognized in the income statement in financial income and expenses.

### 8.2.8. Liabilities

Liabilities are measured at nominal value, corresponding to (or almost corresponding to) amortized cost price.

## **9. Cash flow statement**

The cash flow statement reflects the company cash flow for the year, broken down in operating activities, investment activities and financing activities for the year, changes for the year in cash and cash at the beginning and end of the year.

### **9.1. Cash flow from operating activity**

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Cash flows from operating activities are calculated as the net profit for the year adjusted with non-cash operating items, changes in working capital and paid company tax.

### **9.2. Cash flow from investment activity**

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Cash flows from investment activities include payments related to purchase and sale of fixed assets.

### **9.3. Cash flow from financing activity**

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Cash flows from financing activity include raise of loans, repayment on interest-bearing debt and payment of dividend.

## 10. Calculation of Key figures

Key figures stated in the main- and key figure view are calculated as follows:

Gross margin	$\frac{\text{Gross result} \times 100}{\text{Net turnover}}$
Net profit ratio	$\frac{\text{Result of ordinary activities} \times 100}{\text{Net turnover}}$
Yield rate	$\frac{\text{Result of ordinary activities} \times 100}{\text{Average assets ex. financial assets}}$
Equity rate	$\frac{\text{Equity excl. minority shareholders, ultimo} \times 100}{\text{Total liabilities, ultimo}}$
Return on equity	$\frac{\text{Result for analysis purposes} \times 100}{\text{Average equity ex. minority shareholders}}$

## Income statement January 1 - December 31

	Note	2018 DKK	2017 TDKK
Net Sales	1	1.136.899.822	1.125.838
Change in inventory reserve		-1.190.527	-6.276
Other operating income		32.934.909	26.359
Purchased goods		-1.048.354.300	-1.032.983
Other external expenses		-38.555.810	-38.107
<b>Gross profit</b>		<b>81.734.094</b>	<b>74.831</b>
Staff expenses	2	-70.506.903	-63.559
Depreciations		-743.777	-1.775
Gains from sales of tangible assets		265.500	0
<b>Operating profit</b>		<b>10.748.914</b>	<b>9.497</b>
Financial income		442.289	486
Financial expenses		-243.163	-280
<b>Profit before tax</b>		<b>10.948.040</b>	<b>9.703</b>
Corporate tax for the year	3	-2.556.638	-1.905
<b>PROFIT FOR THE YEAR</b>	4	<b>8.391.402</b>	<b>7.798</b>

## Balance sheet as per December 31.

### ASSETS

	<u>Note</u>	<u>2018 DKK</u>	<u>2017 TDKK</u>
Other equipment		146.177	279
Assets under construction, rented premises		823.178	0
Vehicles		91.148	598
IT equipment		16.974	34
Leasehold Improvements		65.688	153
<b>Tangible assets</b>	<b>5</b>	<b><u>1.143.165</u></b>	<b><u>1.064</u></b>
Lessee deposit	6	1.683.844	1.659
<b>Financial fixed assets</b>		<b><u>1.683.844</u></b>	<b><u>1.659</u></b>
<b>FIXED ASSETS</b>		<b><u>2.827.009</u></b>	<b><u>2.723</u></b>
Inventory		45.671.594	46.862
<b>Inventory</b>		<b><u>45.671.594</u></b>	<b><u>46.862</u></b>
Trade accounts receivable		77.712.804	74.737
Receivables at group companies		7.025.949	941
Other receivables		2.209.315	2.057
Deferred tax	7	1.113.444	1.072
Receivable corporation tax		877.734	1.038
Prepaid expenses		793.359	612
<b>Receivables</b>		<b><u>89.732.605</u></b>	<b><u>80.457</u></b>
<b>Cash at banks and in hand</b>		<b><u>49.709.735</u></b>	<b><u>45.979</u></b>
<b>CURRENT ASSETS</b>		<b><u>185.113.934</u></b>	<b><u>173.298</u></b>
<b>TOTAL ASSETS</b>		<b><u>187.940.943</u></b>	<b><u>176.021</u></b>



**Balance sheet as per December 31.****LIABILITIES**

	<u>Note</u>	<u>2018 DKK</u>	<u>2017 TDKK</u>
Share capital		500.000	500
Dividend		8.391.402	7.798
Retained earnings		<u>9.048.963</u>	<u>9.049</u>
<b>Equity</b>		<b><u>17.940.365</u></b>	<b><u>17.347</u></b>
Trade accounts payable		116.862.395	114.532
Accounts payable to group companies		815.875	1.648
Other payables		<u>52.322.308</u>	<u>42.494</u>
<b>Short-term debt</b>		<b><u>170.000.578</u></b>	<b><u>158.674</u></b>
<b>TOTAL DEBTS</b>		<b><u>170.000.578</u></b>	<b><u>158.674</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>187.940.943</u></b>	<b><u>176.021</u></b>
Net sales, geographical markets	1		
Contingencies	8		
Mortgages and securities	9		
Fee to auditors appointed at the general meeting	10		
Related parties	11		
Subsequent events	14		

## Statement of changes in equity

### Equity

	<u>January 1,</u> <u>2018</u>	<u>Dividend</u>	<u>Proposal for</u> <u>appropriation of</u> <u>result</u>	<u>December 31,</u> <u>2018</u>
Share capital	500.000			500.000
Dividend	7.798.255	-7.798.255	8.391.402	8.391.402
Retained earnings	9.048.963	0	0	9.048.963
	<u><b>17.347.218</b></u>	<u><b>-7.798.255</b></u>	<u><b>8.391.402</b></u>	<u><b>17.940.365</b></u>

## Cash flow statement

	Note	2018 DKK	2017 TDKK
Profit for the year		8.391.402	7.799
Adjustments	12	2.810.904	3.467
Change in cash flow from operation	13	3.122.456	-21.020
<b>Cash generated from ordinary operations, before financial cashflow</b>		<b>14.324.762</b>	<b>-9.754</b>
Interest income and similar		442.289	486
Interest expense and similar		-243.163	-280
<b>Cash flows generated from ordinary activities</b>		<b>14.523.888</b>	<b>-9.548</b>
Paid income tax		-2.437.688	-2.641
<b>Cash flow from operations activities (A)</b>		<b>12.086.200</b>	<b>-12.189</b>
Purchase of tangible fixed assets		-823.178	0
Sale of tangible fixed assets		265.500	0
<b>Cash flows from investing activities (B)</b>		<b>-557.678</b>	<b>0</b>
Dividend paid		-7.798.255	-9.658
<b>Cash flows from financing activities (C)</b>		<b>-7.798.255</b>	<b>-9.658</b>
Change in cash (A + B + C)		3.730.267	-21.847
Cash at the beginning of the year		45.979.468	67.826
<b>Cash at the end of the year</b>		<b>49.709.735</b>	<b>45.979</b>

## Notes

### 1 Net sales, geographical markets

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>TDKK</b>
Denmark	1.069.429.822	1.081.137
Other European countries	<u>67.470.000</u>	<u>44.701</u>
	<b><u>1.136.899.822</u></b>	<b><u>1.125.838</u></b>

### 2 Employee conditions

Average number of employees	128	120
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#### Total staff expenses

Salaries and wages	57.008.847	49.157
Pension	7.955.041	7.419
Other social security expenses	510.739	473
Other personnel cost	<u>5.032.276</u>	<u>6.510</u>
	<b><u>70.506.903</u></b>	<b><u>63.559</u></b>

Remuneration to the executive and board of directors	<u>1.428.175</u>	<u>1.713</u>
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### 3 Corporate tax for the year

Tax of taxable income of the year	2.598.266	2.298
Adjustment of deferred taxation	<u>-41.628</u>	<u>-393</u>
	<b><u>2.556.638</u></b>	<b><u>1.905</u></b>

### 4 Proposed distribution of profit

Profit for the year	8.391.402	7.798
Transferred to carried forward profit	<u>0</u>	<u>0</u>

<b>For disposition</b>	<b><u>8.391.402</u></b>	<b><u>7.798</u></b>
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Dividend	<u>8.391.402</u>	<u>7.798</u>
<b>Totally disposed</b>	<b><u>8.391.402</u></b>	<b><u>7.798</u></b>

## Notes

### 5 Tangible fixed assets

	<u>Leasehold</u>	<u>Other</u>	<u>Furniture and</u>	<u>Vehicles</u>
	<u>improvement</u>	<u>equipment</u>	<u>equipment</u>	
Cost January 1	1.656.666	6.384.801	96.101	14.627.493
Additions	0	0	0	0
Disposal	0	-223.000	0	-2.183.180
<b>Cost December 31</b>	<b><u>1.656.666</u></b>	<b><u>6.161.801</u></b>	<b><u>96.101</u></b>	<b><u>12.444.313</u></b>
Depreciations as per January 1	1.503.707	6.106.283	96.101	14.029.154
Depreciations in the year	87.271	132.341	0	507.191
Depreciations on disposals	0	-223.000	0	-2.183.180
<b>Depreciations as per December 31</b>	<b><u>1.590.978</u></b>	<b><u>6.015.624</u></b>	<b><u>96.101</u></b>	<b><u>12.353.165</u></b>
<b>Net book value as per December 31</b>	<b><u>65.688</u></b>	<b><u>146.177</u></b>	<b><u>0</u></b>	<b><u>91.148</u></b>
			<u>IT equipment</u>	<u>Assets under</u>
				<u>construction</u>
Cost January 1			1.577.696	0
Additions			0	823.178
Disposal			0	0
<b>Cost December 31</b>			<b><u>1.577.696</u></b>	<b><u>823.178</u></b>
Depreciations as per January 1			1.543.748	0
Depreciations in the year			16.974	0
Depreciations on disposals			0	0
<b>Depreciations as per December 31</b>			<b><u>1.560.722</u></b>	<b><u>0</u></b>
<b>Net book value as per December 31</b>			<b><u>16.974</u></b>	<b><u>823.178</u></b>

## Notes

### 6 Financial fixed assets

	<b>Lessee deposit</b>
Cost January 1	1.658.959
Additions	24.884
Disposal	0
<b>Cost December 31</b>	<b><u>1.683.843</u></b>
<b>Net book value as per December 31</b>	<b><u>1.683.843</u></b>

### 7 Deferred tax

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>TDKK</b>
Deferred tax asset at 1 januar	1.071.816	679
Amounts recognised in income statement	<u>41.628</u>	<u>393</u>
	<b><u>1.113.444</u></b>	<b><u>1.072</u></b>

### 8 Contingencies

#### Rental contracts

The company has entered into lease contracts with an annual rent of DKK 8,965 thousand. The lease contract is non-cancellable up to 120 months.

#### Leases

The Company has entered into operating leases with a total remaining liability of TDKK 12.979

### 9 Mortgages and securities

As security for the Company's account with SKAT for tax a guarantee of kr. 210.000 has been placed.

## Notes

### 10 Fee to auditors appointed at the general meeting

	<u>TDKK</u>	<u>TDKK</u>
Audit fee to PricewaterhouseCoopers	110	110
Tax advisory services	0	2
Non-audit services	<u>296</u>	<u>37</u>
	<u>406</u>	<u>149</u>

### 11 Related parties

The company's related parties consist of the following:

#### **Controlling interest**

HGLP Alpha Holding  
 LLC, Highland Landmark III  
 3010 Highland Parkway  
 Suite 400, Downers Grove  
 Illinois 60515  
 USA

#### **Transactions**

Sales and cost of goods and services to group companies are based on market terms.

#### **Consolidated Financial Statements**

The company is included in the Group Annual Report of HGLP Alpha Holding

The group Annual Report of HGLP Alpha Holding may be obtained at the address mentioned above.

## Notes

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>TDKK</b>
<b>12 Cash flow statement - adjustments</b>		
Other financial revenues	-442.289	-486
Other financial expenses	243.163	280
Depriciations	743.777	1.775
Gains from sale of tangible fixed assets	-265.500	0
Adjustments in deferred tax	-41.628	-393
Corporation tax for the year	2.598.266	2.298
Other adjustments	-24.885	-7
	<b><u>2.810.904</u></b>	<b><u>3.467</u></b>
<b>13 Cash flow statement - change in cash flow from operation</b>		
Change in inventory	1.190.527	6.276
Change in receivables	-9.394.444	-8.756
Change in short-term debt	11.326.373	-18.540
	<b><u>3.122.456</u></b>	<b><u>-21.020</u></b>
<b>14 Subsequent events</b>		

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.